



Chicago Urban League

Equal Opportunity

4510 South Michigan Avenue, Chicago, Illinois 60653

Low-Wage African American and Latino Workers in Chicago

A Study of Three Chicago Neighborhoods

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INTRODUCTION

As impressive as has been the growth of the American economy during the 1990s, areas of isolated poverty continue to exist within large cities. For a variety of reasons, the rapid expansion in the number of jobs and corresponding high demand for labor have yet to make poverty a thing of the past in many urban communities.

In many respects, the welfare reforms that took place during the 1990s through the federal legislation as well as numerous state waivers transformed much of the debate about poverty. While until recently the problem was largely framed as how to move women off of welfare and into jobs, with decreased welfare roles and a national consensus that the reforms have been largely successful, the main concern properly moves to the working poor. For while welfare rolls have decreased significantly across the country, studies also show that the lives of the poorest persons on average have yet to improve.

Research indicates that individuals leaving welfare have tended to remain off of benefits; yet, they also appear to remain trapped in low-paying jobs. Clearly most former recipients remain at risk of a return to welfare should the economy slow down – as most every analyst expects it to eventually. Additionally, we must be concerned about more than simply reducing numbers of persons on welfare; we must also aim to reduce numbers of persons living in poverty.

In order to better understand the needs of persons who appear to be trapped in cycles of low-wage work and who therefore live in neighborhoods with high concentration of poverty, the Chicago Urban League undertook a survey of the work histories and characteristics of residents of three of Chicago's low income neighborhoods. The resulting study seeks to understand their experiences in the labor market so as to ascertain interventions that might assist welfare recipients and the unemployed to find and hold jobs, and help those in low-wage, low-skilled jobs to form stronger attachments or move into more secure, more high-paying employment. Two of these neighborhoods--Grand Boulevard and North Lawndale--are predominantly African-American communities and one--Pilsen--is a predominantly Latino community. Grand Boulevard is located on the south side of Chicago, North Lawndale is on the west side and Pilsen is on the near west side.

EXECUTIVE SUMMARY

Neighborhoods, Gender and Occupations

Among low wage workers, particular occupations and industries tend to be populated more by workers of particular race/ethnicities or of particular genders. Residents of Grand Boulevard and North Lawndale were more likely to work in service occupations; residents of Pilsen were more likely to work in occupations related to manufacturing.

- The job prospects for an inner city individual during the 1980s and 1990s depended less on aggregate levels of job growth or availability than on the availability of jobs that persons of that race or gender typically occupy. This study suggests that an upturn in manufacturing jobs is much more likely to benefit Hispanic workers in Pilsen than it would African Americans in Grand Boulevard or North Lawndale, while expanded job opportunities in the service sector are more likely to benefit African Americans.
- Women in these low income communities tended to be concentrated in fewer occupations than were men. Women are disproportionately found in low-level administrative positions in these communities, and, relative to men, are rarely found among the craft occupations.
- The Latino residents of Pilsen surveyed for this study were much more likely to be employed in blue-collar manufacturing positions or, if currently unemployed, were much more likely to have recently worked in manufacturing than the African-Americans living in Grand Boulevard and North Lawndale.

While men and women sometimes held similar jobs, substantial gender-based occupational segregation still remained.

Wages

- Although these neighborhoods are characterized by high levels of male unemployment, when men do work they tend to earn more than women.
- African American workers typically earned more than Latino workers in the three selected neighborhoods.

Pay Progression

This study indicates that the individuals who inhabit communities consisting predominantly of low income persons have tended to spend their working lives as working poor and have experienced minimal, if any, wage increases over their careers.

- The evidence in this study makes it difficult to argue that work experience alone, if it is in low wage jobs, does much to enhance the future earning potential of people living in low-income communities.

Job Tenure

These low-income communities may be populated by two distinct types of workers: those who despite low levels of education and skills have the capability to find and remain in low-wage jobs, and other workers who have a harder time finding and keeping jobs.

- While individuals in these communities generally held multiple jobs over a ten or more year period, earning low wages did not in itself mean that a worker did not work at a particular job for a number of years. The study suggests that relatively few individuals held jobs for from five to ten years, while the majority of low wage workers hold jobs for around two years.

Men were significantly more likely than women to hold their jobs for longer periods of time.

Older workers were also more likely to remain on a job for a longer period of time than were younger workers and have shorter spells of unemployment.

- Workers who had longer job tenures experience less time between jobs than those who remained on jobs for shorter amounts of time.

Workers who found a new job quickly after losing a job earned higher wages in the new job than did workers who took a longer time to find the new job.

- Workers who chose to quit a job spent less time unemployed following the job than did workers who were laid-off or fired.
- Short job tenure was found among those working as handlers and laborers, service workers and sales workers. Higher wage and higher status jobs such as technicians, precision production craft, transportation and machine operators, generally associated with manufacturing, tended to have average tenures of greater length.

Comparison of the Employed and Unemployed

- Employed persons earned higher wages in their job than did unemployed persons in their last job.
- Employed persons held their jobs longer than did unemployed persons.

Stable Employment

Less than half of residents had even one job lasting five years.

Workers having more jobs had less time between jobs.

- Workers in these communities appeared to fall into one of two categories: either they were readily able to find a new job after losing or leaving a job, or they appeared to have chronic difficulty finding a new job.
- Workers who maintained stable employment generally had higher real wages and made real wage improvements.

Length of Spell of Non-Employment

- While some neighborhood residents experienced minimal time off between jobs, most did not. Young Hispanics in Pilsen, while paid no better than African Americans in Grand Boulevard or North Lawndale, did experience shorter periods of unemployment between jobs, perhaps reflecting the greater extent of local employment opportunities in that community. While these businesses may not afford individual higher rates of wages, their proximity and ubiquity guarantee the young adults in the community greater opportunity for patterns of continual, if precarious, employment.
- Time between jobs declined with age and with more education, suggesting that older and/or more educated workers are deemed more desirable by employers or are more capable of finding and holding jobs.
- Those currently unemployed had longer completed spells of non-employment in the past than those currently employed. Also, they had not worked for a long period of time prior to being surveyed.

Reason for Job Loss and Period of Unemployment

- Workers who quit their job were out of work a significantly shorter length of time than those who were laid off.

Participation in Off-the-Job Training

- Women in the three communities were much more likely than men to have attended training at a business or technical college.
- In general, training programs appeared to perpetuate the various segments of the labor market, rather than break them down.
- Consistent with their relatively narrow employment opportunities, women also attended a much narrower range of training programs than did men.

- Participation in off-the-job training tended to correlate with higher education, widening rather than narrowing the gap between those with better and worse employment prospects.
- Most people who attended a training or vocational education program did so relatively early in their working lives.

Returns to Training

- There does not seem to be a smooth transition from a training or vocational education program to a job utilizing the training. Only two-thirds of the people participating in training reported ever using the training on a job.
- While many individuals don't use their training immediately, many do use it eventually.

Wages, Education and Training

- Real hourly wages on the current (or most recent) job increased with years of schooling.
- Training did not help the poorly educated any more than it helped the more highly educated.

On-the-Job Training

- Most residents of Grand Boulevard, North Lawndale and Pilsen work in positions where little on-the-job training is provided
- Workers with outside training were significantly more likely to be employed in positions providing on-the-job training or in unions than were workers without outside training.

The Employed and the Unemployed

- The unemployed tended to be younger, have less education, were less likely to have ever been in a union, and were more likely to have been in a sales or service occupation.

Reasons for Unemployment

- Most of the unemployed lost their last job because they were laid off.
- Women were more likely to quit their job than were men.

- Women generally quit jobs because of either health reasons or family responsibilities.
- Individual workers who lose more than one job tend to lose them for the same reasons repeatedly.
- Men who quit jobs were more likely to earn wage increases in their next job than men who were laid off or fired from a job.

Occupational Mobility

Both men and women in these three communities tended to move back and forth among low wage low-skilled jobs without constructing a path leading upward with respect to wages or skills.

Policy Recommendations

Create job opportunities in manufacturing proximate to residents of Chicago's south side.

- Create job training programs that have close linkages to employers.
- Training programs should be developed that will afford women opportunities to learn non-traditional occupations, thereby widening their range of employment opportunities.
- While school-to-work connections remain important for high school students not headed for post-secondary education, the emphasis within the public schools through high school needs to remain focused on learning basic reading, mathematical, scientific, communication, and other skills that are valued by employers.

If the goal is to move people out of poverty, programs must work to enhance worker education and training and cannot rely on work experience alone. Job placement programs give workers opportunities to earn wages, but are not necessarily a pathway out of poverty or to higher paying jobs. Much of the training that takes place in low wage jobs does little to build the worker's capacity to move to a higher wage occupation.

- Programs must work closely with the hard-to-employ clients. Many low-income workers lack the capability to find and retain jobs.

- Strong efforts should be made to provide employment services to low-wage workers who are currently employed. It is important to help them gain tenure in their jobs, build on learned skills and attain wage increases. Job change in this segment of the work force generally does not lead to progression up the employment ladder.
- Employment service resources may best be invested in workers in their twenties who are subject to more frequent spells of unemployment and might benefit most from developing stable work histories.
- Because health and family responsibilities continue to be the most common reasons for loss of jobs by women, employers, government and service providers should continue to develop strategies that can enable women to support their families and work.

LABOR MARKET SEGMENTATION

Economists say that a labor market is segmented when various identifiable groups, be they men or women, or African-Americans or Hispanics, differ significantly in important characteristics, i.e. people of various groups differ by group in the types of jobs they hold, or the level of wages they earn. Historically, major sectors of the American labor market have been highly segmented by gender and by race. For most of our history, women and racial minorities were rarely found in higher paying professional or managerial positions. Until the latter half of the twentieth century, unions remained segregated as well.

It is important to understand when segmentation occurs because when it is present, various changes in the economy or policy interventions are not likely to affect everyone the same way. When market segmentation is present, policies and services must be designed to account for how they may effect groups and communities differently. Interventions and service programs may need to be designed to address the needs of a particular group living in a particular place.

Neighborhoods, Gender and Occupations

- Among low wage workers, particular occupations and industries tend to be populated more by workers of particular race/ethnicities or of particular genders. Residents of Grand Boulevard and North Lawndale were more likely to work in service occupations; residents of Pilsen were more likely to work in occupations related to manufacturing.
- The job prospects for an inner city individual during the 1980s and 1990s depended less on aggregate levels of job growth or availability than on the availability of jobs that persons of that race or gender typically occupy. This study suggests that an upturn in manufacturing jobs is much more likely to benefit Hispanic workers in Pilsen than it would African Americans in Grand Boulevard or North Lawndale, while expanded job opportunities in the service sector are more likely to benefit African Americans.
- To the extent that the future of welfare reform and the predominantly female caseloads remain of concern, it is important to note that women are disproportionately found in low-level administrative positions in these communities, and, relative to men, are rarely found among the craft occupations.
- Women in these low income communities tended to be concentrated in fewer occupations than were men.

- The Latino residents of Pilsen surveyed for this study were much more likely to be employed in blue-collar manufacturing positions or, if currently unemployed, were much more likely to have recently worked in manufacturing than the African-Americans living in Grand Boulevard and North Lawndale.

While men and women sometimes held similar jobs, substantial gender-based occupational segregation still remained.

Latino men in Pilsen were much more likely to work in manufacturing and were less likely to work in services than were African American men in Grand Boulevard or North Lawndale. Almost 45 per cent of Pilsen men were working or, if unemployed, had recently worked as machine operators or handlers and laborers. In contrast, only 13.9 per cent of Grand Boulevard men and 24.3 per cent of North Lawndale men held these jobs. On the other hand, 37.1 per cent of Grand Boulevard men and 30.6 per cent of North Lawndale men were found in service occupations in contrast to only 15.8 per cent of Pilsen men.

Latinas in Pilsen also were heavily employed in occupations likely to be found in manufacturing. Close to half (49.5 per cent) were employed as machine operators or handlers and laborers. Only 9.9 per cent of Grand Boulevard women and 14.4 per cent of North Lawndale women were doing such work. African-American women were much more likely to be service workers than were Latinas. In Grand Boulevard, 39.4 per cent of the women worked as service workers as did 37.3 per cent of women in North Lawndale. Only 15.6 per cent of Pilsen women were holding such positions. Many women in all three neighborhoods were employed in administrative support, including clerical, jobs.

In addition to there being occupational differentiation by race and ethnic origin, there was also occupational segregation by gender. This is seen most clearly in the concentration of women in administrative support positions and their inability to find work in craft or transportation industries. The proportion of male craftworkers ranged from 15.8 per cent in Pilsen to 17.6 per cent in Grand Boulevard. In contrast, the share of female craftworkers ranged from 1.8 per cent in Grand Boulevard to 5.5 per cent in Pilsen. Virtually no women worked in transportation and material moving occupations while the share of men in this field ranged from 7.9 per cent in Pilsen to 10.2 per cent in Grand Boulevard. On the other hand, women were much more likely to be found in administrative support positions. The proportion of women holding such jobs ranged from 19.8 per cent in North Lawndale to 29.5 per cent in Grand Boulevard. This is compared with a range for men of between 4.4 per cent in Pilsen to 8.1 per cent in North Lawndale (Table 1).

Occupational Distribution of Survey Group

Occupation	Grand Blvd Males	North Lawndale Males	Pilsen Males
Executive and Managerial	0.9	0	
Professional Specialty	4.6	2.7	
Technicians	1.9	1.8	
Sales	5.6	5.4	
Administrative Support	7.4	8.1	
Private Household Service	1.9	0	
Protective Service	10.2	6.3	
Service, Except prt and hshld	25.0	24.3	
Agriculture, Forestry and Fishing	0.9	0	
Precision Production Craft	17.6	17.1	
Machine Operators	5.6	9.0	
Transportation	10.2	9.9	
Handlers and Laborers	8.3	15.3	
Total	100	99.9	

Occupation	Grand Blvd Females	North Lawndal Females	Pilsen Females
Executive and Managerial	2.7	0	2.8
Professional Specialty	4.5	3.6	2.8
Technicians	1.8	4.5	0
Sales	10.7	15.5	3.7
Administrative Support	29.5	19.1	20.2
Private Household Service	5.4	7.3	4.6
Protective Service	4.5	0.9	0
Service, Except prt and hshld	29.5	29.1	11.0
Agriculture, Forestry and Fishing	0	0.9	0
Precision Production Craft	1.8	2.7	5.5
Machine Operators	5.4	10.9	27.5
Transportation	0	0.9	0
Handlers and Laborers	4.5	4.5	22.0
Total	100	99.9	100

The specific jobs held by neighborhood residents provide additional evidence of job differentiation by gender, race and ethnic origin.

Women in Pilsen were more likely to be found in jobs tied to manufacturing than were African American women living in North Lawndale or Grand Boulevard. Many women in the Pilsen sample worked as hand packers and packagers, assemblers and machine operators. In Grand Boulevard, few women in the sample were found in each of these occupations while in North Lawndale there were few assemblers and machine operators. In North Lawndale, surveyed women were more likely to work in the food service area as cooks, kitchen workers and waitresses, or as cashiers, maids and private household service workers. In Grand Boulevard, as well, many women were employed as cashiers, food service workers, maids and private household service workers. But, unlike in North Lawndale, there were also many teachers aides, nursing aides and secretaries.

As were Latina women, many Latino men worked as hand packers and packagers and machine operators. And as with African-American women living in Grand Boulevard, few men living in this neighborhood were employed as hand packers and packagers or machine operators. Five North Lawndale men were machine operators. Many African-American men in both neighborhoods were janitors and cleaners.

Overall, approximately half of all women in the three neighborhoods were concentrated in relatively few occupations. Overall, men were somewhat less concentrated in specific occupations than were women (Table 2).

Most Common Jobs in Survey Group - Men

Occupation	Grand Blvd	North Lawndal	Pilsen
Assembler			5
Cook/kitchen worker/waiter		7	
Guards and police, private	6		
Hand packer and packager			12
Industrial truck and tractor equipment operator	5	5	
Janitor and cleaner			
Laborer, except construction			
Machine operator			
Welders and cutters			
Total	25	44	
Total in Sample			

Note: Table includes only statistics for occupations with five or more individuals working in them.

Occupation	Grand Blvd	North Lawndale	Pilsen
Assembler		6	12
	7		
Cook/kitchen worker/waiter			7
Guards and police, private			
Hand packer and packager			19
Machine Operator		6	
Maids	5		
Nursing Aides/orderlies/attendants			
Private Household service			5
Secretary			
			5
		53	

Note: Table includes only statistics for occupations with five or more individuals working in them.

Wages

- Although these neighborhoods are characterized by high levels of male unemployment, when men do work they tend to earn more than women.
- African American workers typically earned more than Latino workers in the three selected neighborhoods.

Residents of these three neighborhoods were mainly employed in low-paying positions. In each neighborhood, women earned significantly less than did men. Real hourly wages (in 1996 dollars) averaged from \$6.47 for women in Pilsen to \$7.52 for women in North Lawndale. Latino men in Pilsen earned significantly less than did African-American men in Grand Boulevard and North Lawndale. For men, the average real hourly wage ranged from \$8.28 for Pilsen residents to \$9.69 for those living in Grand Boulevard (Table 3). Women in Pilsen earned significantly less than did women in North Lawndale.

Real Hourly Wages on Current or Most Recent Job (1996 Dollars)

Grand Boulevard Men	\$9.62
Grand Boulevard Women	\$7.04
North Lawndale Men	\$9.69
North Lawndale Women	\$7.52
Pilsen Men	\$8.28
Pilsen Women	\$6.47

Pay Progression

- One of the major issues pertaining to the working poor, and facing policymakers concerned with improving their conditions, is the apparent difficulty the working poor face trying to rise above low income levels. This study indicates that the individuals who inhabit communities consisting predominantly of low income persons have tended to spend their working lives as working poor and have experienced minimal, if any, wage increases over their careers.

The challenge facing service providers and policymakers is, therefore, to alter the occupational trajectory of individuals who appear destined to remain at these wage and occupational levels throughout their working lives. The evidence in this study makes it difficult to argue that work experience alone, if it is in low wage jobs, does much to enhance the future earning potential of people living in low-income communities.

Stagnated Real Wages

For residents of these low income communities, not only was pay low on the most recent job, it was also low throughout many individuals' careers. In addition to being forced to cope with labor market problems due to lack of education and skills, these neighborhood residents also faced stagnant or declining real wages in the low-wages sectors of the labor market.

From 1979 to 1996 there was a broad, though uneven deterioration in real wages in the United States. Real hourly wages fell for the bottom 60 per cent of wage earners from 1979 to 1989, while they declined among the bottom 80 per cent from 1989 to 1996. The decline in real wages was greatest among the lower-paid workers (Mishel, Bernstein and Schmitt, 1997, pp. 143-144; Bernstein and Mishel, 1999).

Real median hourly wages also declined for the sample as a whole. The median real hourly wage on the current (or most recent) job was close to \$7.00, slightly below the real median hourly wage on the job preceding it. For those reporting three jobs, the real median hourly wage on the first job reported was approximately \$8.00, well above the real median hourly earnings on the other two jobs.

Overall, mean real hourly wages grew by 8 per cent annually from the previous to the most recent position. This represents very strong real wage growth but it is somewhat misleading since it was due to substantial pay increases earned by just a few individuals. Median real annual pay growth was -0.1 per cent, or virtually zero. While men experienced more rapid annual average growth in real wages (11 per cent) than women (4 per cent), there was no gender difference in median annual real wage growth. For both men and women, it remained around zero.

Annual real hourly pay growth was even less from the earliest to previous job. Mean real hourly wages grew by just 0.9 per cent annually, while median real hourly wages fell by 2 per cent annually.

Stagnation in median real pay points to the possibility that there may be a practical ceiling on the pay low-wage workers are ever likely to earn unless unemployment rates stay low for long periods of time, real wages rise at the bottom of the pay structure or low-wage workers augment their marketable skills significantly, enabling them to more effectively compete for better-paying work. For all jobs reported in the survey, the median highest real hourly wage was approximately \$8.00. For men, it was approximately \$9.50 while for women it was approximately \$7.00.

Women, Education and Wage Ceilings

Throughout their reported careers, women currently residing in Grand Boulevard, North Lawndale and Pilsen have earned very low wages. They have been so low, particularly for high school dropouts and even high school graduates, that they suggest that merely finding a job will not be a long-term solution to the poverty plight facing many of these women. If this is true, policies focusing on improving conditions and disposable income for the working poor are more likely to be productive than policies aimed at creating significant occupational mobility.

High school dropouts earned very low real wages throughout their reported career. The median value of the highest real hourly wage earned was close to \$7.00. This rose to approximately \$8.75 for high school graduates and \$10.25 for those with post-secondary education.

At each level of schooling, women face a lower practical ceiling on earnings than do men. The median highest reported real hourly wage for female high school dropouts was \$6.00, for female high school graduates \$7.25 and for women with some education beyond high school it was \$8.75. For men, the equivalent figures were \$8.00 per hour for high school dropouts, \$10.25 per hour for high school graduates and \$13.00 per hour for those with post secondary education.

Job Tenure

- These low-income communities may be populated by two distinct types of workers: those who despite low levels of education and skills have the capability to find and remain in low-wage jobs, and other workers who have a harder time finding and keeping jobs.
- While individuals in these communities generally held multiple jobs over a ten or more year period, earning low wages did not in itself mean that a worker did not work at a particular job for a number of years. The study suggests that relatively few individuals held jobs for from five to ten years, while the majority of low wage workers hold jobs for around two years.
- Men were significantly more likely than women to hold their jobs for longer periods of time.
- Older workers were also more likely to remain on a job for a longer period of time than were younger workers and have shorter spells of unemployment.
- Workers who had longer job tenures experience less time between jobs than those who remained on jobs for shorter amounts of time. Improving the prospects of these two groups of workers may require different strategies by service providers and policymakers.
- Workers who found a new job quickly after losing a job earned higher wages in the new job than did workers who took a longer time to find the new job. Perhaps workers who quickly found new jobs were more desirable employees, and therefore worth more to employers than those who had a harder time finding new work. Or perhaps longer spells of unemployment tend to bid down the value of a worker, or force them to accept a lower paying job rather than continue even longer unemployed.
- Workers who chose to quit a job spent less time unemployed following the job than did workers who were laid-off or fired.

Short job tenure was found among those working as handlers and laborers, service workers and sales workers. Higher wage and higher status jobs such as technicians, precision production craft, transportation and machine operators, generally associated with manufacturing, tended to have average tenures of greater length.

Job Tenure for Men and Women

Overall, the mean job tenure of neighborhood residents on their most recent job was 53.1 months, or slightly less than 4.5 years. The mean is strongly influenced by those with very long-term employment relationships. The median tenure--the point at which half of the workers had been with their employer longer and half shorter--was 23 months, or just shy of two years, well below the mean job tenure.

Men tended to hold their jobs for longer periods of time than did women. The mean job tenure for men was 63.0 months as compared to 43.4 months for women. The median job tenure for men was 29 months in contrast to 16 months for women. Thus, half of the women had held their current (or most recent) job for just 1.33 years or less.

As men and women aged, they retained their jobs for longer periods of time. Median job tenure for women aged 20 to 29 years was less than 1 year and for those aged 30 to 39 years only 1 year. Median job tenure for men in their twenties and thirties was only slightly higher. Particularly striking is the rise in job tenure as people pass the age of 40. Median job tenure for men between the ages of 50 to 59 rises to approximately 10 years and for women in this age group to approximately 5 years (Table 4).

Job Tenure In Months On Current or Most Recent Job by Age

	Men Median	Men Mean	Women Median	Women Mean	Total Median	Total Mean
20-29	13	23	10	19	11	21
30-39	23	48	12	29	14	38
40-49	36	74	29	56	33	65
50-59	119	140	59	90	82	119
60-64	89	111	207	166	124	136
Total	29	63	16	43	23	53

Job Tenure and Occupation

Job tenure varied by occupation. Short job tenure was found among those working as handlers and laborers, service workers and sales workers (Table 5). Higher wage and higher status jobs such as technicians, precision production craft, transportation and machine operators, generally associated with manufacturing, tended to have average tenures of greater length, but are also more likely to be populated by males.

Job Tenure in Months On Current or Most Recent Job by Occupation

Occupation	Median	Mean
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Executive and Managerial	58	51
Professional Specialty	16	72
Technicians	26	58
Sales	13	39
Administrative Support	12	77
Private Household Service	12	42
Protective Service	23	54
Service, Except prt and hshld	18	36
Agriculture, Forestry and Fishing	65	81
Precision Production Craft	29	75
Machine Operators	28	57
Transportation	50	86
Handlers and Laborers	10	30

The large difference between mean job tenure and median job tenure raises the possibility that there are two groups of neighborhood residents, one with relatively long-term employment relationships, albeit not necessarily well-paying, and the other having great difficulty accessing other than short-term, very low-paying positions.

Comparison of the Employed and Unemployed

Persons employed and unemployed at the time of the survey differed in systematic ways:

Employed persons earned higher wages in their job than did unemployed persons in their last job.

- Employed persons held their jobs longer than did unemployed persons.

While neighborhood residents were mainly employed in low-paying positions, the real hourly earnings of the currently unemployed on their most recent job were significantly lower than the real hourly earnings of the currently employed. This held for men where the real hourly earnings of the employed averaged \$10.63 in contrast to \$7.94 for the unemployed. Employed women averaged real hourly wages of \$7.70 as compared to their jobless counterparts who earned \$6.63 on their most recent job. In Grand Boulevard and North Lawndale, though not in Pilsen, real hourly earnings of currently employed men and women were significantly higher than the real hourly wages earned by their unemployed counterparts on their most recent job (Table 6).

Real Hourly Wages on Current or Most Recent Job
by Employment Status (1996 dollars)

	Employed	Unemployed
Grand Boulevard		
Men	13.26	8.05
Women	9.03	6.60
North Lawndale		
Men	12.72	8.02
Women	8.39	7.00
Pilsen		
Men	8.60	7.56
Women	6.66	6.31
Total		
Men	10.63	7.94
Women	7.70	6.63

Not only did the currently unemployed earn less when working than the currently employed, they also held jobs for shorter periods of time. The actual average job tenure on the most recent job of those currently unemployed was 36.7 months, less than half

the recorded average job tenure of 77.7 months of those working at the time of the survey. For employed men, the recorded job tenure was 87.8 months, or more than 7 years, in contrast to 41.8 months for the unemployed. Currently employed women had an average job tenure of 63.8 months, or more than 5 years, while those out of work had held their most recent job for a period of time averaging 32.7 months, or less than 3 years.

Many of the unemployed had held their most recent job for a very short period of time, 6 to 12 months at best. In each neighborhood, the share of employed men and women with short job tenure was far below that of the currently unemployed (Table 7).

Job Tenure on Current or Most Recent Job by Employment Status

	Job Tenure 6 months or less			Job Tenure 12 months or less		
	Grand Blvd.	N. Lawndale	Pilsen	Grand Blvd.	N. Lawndale	Pilsen
Men						
Employed	14.7%	21.6%	16.5%	23.5%	27.0%	20.3%
Unemployed	27.1%	36.5%	40.0%	40.0%	41.3%	57.1%
Women						
Employed	14.3%	31.6%	30.0%	23.8%	39.5%	36.0%
Unemployed	29.1%	32.3%	39.7%	38.4%	56.9%	58.6%

Because the job tenure figures for the employed were arbitrarily truncated, this pattern may be even stronger than the data indicates. Unless additional information was available, it was assumed that workers holding jobs at the time of the survey interview would work in their current positions until June 1995. This assumption was made since it is impossible to predict when a current job would end. It is clear, however, that the recorded job tenure of the employed is shorter than they would actually experience.

The job tenure differentials were also apparent in most occupational groupings. Those currently employed as sales workers, administrative support including clerical workers, service workers, craft workers, machine operators, and handlers and laborers had significantly longer recorded job tenure than the unemployed working in these positions on their most recent job (Table 8)

Mean Job Tenure in Months on Current or Most Recent Job by Occupation and Employment Status

Occupation	Employed	Unemployed
Executive and Managerial	44	72
Professional Specialty	73	14

Technicians	55	60
Sales	100	20
Administrative Support	114	50
Private Household Service	82	22
Protective Service	82	27
Service, Except prt and hshld	55	29
Agriculture, Forestry and Fishing	81	
Precision Production Craft	98	54
Machine Operators	79	41
Transportation	93	71
Handlers and Laborers	39	22

The unemployed did not experience shorter job tenure than the employed only on the most recent job. The same was found on the job prior to the most recent one. Overall, those unemployed at the time of the survey had an average job tenure of 34.5 months on this job as compared to an average job tenure of 49.9 months for those currently employed. The same held for men and women separately.

The currently employed had significantly longer job tenure on the current job than on the previous job. The same did not hold for those currently unemployed. The increasing tenure of the currently employed and the tenure differences between the currently employed and the currently unemployed raises the possibility that some of the employed, at least, had attained a stable employment pattern.

Stable Employment

- Less than half of residents had even one job lasting five years.
- Workers having more jobs had less time between jobs.
- Workers in these communities appeared to fall into one of two categories: either they were readily able to find a new job after losing or leaving a job, or they appeared to have chronic difficulty finding a new job.
- Workers who maintained stable employment generally had higher real wages and made real wage improvements.

There are several ways to define stable employment. First, a worker might be said to have stable employment when he or she remains on a particular job for a long period of time. Second, a worker might be said to have stable employment when he or she can leave one job and find another within a short period of time.

This study uses both definitions to determine the extent to which workers in low income labor markets in Chicago are able to attain stable employment. Individuals surveyed were asked to provide information on the 3 most recent jobs held, or fewer if they had not had 3 jobs by this point in their work life, and the intervening period between the jobs. For the United States as a whole, median job tenure for workers aged 25 years and older is approximately 5 years (U.S. Department of Labor, 1995, pp. 12-13). Thus, individuals having at least one job of 5 years duration or longer are considered to have attained stable employment.

) Time on a Job

In these low-income communities, less than half of people who had worked had experienced a job that lasted as many as five years. These communities offer, therefore, relatively few role models for stable employment. Approximately one-half of the men and one-third of the women had at least one job lasting 5 years or more. Men captured by the survey averaged significantly more jobs--2.3--than did women--2.0. On average, both men and women were in their twenties when they began a job with an ultimate duration of 5 years or longer. Men were 26.9 years of age and women were 27.7 years of age at the time.

In general, educational attainment was not related to the age at the start of a job of long duration. However, there was one exception. Women who were high school dropouts were older than other women when they began a job destined to last at least 5 years. They were 29.7 years of age when they began a job which was to last at least 5 years, in contrast to women high school graduates who were 24.2 years of age and women with

post-secondary education who were 26.4 years of age. This is likely due to the difficulties women high school dropouts face in finding long-term, stable jobs as well as the possibility that family responsibilities were more of an impediment for these women than more educated women.

Length of Spells Between Jobs

Overall, those reporting 3 jobs had less non-employment time than those reporting fewer positions. Looking at the share of time spent in non-employment in the period dating from the beginning of the first reported job to June 1995, those reporting 3 jobs spent 24.1 per cent of the time in non-employment, those with 2 jobs spent 36.0 per cent of the time in non-employment and those with only 1 job spent 37.1 per cent of the time out of work. Women reporting 2 or fewer jobs had significantly more non-employment time than did men. There were no gender differences in non-employment time among those having 3 jobs (Table 9).

Share of Time Spent in Non-Employment by Number of Jobs

Number of Jobs	Men	Women	Total
1	.31	.42	.37
2	.31	.41	.36
3	.22	.27	.24

Workers in these communities appeared to fall into one of two categories: either they were readily able to find a new job after losing or leaving a job, or they appeared to have chronic difficulty finding a new job. For persons with 3 jobs, there is a strong relationship between the intervening time between the earliest job reported and the one which followed and the time between the previous job and the current, or most recent, job. Those able to quickly find a second job after losing their first job were also able to quickly find their current job after losing their previous one. Overall, 45.6 per cent of those who found their current (or most recent) job (Job 1) within a period of 0 to 1 months after losing a job (Job 2) were also able to find Job 2 within a period of 0 to 1 months after losing Job 3. Similarly, 77.2 per cent of those who needed 2 or more months to find the current, or most recent, job also needed the same amount of time to find Job 2 after losing Job 3 (Table 10). The same relationship held for women but not men. Of the 14 men with minimal time between jobs, 11 also had a job lasting 5 years or more. Of the 12 women able to find work quickly, only 4 had a job lasting 5 years or more.

Table X
Comparison of Time Between Earlier Jobs and Time Between Later Jobs

Time Between First Job (Job 3) and Job Which Followed (Job 2)

Time Between Current (Job 1) and Preceding Job (Job 2)	0 to 1 Months	More than 2 months	Total
0 to 1 month	26	31	57
2 or more months	29	98	127
Total	55	129	184

Of those with only 2 jobs, 29 percent found their current (or most recent) job within a period of less than 2 months. Close to half of these individuals also had a job lasting 5 years or longer.

Workers with short time between jobs were also somewhat more likely to be able to find jobs of long duration. However, many neighborhood residents were neither able to find employment quickly nor long-term positions. For them, stable employment remained to be achieved.

Wage Level

Men who began their current job within one month of leaving their previous one earned a real hourly wage of \$11.22 as compared to the real hourly wage of \$8.56 earned by those who had a period of 2 or more months of non-employment between their previous job and their current one. The same held for women. Those who began their current job within one month of leaving their previous position earned a real hourly wage of \$8.30 as compared to the real hourly wage of \$6.72 earned by those who took a longer time to find work.

Wage Improvement

Workers with short periods of non-employment were also more likely to improve their real wages. Real hourly wage growth is determined by comparing the real hourly wage earned on the current job and the real hourly wage earned on the prior job. There are three categories of such individuals:

Gainers: Those whose real hourly earnings increased by more than 3 percent.

No Change: Those whose real hourly earnings increased or decreased by no more than 3 percent.

Losers: Those whose real hourly earnings decreased by more than 3 percent.

“Gainers” were more likely than “losers” to have begun their current job within one month of having left their previous one. The same held for men and for women. Approximately 40 percent of male gainers found their current job in one month or less in contrast to approximately 22 percent of male losers. Similarly, approximately 37 percent of women gainers began their current job within one month of leaving their previous one as compared to approximately 15 percent of women losers.

Percent Change in Real Hourly Wages by Time Between Current and Previous Job by Gender

	0 to 1 Month	Over 2 Months	Total
Men			
Gain Over 3%	37	55	92
Little Change	10	9	19
Loss Over 3%	22	77	99
Total	69	141	210
Women			
Gain Over 3%	31	54	85
Little Change	7	8	15
Loss Over 3%	12	71	83
Total	50	133	183

Length of Spell of Non-Employment

While some neighborhood residents experienced minimal time off between jobs, most did not. Young Hispanics in Pilsen, while paid no better than African Americans in Grand Boulevard or North Lawndale, did experience shorter periods of unemployment between jobs, perhaps reflecting the greater extent of local employment opportunities in that community. While these businesses may not afford individuals higher rates of wages, their proximity and ubiquity guarantee the young adults in the community greater opportunity for patterns of continual, if precarious, employment.

- Time between jobs declined with age and with more education, suggesting that older and/or more educated workers are deemed more desirable by employers or are more capable of finding and holding jobs.
- Those currently unemployed had longer completed spells of non-employment in the past than those currently employed. Also, they had not worked for a long period of time prior to being surveyed.

The survey provided data on two completed spells of non-employment and one ongoing spell. The average duration was very similar for the two completed periods of unemployment--23.9 months for the interval between the beginning of the current (or most recent) job and the ending of the previous position, and 22.3 months for the interval between the second job and the job prior to it. The median length of both spells was 9 months. The higher mean durations were due to the very long periods of non-employment experienced by a few individuals. There were no significant differences in the length of a period of non-employment between men and women.

Neighborhoods differed significantly in the average duration of the most recent completed spell of non-employment of their residents. Pilsen residents were out of work a shorter period of time--16.8 months--than were residents of Grand Boulevard--29.8 months--and North Lawndale--22.4 months. The same held for men separately but not for women.

Age and Unemployment

The shorter interval of non-employment in Pilsen appears due to the behavior of people between the ages of 20-29 at the time they lost Job 2. Those living in Pilsen were out of work on average 1 year while in North Lawndale their duration of nonemployment was somewhat more than 2 years and in Grand Boulevard it was approximately 3 years. Both 20-29 year old Latino men and women in Pilsen found work more quickly than their African-American counterparts in North Lawndale and Grand Boulevard (Table 1A).

Time Between the Current or Most Recent Job and the
Preceding Job by Age at Time of Loss of the Preceding Job
By Neighborhood in Months

Age	Grand Boulevard	North Lawndale	Pilsen
14 to 19	54.8	60.0	56.0
20 to 29	35.7	25.0	12.3
30 to 39	24.3	15.8	16.8
40 to 49	12.2	10.7	23.6
50 to 59	7.0	17.5	11.8
Over 60	0	0	1.0
Total	29.8	22.4	16.8

Even though, on average, there were no significant differences between men and women in the length of an interval of non-employment, there were strong variations by gender within some age groups. Men who were teenagers when they lost their second job, were out of work 3 years before beginning another job. Women were non-employed for even longer - an average of 5.75 years. Women aged 40 to 49 at the time of losing Job 2 took more than twice as long as men to begin their current (or most recent) job.

Time Between the Current or Most Recent Job and the
Preceding Job by Age at Time of Loss of the Preceding Job
By Gender in Months

Age	Men	Women	Total
14 to 19	36.7	69.7	56.5
20 to 29	23.5	23.2	23.4
30 to 39	19.9	19.6	19.8
40 to 49	11.3	28.5	17.4
50 to 59	10.1	15.3	12.2
Over 60	.5		.5
Total	20.4	25.7	22.9

Age, Education and Re-Employment

In general, the older you were at the time of job loss, the easier it was to be re-employed. But the duration of non-employment was also related to the level of education. Workers who had more education were more quickly re-employed than the less educated. For the sample as a whole, those with some post-secondary education had significantly shorter spells of non-employment than high school dropouts. Among men, those with more than 12 years of schooling had a significantly shorter time out of work than both high

school graduates and high school dropouts. Women high school graduates also found they were more easily re-employable than high school dropouts. However, the same did not hold for women with some schooling beyond high school (Table 3A)

Number of Months Between the Current or Most Recent Job and the Preceding Job by Years of Education and Gender

Years of Education	Men	Women	Total
Less Than High School	24.1	35.0	28.7
High School Diploma	26.1	18.0	22.3
More Than High School	14.5	22.6	18.7

Reason for Job Loss and Period of Unemployment

Workers who quit their job were out of work a significantly shorter length of time than those who were laid off.

The average time between jobs was 31.8 months for workers who were laid off in contrast to 17.9 months for those who quit, a difference of more than one year. Among men, as well, those who quit returned to work faster than those who were fired. However, the length of an intervening period of non-employment experienced by women was not significantly related to the reason for job loss.

African-American men in Grand Boulevard and North Lawndale had a significantly shorter period of non-employment if they quit their position rather than being fired. The same held for women living in North Lawndale (Table 4A).

Table XX
Number of Months Between the Current (or Most Recent) Job and the Preceding Job by Reason for Loss of Preceding Job and Gender

	Quit	Laid-Off
Grand Boulevard		
Men	17.2	42.0
Women	28.6	32.9
North Lawndale		
Men	10.2	39.7
Women	11.7	43.4
Pilsen		
Men	11.8	15.5
Women	22.8	16.2
Total	17.9	31.8
Men	13.0	31.6
Women	22.6	32.2

Overall, those employed at the time of the survey had significantly shorter non-employment intervals than the currently unemployed. For both completed spells of unemployment, the results held for men but not for women (Table 5A).

Table XX
Number of Months Between Jobs by Current Employment Status and Gender

	Job 2 to Job 1			Job 3 to Job 2		
	Men	Women	Total	Men	Women	Total
Employed	15.5	26.2	19.6	15.5	16.3	13.3
Unemployed	28.1	25.5	26.7	31.2	25.4	25.3

Note: "Job 1" is the current or most recent job, "Job 2" is the job preceding Job 1, and "Job 3" the job preceding Job 2.

Not only did the currently unemployed have long periods of non-employment over their careers, they were also enmeshed in an extended spell of non-employment at the time of the survey. It was much longer than any of the completed spells. For men, this ongoing time of non-employment averaged 39.1 months while for women it was 50.7 months, significantly longer than for men. While virtually all of the unemployed claimed to be looking for work, some had been out of work for many years. Overall, the median length of an ongoing spell of non-employment was approximately 2 years. North Lawndale residents had been out of work for a significantly longer period of time than residents of Pilsen and Grand Boulevard.

Length of Ongoing Period of Non-Employment in Months for the Currently Unemployed by Gender

	Men	Women	Total
Grand Boulevard	39.9	45.9	43.2
North Lawndale	52.9	58.2	55.5
Pilsen	11.2	49.4	35.0
Total	39.1	50.7	45.5

Latino men in Pilsen were the only group to average non-employment less than a year. With the exception of them, the findings suggest that many of the unemployed faced extreme difficulties in finding work in the mid 1990s, a continuation of the employment problems they encountered throughout their reported career.

TRAINING AND EDUCATION

The academic literature and evaluation studies of training programs have provided mixed reviews as to the level of returns to participants in employment training programs. While many training programs clearly benefit their trainees, studies have also reported on programs where returns to training have actually been found to have been negative.

What accounts for these differences in the value of job training programs? This is an essential question to answer for policymakers and service providers interested in developing an employment training system that will help low-skill individuals and people at risk of welfare utilization attain steady, decent paying jobs.

The results of this study point to the need for a unified education and training policy which first emphasizes general classroom education. Schooling appears to be more effective at raising incomes than is training. Once an individual is reasonably well-educated, then appropriate off-the-job training might be beneficial. And off-the-job training often leads to positions providing useful on-the-job training.

In particular, training programs aimed at women may need reforming. The training opportunities that appear to have been available to women in this study were quite narrow and the returns to training were much lower for women than for men. This is to say that men in the study attained greater wage gains attributable to training than did women. The training system appears to help perpetuate gender inequalities in the low income labor market.

Participation in Off-the-Job Training

- Women in the three communities were much more likely than men to have attended training at a business or technical college.

In general, training programs appeared to perpetuate the various segments of the labor market, rather than break them down.

Consistent with their relatively narrow employment opportunities, women also attended a much narrower range of training programs than did men.

- Participation in off-the-job training tended to correlate with higher education, widening rather than narrowing the gap between those with better and worse employment prospects.

Most people who attended a training or vocational education program did so relatively early their working lives.

Who Attended Training and Types of Training Programs

Most persons interviewed for this study did not participate in off-the-job training programs. Of the individuals in the sample, 21.6 per cent had taken a job training or vocational education program lasting more than two weeks. Men and women were equally likely to have been involved in a training program. Of men, 22.5 per cent had done so. Of women, 20.7 per cent had attended a job training or vocational education program.

Residents of Grand Boulevard were far more likely to attend training outside of work than were residents of North Lawndale and Pilsen. Of the 144 persons who took at least one training program, 84 were from Grand Boulevard, 31 from North Lawndale and 29 from Pilsen. Grand Boulevard residents were much more likely to take high school or community college job training or vocational education programs as well as government training programs provided by community based agencies than were residents of the other two neighborhoods. For example, only 1 resident of Pilsen and 5 residents of North Lawndale in the sample had attended a training or vocational educational program at a high school or community college in contrast to 16 residents of Grand Boulevard. Similarly, only 2 Pilsen residents and 3 North Lawndale residents had participated in a government training program run by community based organizations in contrast to 12 individuals living in Grand Boulevard.

Business colleges and technical colleges were the primary sources of training followed by high schools and community colleges. Approximately 10 per cent of those receiving training participated in a government training program.

Training programs were generally quite short. While the average program duration was 10.7 months, 44 per cent of the programs lasted 0 - 4 months, not a particularly long time.

Age at Training

Most people who attended a training or vocational education program did so relatively early in their working lives. More than 50 percent of those who attended a business or technical college, apprenticeship program or government training program did so when they were 20 to 29 years of age. The typical man ended a training program when he was 27.9 years of age. Women trained at a somewhat later age. On average, women were 29.1 years of age when their program ended. Women (32.8 per cent) were more likely than men (25.7 per cent) to undertake training when they were 30 to 39 years of age, likely after their children had grown, or at least required less immediate care. High schools and community colleges were the primary venues for training for teenagers.

While women and men were equally likely to participate in training or vocational education, there were sharp gender differences in where training was taken and the jobs trained for. Close to 50 percent of the women received their training at a business or technical college in contrast to 30 percent of the men (Table 1).

Table
Percent of Persons Receiving Training by
Source of Most Recent Training Program Attended and Gender

	Men	Women	Total
High school or community college	17.3	13.0	15.3
Business college, technical college	29.3	49.3	38.9
Apprenticeship	10.7	8.7	9.7
Military	1.3	1.4	1.4
Government program through community based agency	13.3	10.1	11.8
Other	28.0	17.4	22.9
Total	99.9	99.9	100

Women Trained for a Narrow Range of Opportunities

Women trained for a very narrow range of occupations. One quarter of the women were trained for just 2 occupations--secretary or typist--and an additional 15 per cent for just 2 more--computer operator and nursing aides/orderlies. Men, on the other hand, studied for a much wider range of jobs as well as different jobs. Automobile mechanics, carpenters and guards and police headed the list. Training and vocational institutions have served to reinforce the gender segregation in the labor market (Table 2).

Most Common Jobs Sample Trained to Do

	Men		Women
Automobile mechanics	7	Secretary	12
Carpenters	6	Typist	6
Guards and police	5	Computer operator	6
HVAC and refrigerator mechanics	4	Nursing aides/orderlies	6
Electrical equipment repair	3	Hairdresser/cosmetologist	3
Health technicians	3	Data entry keyer	3
Soft skills	3	Computer programmer	3
Truck driver	3		
Total	37		39
Total undertaking training	75		69

Note: Occupations with at least 3 persons in sample.

Not only did training programs not help broaden occupational options for women, they also did not compensate, to any major degree, for the lack of formal education of many inner city residents. Persons who were already more educated were more likely to participate in training or vocational education than persons with less education. Only 10 per cent of high school dropouts attended training programs as compared to 24 per cent of high school graduates and 39 per cent of those with some post-secondary schooling. This also held for men and women separately though only 31 percent of women with more than 12 years of schooling pursued training or vocational education in contrast to almost 50 percent of similarly educated men. (Table 3).

Training Status by Years of Education by Gender

Years of education	Took training	No training
	Men	
Less than high school	8.5%	91.5%
High school diploma	23.3%	76.7%
More than high school	48.7%	51.3%
Total	22.3%	77.7%
	Women	
Less than high school	12.3%	87.7%
High school diploma	25.6%	74.4%
More than high school	30.7%	69.3%
Total	20.8%	79.2%

Returns to Training

- Only two-thirds of the people participating in training reported ever using the training on a job. There does not seem to be a smooth transition from a training or vocational education program to a job utilizing the training.
- While many individuals don't use their training immediately, many do use it eventually.

Of the most popular sources of training, apprenticeships were most likely to lead to a job utilizing the learned skills. Information gained and skills learned in a high school or community college setting were least likely to be used on a job (Table 4).

Percentage of Trainees Using Training on a Job by Source of Training Program

	Used Training
High school or community college	40.9
Business college, technical college	60.7
Apprenticeship	85.7
Government program through community based agency	70.6
Other	80.6
Total	66.2

Workers who took their training while in their twenties were more likely to use it on the job than workers who reported receiving training as teens. Training taken between the ages of 20 to 29 was most likely to be directly applicable with 75 per cent responding affirmatively. On the other hand, only 53.3 per cent of those trained as teenagers found their training applicable to their eventual employment.

While for many trainees the job training may not be of immediate benefit, the evidence suggests that with time, individuals are more likely to use it eventually. The longer the elapsed time between the ending of a training program and the survey, the more likely that the training would be used on a job. The average time since training ended was 11 years for those reporting they utilized training in contrast to 8 years for those reporting their jobs were unrelated to their training. Training taken recently was much less likely to be explicitly useful for women than training taken a while ago. For those women who found training useful on a job, almost eleven years had elapsed from the taking of training while less than seven years had elapsed for those who did not. For men, there

was not a significant difference in the time elapsed since training and the likelihood of using training on a job.

The results for the sample as a whole, and for women in particular, are suggestive of two possible scenarios. Recent training initiatives may be less well connected to the labor market and job availability than earlier ones and/or it takes a long time before trainees are able to find jobs matching their newly learned skills.

Training programs may provide a positive return even if the training is not explicitly used on a job. Furthermore, training may work better when combined with other education or skills.

Wages, Education and Training

- Real hourly wages on the current (or most recent) job increased with years of schooling.
- Training did not help the poorly educated any more than it helped the more highly educated.

For the sample as a whole, high school dropouts earned an average of \$6.64 per hour, high school graduates \$8.20 per hour and those with more than 12 years of schooling \$10.74 per hour. The same relationship between years of schooling and pay was found for men and women separately. However, at all levels of education, men earned significantly more than did women (Table 5).

Real Hourly Wages by Years of Education by Gender (1996 Dollars)

Years of Education	Real Hourly Wages		
	Men	Women	Total
Less than high school	\$7.46	\$5.79	\$6.64
High school diploma	\$9.02	\$7.28	\$8.20
More than high school	\$13.04	\$8.82	\$10.74

Training paid off more for men than for women. Men with training averaged \$11.55 per hour, significantly more than the \$8.50 per hour earned by men without training. Women with training earned \$7.45 per hour, somewhat more than the \$6.90 per hour earned by those without training. However, this earnings differential was not statistically significant (Table 6).

Real Hourly Wages by Training Status and Gender (1996 Dollars)

Training Status	Real Hourly Wages		
	Men	Women	Total
Took training	\$11.55	\$7.45	\$9.53
No training	\$8.55	\$6.90	\$7.70

The educational attainment of the worker did not influence the degree to which training helped the worker. Overall, training did not provide significantly higher pay within any of the three educational groupings--high school dropouts, high school graduates and those with more than 12 years of schooling. The same results were found for women. For men, training led to significantly higher pay only among high school dropouts.

Within each educational category men who had training earned significantly more than did women with training. This was also the case among similarly educated men and women without training (Table 7).

Real Hourly Wages by Education and Training Status and Gender (1996 Dollars)

Years of Education	Took training		No training	
	Men	Women	Men	Women
Less than high school	\$9.32	\$7.29	\$6.05	\$5.78
High school diploma	\$9.09	\$9.05	\$7.35	\$7.25
More than high school	\$14.08	\$12.05	\$8.55	\$8.94

Gender Pay Differences and Type of Training Program

Gender differences in returns to training remain even among men and women who have been trained in similar venues, though apparently not in similar programs. Men earn more, often much more, than women. Business colleges or technical colleges were the primary sources of training for women. Men, who underwent such training at some point in their careers earned an average real wage of \$11.28 per hour, 60 per cent more than their female counterparts, who averaged \$7.05 per hour. The gender pay differential was even wider among those who took a government training program provided by a community based agency. Here, men earned more than twice as much as women on their current (or most recent) position--a real wage of \$10.71 per hour versus \$5.09 per hour (Table 8)

Real Hourly Wages by Source of Training Program and Gender (1996 Dollars)

	Men	Women
High school or community college	\$10.91	7.19
Business college, technical college	11.50	7.75
Apprenticeship	11.13	7.85
Military	12.46	7.31
Government program through community based agency	11.50	5.44
Other	11.95	7.23

Workers who reported receiving off-the-job training were employed in different jobs than workers who did not report such training. Very few were working as handlers and laborers, machine operators or private household service workers. For example, while 22 percent of the entire sample had undertaken off-the-job training, only 8 percent of handlers and laborers and 15 percent of machine operators had done so. Particularly striking in this regard are the findings for Latinos living in Pilsen. Of 52 handlers and laborers, only 1 had participated in an off-the-job training program. Similarly, of 53 machine operators, only 7 had done so. Overall, protective service workers and technicians were most likely to have taken off-the-job training. However, relatively few members of the sample were holding these positions (Table 10).

Table XX
Percentage of Persons Receiving Off-the-Job Training by Most Recent Occupation

Occupation	Took Training
Executive and Managerial	20.0
Professional Specialty	23.8
Technicians	36.4
Sales	28.6
Administrative Support	26.5
Private Household Service	5.0
Protective Service	44.8
Service, Except prt and hshld	20.1
Agriculture, Forestry and Fishing	0.0
Precision Production Craft	29.9
Machine Operators	14.9
Transportation	28.1
Handlers and Laborers	8.0

On-the-Job Training

- Most residents of Grand Boulevard, North Lawndale and Pilsen work in positions where little on-the-job training is provided
- Workers with outside training were significantly more likely to be employed in positions providing on-the-job training or in unions than were workers without outside training.

Training programs are typically evaluated on the basis of their ability to lead to higher earnings for trainees. Yet training may result in other benefits as well, for example improving the chances that individuals will be hired for jobs providing on-the-job training.

Most residents of Grand Boulevard, North Lawndale and Pilsen work in positions where little on-the-job training is provided. Only 14.9 per cent of the entire sample had received on-the-job training lasting more than two weeks on their current (or most recent) job. Men (16.9 per cent) were somewhat more likely than women (13.0 per cent) to have received such training. On-the-job training was most likely to have been provided in large workplaces with more than 500 employees or where workers were unionized.

Off-the-Job Training Led to Jobs Providing On-the-Job Training

While few jobs held by these inner city residents required any on-the-job training to be successfully performed, those with outside training were significantly more likely to be employed in positions providing on-the-job training than were those without such training. While 28 per cent of those with off-the-job training had on-the-job training on their current (or most recent) job, only 11.3 per cent of those without off-the-job training were working, or had recently worked, in jobs where they received on-the-job training (Table 9). The same held for men and women separately.

On-the-Job Training Status by Off-the-Job Training Status (Number of Persons)

	Had On-the-job Training	Had No On-the-Job Training	Total
Had Off-the-job Training	40	103	143
Had No Off-the-Job training	59	462	521
Total	99	565	664

Not only does off-the-job training result in positions providing more on-the-job training, it also leads to unionized work. Workers who were unionized on their current (or most

recent) job were significantly more likely to have had off-the-job training than nonunion workers. Thus, off-the-job training may make it easier to secure a unionized job and the higher pay, better benefits and more on-the-job training which typically go along with it.

Public sector workers were significantly more likely to have taken off-the-job training than private sector workers. Over a third of the individuals working in the public sector on their current (or most recent) job had participated in some off-the-job training program in contrast to less than a fifth of private sector workers. This was particularly true for men, where 45.5 per cent of public sector workers had been involved with off-the-job training as compared to 18.8 per cent of private sector workers. This was not the case for women where off-the-job training did not necessarily lead to a job in the public sector. Government jobs were much more likely to provide on-the-job training than were private sector positions. One-third of public sector workers but only 12 per cent of private sector workers had received on-the-job training on their current (or most recent) job. Both men and women working in the public sector were more likely to receive on-the-job training than their private sector counterparts.

Impact of Different Worker Characteristics on Wages

The previous discussion has focused on the nature and extent of off-the-job training as well as the impact of years of schooling and off-the-job training on real hourly wages. Even in low-income neighborhoods, real hourly wages rise with additional education. And off-the-job training seems to pay off, at least for men. Yet, it is clear that factors other than education and training, for example gender, must also be taken into account to more fully understand wage variation among those working in low-wage sectors of the Chicago area labor market. Job tenure, unionization and access to on-the-job training also may vary among neighborhood residents, factors which may influence pay in systematic ways.

We might expect that on-the-job training, length of job tenure and unionization will be correlated with higher wages. An additional influence on earnings, especially for African-Americans, may be whether they are employed in the public or private sectors. Government employment practices may be less discriminatory than those of private employers. Lastly, there may be neighborhood effects capturing, for example, differential treatment on the basis of race and ethnic origin or differential access to employment opportunities.

A statistical analysis was conducted to determine the effects on real wages of education, on-the-job training, off-the-job training, job tenure, unionization, sector of employment, gender, age and neighborhood of residence. (The complete analysis can be found in Appendix 1.)

Table 11 represents estimates of the wage effects of education, on-the-job training, off-the-job training, job tenure, unionization, sector of employment, gender, age and neighborhood.

- **School Attendance** - In contrast to those who did not complete high school, additional years of schooling generally have significant positive effects on real hourly wages. Additional schooling would be expected to lead to higher coefficient values and to some extent this is what is observed. Everything else constant, the real hourly wage of high school graduates was \$1.01 greater than the real hourly wage of high school dropouts. Workers with an Associates Degree earned \$3.33 more per hour in real terms than high school dropouts. College graduates earned \$4.25 more per hour and those with a graduate or professional degree \$10.15 more per hour than high school dropouts.
- **Graduation** - There were substantial returns to graduating, rather than merely attending, college and the same held for graduate or professional programs. However, for community colleges the situation was different. Community college graduates earned somewhat lower real wages than those who spent some time at a community college but did not graduate.

Attending an off-the-job training or vocational education program led to significantly higher wages while on-the-job training programs did not seem to improve real wages.

- Unions – Twenty-three per cent of the sample were union members on their current (or most recent) job. Being a member of a union was especially beneficial. The unionization coefficient is particularly large implying that, everything else constant, the real hourly wages of union members were \$2.43 more than the real hourly wages of those not in unions.
- Job Tenure - Longer job tenure was significantly correlated with higher real wages, though the estimated return of \$.017 per hour per month is low.
- Age - Pay did not rise with age. In fact, the negative and close to significant coefficient on the age variable implies that many of the older members of the sample, everything else constant, were earning somewhat lower real wages than the younger members of the sample.
- Race and Neighborhood - African-Americans living in North Lawndale earned significantly higher real wages than did Latinos living in Pilsen. The same did not hold for African-Americans living in Grand Boulevard.
- Gender - Women earned significantly lower real wages than did men. Everything else constant, the real hourly wages of women were \$1.68 less than the real hourly wages of men.

Factors Significantly Associated with Higher Real Wages

High school graduation
Trade school
Community college attendance
Community college graduation
College graduation
Graduate degree
Job tenure
Union membership
Male
North Lawndale residence

INNER-CITY UNEMPLOYMENT

In order to design interventions that will have the most promise for helping people secure continuous employment that will lift them out of poverty, it is essential to understand what characteristics are associated most strongly with working, and what is associated with not working. This section reviews the correlates of spells of unemployment and the reasons that workers lose their jobs. The analysis identifies systematic differences between those individuals most likely to remain unemployed for long periods of time and those who tend to be employed more continuously, and differences between individuals who lost jobs for different reasons.

The Employed and the Unemployed

- The unemployed tended to be younger, have less education, were less likely to have been in a union on their most recent job, and were more likely to have been in a sales or service occupation.

Many individuals living in low-income, inner-city neighborhoods experience spells of unemployment. At the time of the survey, 60.5 per cent of the sample was currently without a job, while 39.5 per cent were working. As Table 1 shows, the likelihood of being employed varied by gender and race and ethnicity. Men were more likely to be employed than women. Latinos living in Pilsen were more likely to be employed than were African-Americans residing in Grand Boulevard and North Lawndale. The racial and ethnic differences were not as stark among women since Latina women were far less likely to be holding a job in the paid labor market than were Latino men.

Percent Employed of Survey Respondents by Gender and Neighborhood

	Grand Boulevard	North Lawndale	Pilsen	Total
Men	32.7	35.1	69.3	45.9
Women	18.8	34.8	45.9	33.0

Overall, most of those who were out of work were, in fact, looking for work (94.5 per cent). A few were between jobs (3.7%) and still fewer were too discouraged to even seek work (1.5%).

Age

The unemployed were younger and less educated than the employed. They averaged 36.6 years of age, in contrast to 40.4 years for the employed. Both men and women working at the time of the survey were older than their unemployed counterparts.

Education

Overall, those who pursued some formal education beyond high school were less likely to be unemployed than those high school graduates or those who did not complete high school. However, graduating from high school did not lessen the likelihood of joblessness. High school graduates were no less likely to be out of work than high school dropouts. These results held for women but not men. Additional years of schooling did not lessen the likelihood of unemployment for men (Table 2).

Percentage Employed by Education Level

Years of Education	Employed
Less Than High School	36.2
High School Diploma	34.2
More Than High School	48.2
Total	39.2

In contrast to education, training either on-the-job or off-the job did not lessen the chances of job loss.

Unions

The low-paying, short-term jobs previously held by the unemployed were often non-unionized positions in the private sector. Overall, only 10.2 per cent of those unemployed had most recently worked in the public sector. This is in contrast to the 19.2 per cent of the employed who were holding a public sector position. Only 17.6 per cent of the jobless had most recently lost a unionized position, while 31.2 per cent of those working were holding a unionized job. Being unionized or working in the public sector also differentiated those women who were working from those who were out of work. The same did not hold for men. The male unemployed were much less likely to have been unionized at their most recent job than were employed men. However, the sector of employment, be it public or private, did not differentiate those men currently employed from those out of work.

Occupation

The likelihood of unemployment also varied by occupation. Those in sales and service jobs, other than protective service work, had great difficulty remaining employed. While 60.5 per cent of the sample was out of work, more than 70 per cent of individuals recently working in these positions were out of work (Table 3).

Percent of Sample Employed by Occupation

Occupation	Percent Employed
Executive and Managerial	70.0
Professional Specialty	61.9
Technicians	36.4
Sales	24.5
Administrative Support	39.8
Private Household Service	28.6
Protective Service	48.3
Service, Except prt and hshld	25.7
Agriculture, Forestry and Fishing	100
Precision Production Craft	46.3
Machine Operators	37.9
Transportation	62.5
Handlers and Laborers	44.3
Total	39.5

Similar results were found for women where over 80 per cent of sales and non private household, non protective service workers were jobless as well as approximately 74 per cent of private household service workers in contrast to 67 per cent of women as a whole. The results for men were somewhat different. Non-private household, non-protective service work was the only occupation with a large presence of men where workers had a substantially higher than average likelihood of becoming unemployed.

Reasons for Unemployment

Most of the unemployed lost their last job because they were laid off.

Women were more likely to quit their job than were men.

- Women generally quit jobs because of either health reasons or family responsibilities.
- Individual workers who lose more than one job tend to lose them for the same reasons repeatedly.
- Men who quit jobs were more likely to earn wage increases in their next job than men who were laid off or fired from a job.

Weak business conditions were a primary source of job loss for low-income residents of inner city neighborhoods. Most of the unemployed lost their most recent job because they were laid off. Somewhat more than 60 per cent (62.2 per cent) were laid off while somewhat less than 40 per cent (37.8 per cent) chose to quit. Women were more likely to quit than were men. Only 27.1 per cent of the men quit in contrast to 46.1 per cent of the women. Quitting was more likely to occur among private sector workers and, somewhat surprisingly, among unionized workers.

The reasons for job loss given by those laid off centered around economic issues. The two predominant explanations were a lack of work and the job finished or the contract ended. Other important causal factors were the company closed or the company moved. These reasons accounted for over 70 per cent of the answers given for the causes of layoffs. Both men and women provided the same explanations for why they were laid off (Table 4).

Most Common Reasons for Being Laid of Most Recent Job by Gender

Reason	Men	Women
Not Enough Work	38	34
Job Finished/Contract Ended	36	38
Company Closed	12	9
Company Moved	7	8
Different Company Took Over	4	2

Economic factors were also important causes of men quitting their most recent positions. Approximately one-third of responses of men for why they resigned centered around a desire to earn more money or seek additional work. Not surprisingly, women were more likely to mention family responsibilities as a reason for quitting. More than a third of the women did so. Family responsibilities and health reasons accounted for over half of the reasons for quitting provide by women. Health reasons were the second most important factor provided by men. Disagreements or conflicts were a cause for quitting for some men and a somewhat smaller share of women. For women, but not men, the loss of transportation caused some to give up their jobs (Table 5).

Most Common Reasons for Quitting Most Recent Job by Gender

Reason	Men	Women
Low pay/More Money	11	8
Health Reasons	9	20
Disagreement/Conflict	6	6

Family Responsibilities	5	37
Not Enough Work	5	5
Lost Transportation	0	9

Overall, the reason for the loss of the most recent job tended to be the same as the reason for the loss of the job prior to the most recent one. Approximately 70 per cent of those who were laid off from the job prior to the most recent one also lost their most recent job for the same reason. Similarly, 60.7 per cent of those who quit their most recent job had also voluntarily left their prior employment. This relationship held for women but not men (Table 6).

Reason for Leaving Most Recent Job and Prior Job

	Most Recent Job		
	Quit	Laid Off	Total
Prior Job			
Quit	65	84	149
Laid Off	42	100	142
Total	107	184	291

Men who quit their previous job were much more likely to earn higher real wages on the current job than were those who were laid off from the prior position. Two-thirds of gainers quit their previous job in contrast to 45.5 percent of losers. Two-thirds of male gainers had quit their previous job while only 36 percent of male losers had done so. Those laid off were much more likely to have found jobs paying lower real wages than they were earning on the jobs they lost.

For women, the reason for job loss did not correlate with real wage trends. Because of family responsibilities, women often quit jobs for reasons other than beginning a higher paying one or desiring to search for better paying work. Thus, it is not surprising that 57.5 percent of losers had quit their prior job as compared to 66 percent of gainers.

The results for Pilsen were particularly striking. Over 75 percent of women losers had quit their prior job. This is in contrast to the experience of men. Only 30.8 percent of male losers had quit their previous job. Among Latinos who experienced large real wage gains, over 80 percent of male gainers had quit their prior job while somewhat less than two-thirds of female gainers had done so.

Number of Persons by Percent Change in Real Hourly Wages by Reason for Job Change
Between Current and Previous Job by Gender (1996 Dollars)

[[[CALCULATE ROW PERCENTAGES]]]

	Quit	Laid Off	Total
Men			
Gain Over 3%	69	35	104
Little Change	11	11	22
Loss Over 3%	40	70	110
Total	120	116	236
Women			
Gain Over 3%	66	33	99
Little Change	10	12	22
Loss Over 3%	50	37	87
Total	126	82	208

	Quit	Laid Off	Total
Men			
Gain Over 3%	69	35	104
Little Change	11	11	22
Loss Over 3%	40	70	110
Total	120	116	236
Women			
Gain Over 3%	66	33	99
Little Change	10	12	22
Loss Over 3%	50	37	87
Total	126	82	208

Factors Predictive of Employment

An analysis was conducted to determine the effects of education, on-the-job training, off-the-job training, unionization, sector of employment, gender, age and neighborhood of residence on the likelihood of being employed. (The complete analysis is reported in Appendix 2)

Table 4 represents estimates of the effects of education, on-the-job training, off-the-job training, unionization, sector of employment, gender, age and neighborhood of residence on the log of the odds of being employed. The results are consistent with those presented in the previous tables.

- Women were significantly less likely than men to be employed at the time of the survey.
- African-Americans living in Grand Boulevard or North Lawndale had significantly more difficulty finding and retaining jobs than Latinos living in Pilsen.
- The likelihood of employment rises with age.
- A unionized job was a more secure job and unionized workers were less likely to be unemployed than their nonunion counterparts.
- A government job provided significantly more protection against job loss than a private sector position.
- High school graduates were not significantly more likely to be employed than high school dropouts. The same held for community college graduates. However, those who merely attended a community college but did not graduate were significantly less likely to be unemployed than high school dropouts
- College graduates, as well as those who attended college but did not graduate, were significantly more likely to be employed than were high school dropouts. Graduate or professional education did not influence the probability of employment. Nor did training programs and trade or vocational school.

Factors Associated Significantly with Employment

Community college attendance
College attendance
College graduation
Union membership
Government occupation

Male
Pilsen residence

Predictors of a Worker Quitting or Being Laid Off

For agencies providing employment placement and retention services, one of the most difficult challenges, perhaps even exceeding that of the initial job placement, is helping the worker retain his or her job. Statistical analysis was conducted to ascertain the relative importance of various factors determining the likelihood that a worker might quit or be laid off. (The complete analysis can be found in Appendix 3.)

Table 7 presents estimates of the effects of education, on-the-job training, off-the-job training, unionization, sector of employment, gender, age and neighborhood of residence on the likelihood of being laid off from the most recent job, assuming an individual is unemployed.

- If unemployed, men were significantly more likely to have been laid off from their most recent job than women.
- Unemployed African-Americans living in Grand Boulevard were more likely to have been laid off from their most recent job than Latinos living in Pilsen.
- Previously employed nonunion workers were more likely to lose their jobs through layoffs than through quitting.
- Though not statistically significant, quitting more often characterized the behavior of younger workers and those individuals previously employed in the private sector.

Factors Associated Significantly with Being Laid Off

Non-Union employment
Male
Grand Boulevard residence

Occupational Mobility

- Both men and women in these three communities tended to move back and forth among low wage low-skilled jobs without constructing a path leading upward with respect to wages or skills.

Another of the major challenges facing employment service providers and community developers concerned with creating job opportunities that lead to increasingly high wages for residents of low-income neighborhoods is construction of job paths that lead to upward mobility for workers. The wage data reported here indicates that most residents of these three low income communities face minimal prospects for rising above their current income levels if the past indeed predicts the future.

Analysis of workers' paths from one job to another indicates in part why their wages have not risen.

Occupational mobility paths vary by gender and by race and ethnicity.

Latina Women

Latinas in Pilsen had very clear, though constrained, mobility paths centered around machine operator and handler and laborer positions. Women moved back and forth among these occupations without any clear sense that working in one type of job necessarily led to another.

Half of machine operators continued in that position in their next job, but 27 percent declined to handler or laborer positions. Two machine operators moved to service work. Of 19 handlers and laborers, one-third found similar positions in their next job, but about twenty percent moved up to become machine operators. Another one-third moved to service work. Of 12 women beginning in service occupations, other than protective and household, half became machine operators, twenty-five percent found work as handlers and laborers and only 1 remained in service work.

Latina administrative support personnel followed a different path. Of 14 administrative support workers, over half remained in this category and only 1 became a machine operator. One fourth of administrative service personnel moved to executive and professional jobs.

African American Women

Contrary to myths propagated by popular films, administrative support work rarely serves as a stepping stone to executive or professional positions. Of 34 African American administrative support workers in Grand Boulevard and North Lawndale, only 6 per cent moved to executive or professional jobs. About half continued as administrative support workers, 20 percent became service workers, and a few became machine operators or found work as a handler or laborer.

Service work, excluding protective and household work, was the most common occupation for African-American women. About half remained in this type of work, a few moved to private household service work and 1 became a protective service worker. Patterns observed in this study were consistent with the recent trend of loss of manufacturing employment in predominantly African American neighborhoods. Of 13 machine operators, half shifted to service work, excluding protective and household work, 1 became a handler or laborer and only 2 remained machine operators.

Latino Men

Latino men in Pilsen had different mobility paths than African-Americans in Grand Boulevard and North Lawndale. As did the women, men in Pilsen circulated among machine operator and handler and laborer jobs. Of 22 machine operators in the survey, 70 percent either remained in this occupational category or became handlers and laborers. Of 23 handlers and laborers, 65 per cent either remained in this category or found work as machine operators.

African American Men

As with the African-American women, service work, excluding protective and household service work, was the most common occupation for African-American men living in Grand Boulevard and North Lawndale. There were 45 men holding these jobs immediately prior to their current (or most recent) position. Of the 45, 13 remained in this category and 3 became protective service workers, 10 became craft workers, 6 became handlers and laborers and only 1 found work as a machine operator. African-American machine operators had different mobility paths than Latinos working in the same occupation. In contrast to Latinos, of the 25 African-American machine operators, only 28 per cent moved to a machine operator, handler or laborer position. And of 40 handlers and laborers, less than 20 percent remained in that position in their next job. Only 3 became machine operators while one third moved to protective and non-protective service work.

Occupational Mobility – Grand Boulevard Women Prior Job to Current Job

[[Top Job Vertical Current Job]]

	E	PR	TE	SA	AD	PH	PS	OS	FF	CR	MO	TO	HL	T
Executive	1		1		1									3
Professional	1				1		1	1						4
Technical			1	1										2
Sales				3	1		1	4		1				10
Admin Spt		1		7	8	2		4			2			24
Pr Hse Srv				1		2							1	4
Prot Srv			1		1	1	1	1						5
Other Srv				3	3	1	1	16			1	1	1	27
Farm, F, F														0
Craft					1									1
Machine Op.				1	1			1			1			4
Transp. Op.														0
Handler/Lab				1	1			3						5
Total	2	1	3	17	18	6	4	30	0	1	4	1	2	89

Occupational Mobility – North Lawndale Women
Prior Job to Current Job

	E	PR	TE	SA	AD	PH	PS	OS	FF	CR	MO	TO	HL	T
Executive														0
Professional		1		1							1			3
Technical	1		1	1	1									4
Sales				4				4			1		1	10
Admin Spt				2	8			1					2	13
Pr Hse Srv					1	1		2						4
Prot Srv														0
Other Srv		1	1	2	2	1	1	9			5		2	24
Farm, F, F					1									1
Craft					1					1				2
Machine Op.					2		1	3			1		2	9
Transp. Op.														0
Handler/Lab				1		1					1		1	4
Total	1	2	2	11	16	3	2	19	0	1	9	0	8	74

Occupational Mobility – Pilsen Women
Prior Job to Current Job

	E	PR	TE	SA	AD	PH	PS	OS	FF	CR	MO	TO	HL	T
Executive					3									3
Professional					1			1		1				3
Technical														0
Sales				1									1	2
Admin Spt				3	8		1	1			2		2	17
Pr Hse Srv						1					1		3	5
Prot Srv														0
Other Srv						1		1			1		3	6
Farm, F, F														0
Craft					1					1	1			3
Machine Op.				2	1			6			11		4	24
Transp. Op.														0
Handler/Lab								3			6		6	15
Total	0	0	0	6	14	2	1	12	0	2	22	0	19	78

Occupational Mobility – Grand Boulevard Men
Prior Job to Current Job

	E	PR	TE	SA	AD	PH	PS	OS	FF	CR	MO	TO	HL	T
Executive		1												1
Professional		2	1					1						4
Technical										1			1	2
Sales				1	3			1					1	6
Admin Spt					1			2					2	5
Pr Hse Srv										1	1			2
Prot Srv		1						3			1		4	9
Other Srv					2		3	7		1	1	1	4	19
Farm, F, F													1	1
Craft					2			7		5	3		2	19
Machine Op.										1	3	1	1	6
Transp. Op.								5		1	2		3	11
Handler/Lab								3			1		4	8
Total	0	4	1	1	8	0	3	29	0	10	12	2	23	93

Occupational Mobility – North Lawndale Men
Prior Job to Current Job

	E	PR	TE	SA	AD	PH	PS	OS	FF	CR	MO	TO	HL	T
Executive														0
Professional	1	1									1			3
Technical								1		1				2
Sales				1	2						1			4
Admin Spt				1	3			2					1	7
Pr Hse Srv														0
Prot Srv					1		3				1		2	7
Other Srv	1			1	1		1	6		2	3		3	18
Farm, F, F														0
Craft				2			1	3		1	3		2	12
Machine Op.								1			2		2	5
Transp. Op.					4						1		4	9
Handler/Lab					1			3		3	1	2	3	13
Total	2	1	0	5	12	0	5	16		7	13	2	17	80

Occupational Mobility – Pilsen Men
Prior Job to Current Job

	E	PR	TE	SA	AD	PH	PS	OS	FF	CR	MO	TO	HL	T
Executive				1	1						1			3
Professional											1			1
Technical														0
Sales		1		1							1	1		4
Admin Spt					2					1			2	5
Pr Hse Srv														0
Prot Srv					1		1			1	1		1	5
Other Srv					1			3	3				3	10
Farm, F, F								1	1				1	3
Craft				1	1				3	4	3			12
Machine Op.				1				2		2	5	1	6	17
Transp. Op.								2		2		3	1	8
Handler/Lab		1						2	1	1	10	3	9	27
Total	0	2	0	4	6	0	1	10	8	11	22	8	23	95

Some occupations may provide better chances for upward mobility in terms of real hourly wage growth than others. Real hourly wage growth is determined by comparing the real hourly wage earned on the job prior to the current (or most recent) job and the real hourly wage earned on the current (or most recent) job. As outlined above, there are three categories of individuals, Gainers whose real hourly earnings increased by more than 3 percent, No Change whose real hourly earnings increased or decreased by no more than 3 percent, and Losers whose real hourly earnings decreased by more than 3 percent.

Overall, the survey reported virtually the same number of gainers and losers: 204 gainers and 197 losers. Forty-three individuals were considered to have experienced no change in real earnings.

There were somewhat more women gainers (100) than losers (87). Overall, 48 percent of women were gainers and 42 percent were losers. For the most part, the initial occupation was unrelated to real wage changes as a result of job changes. Of those occupations with more than a few women, only administrative support, including clerical, positions seemed to lead to real pay increases exceeding 3 percent. Of those doing such work on the job prior to the current one, 65 percent were gainers and only 30 percent were losers. Of the 30 gainers, 17, or 57 percent moved to another

administrative support position. Of the losers, only 6, or 43 per cent, remained administrative support workers. Others moved to service or machine operator positions.

Working in sales seemed to lead to declines in real pay. Of those holding such positions on the job prior to the current job, 54 percent were losers and only 39 percent were gainers. One-third of the losers remained sales workers while one-quarter moved to service jobs.

A different way to approach earnings mobility is to investigate the destination job. Here, too, administrative support jobs stand out. Over 60 percent of women ending up in administrative support positions were gainers. They accounted for close to one-third (31 percent) of all women gainers in the sample. This is in contrast to 30 percent of women ending up in administrative support positions who were losers. These women accounted for only 17 percent of all women losers in the sample.

The opposite was found for service jobs. Those ending up in service jobs were more likely to be losers than were women in the sample as a whole. Close to two-thirds (63 percent) of women holding service jobs, other than protective service or private household service, were losers. They accounted for 36 percent of all women losers in the sample. Only 29 percent of women holding such service jobs were gainers. They accounted for just 14 percent of all women gainers.

Women able to find work as machine operators or handlers and laborers were able to experience gains in real wages on the new job. Somewhat less than 60 percent of the women in these positions on their current job were gainers. Yet, doing such work on the job prior to the current job did not seem to increase the likelihood of gaining higher real wages on the subsequent position. Thus, while accessing a machine operator or handler or laborer job was an improvement for women, the gain may be only transitory if the job were to end. Overall, it is only administrative support, including clerical, positions which seem to provide women living in low-income neighborhoods in Chicago with lasting opportunities for improvements in their real earnings.

There were virtually the same number of male gainers (104) as male losers (110). Overall, 44 percent of men were gainers and 47 percent were losers. As with women, for the most part, the initial occupation was unrelated to real wage growth or decline. Of these occupations with more than 10 male workers, only administrative support, including clerical, seemed to lead to real pay increases exceeding 3 percent. Of those doing such work on the job prior to the current one, 54 percent were gainers and only 38 percent were losers.

Holding a machine operator or handler and laborer position did seem to increase the likelihood of a sharp decline in real wages when changing jobs. Handlers and laborers do not generally earn high wages. Nevertheless, only 35 percent of those working in

such jobs on the job prior to the current one were gainers in contrast to 52 percent who were losers. Close to 60 percent of transportation operators were losers as well. Thus, semi-skilled and unskilled blue-collar positions do not seem to be effective stepping stones to better paying jobs for men living in Pilsen, Grand Boulevard and North Lawndale.

Men able to find craft work were likely to experience sharp gains in real wages. Fifty-eight percent of men ending up as craftworkers were gainers. They accounted for 22 percent of all male gainers in the sample. This is in contrast to the one-third of men ending up in craft jobs who were losers. They accounted for approximately 12 percent of all male losers in the sample. Yet, holding a craft job to begin with did not seem to increase the likelihood of gaining higher real wages on subsequent positions. Thus, while accessing a craft job was often an improvement for men, the gains may only be transitory if the craft job were to end.

Not surprisingly, given their low pay, 59 percent of all men ending up in handler and laborer jobs experienced sharp cuts in real wages. They accounted for one-quarter of all male losers in the sample. Only 37 percent of those ending up in handler and laborer jobs were gainers, accounting for approximately 16 percent of all male gainers in the sample.

Unlike for handlers and laborers, those working as machine operators were not more likely to be losers than the average male worker. Nevertheless, the likelihood of being a gainer was less for machine operators (32 percent) than for handlers and laborers. What stand out for those working as machine operators on the current job is the very high percentage of those who experienced no change in real wages as they moved from the prior job to their current job. Somewhat less than 30 percent of machine operators were in the “no change” category in contrast to 9 percent of all men. Thus, male machine operators and handlers and laborers in Pilsen, Grand Boulevard and North Lawndale seem to be circulating among positions providing little change for improvements in real earnings.

Table
Real Wage Change from Prior Job to Current Job by Prior Job
Women

		Gainers	No Change	Losers	Number
P R O R J O B	Executive	0.0	0.0		
	Professional	0.0	0.0		
	Technical	40.0	20.0		
	Sales				28
	Admin. Support	65.2	4.3	30.4	46
	Priv. House. Serv.	28.6	42.9	28.6	7
	Prot. Service	33.3	16.7	50.0	6
	Other Service	44.2	9.6	46.2	52
	Farm, Forest, Fish.	0.0	0.0	0.0	0
	Craft	66.7	0.0	33.3	3
	Machine Operator	53.1	9.4	37.5	32
	Transportation Op.	100.0	0.0	0.0	1
	Handler, Laborer		16.0	44.0	25
	Total	48.1	10.1	41.8	208

Table
Real Wage Change from Prior Job to Current Job by Current Job
Women

		Gainers	No Change	Losers	Number
C U R R E N J O B	Executive	60.0	20.0	20.0	5
	Professional	50.0	0.0	50.0	10
	Technical	66.7	33.3	0.0	3
	Sales	20.0	20.0	60.0	15
	Admin. Support	62.0	8.0	30.0	50
	Priv. House. Serv.	36.4	18.2	45.4	
	Prot. Service	50.0	25.0	25.0	4
	Other Service	28.6	8.2	63.3	49
	Farm, Forest, Fish.	100.0	0.0	0.0	1
	Craft	60.0	0.0	40.0	5
	Machine Operator	57.6	3.0	39.4	33
	Transportation Op.	0.0	0.0	0.0	0
	Handler, Laborer	59.1	18.2	22.7	22
	Total				

Table
Real Wage Change from prior Job Current Job Job
Men

		Gainers	No Change	Losers	Number
P R I O R J O B	Executive	100.0	0.0	0.0	2
	Professional	66.7	0.0	33.3	6
	Technical	0.0	0.0	0.0	0
	Sales	57.1	14.3	28.6	7
	Admin. Support	54.2	8.3	37.5	24
	Priv. House. Serv.	0.0	0.0	0.0	0
	Prot. Service	57.1	0.0	42.9	7
	Other Service	45.7	8.7	45.7	46
	Farm, Forest, Fish.	62.5	0.0	37.5	8
	Craft	42.9	10.7	46.4	28
	Machine Operator	38.1	9.5	52.4	42
	Transportation Op.	33.3	8.3	58.3	12
	Handler, Laborer	35.2	13.0	51.9	54
	Total	44.1	9.3	46.6	236

able
Real Wage Change from Job Current Job Current Job
Men

		Gainers	No Change	Losers	Number
C U R R E N T J O B	Executive	100.0	0.0	0.0	2
	Professional	66.7	0.0	33.3	6
	Technical	25.0	0.0	75.0	4
	Sales	33.3	0.0	66.7	12
	Admin. Support	47.1	17.6	35.3	17
	Priv. House. Serv.	0.0	0.0	100.0	1
	Prot. Service	42.1	5.3	52.6	19
	Other Service	46.2	5.1	48.4	39
	Farm, Forest, Fish.	33.3	0.0	66.7	3
	Craft	57.5	10.0	32.5	40
	Machine Operator	32.0	28.0	40.0	25
	Transportation Op.	45.4	13.6	40.9	22
	Handler, Laborer	37.0	4.3	58.7	46
	Total	44.1	9.3	46.6	236

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Economic Report of the President, Washington, D.C.: U.S. Government Printing Office, 1998

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APPENDIX

Data Source

The Chicago Urban League utilized a 1995 survey of 666 adults aged 25-64 residing in two predominantly African-American neighborhoods--Grand Boulevard and North Lawndale--and one predominantly Latino neighborhood--Pilsen. The survey instrument was developed by Sam Rosenberg and staff of the Chicago Urban League. It was administered by the Metro Chicago Information Center.

Within each neighborhood, the sample was chosen so as to reflect the labor force status of residents as determined by the 1990 Census. At the national level, at least, labor market conditions were very similar in 1990 and 1995. In both years, the unemployment rate was 5.6 per cent. The employment rate was 62.8 per cent in 1990 and 62.9 per cent in 1995 (Economic Report of the President, Washington, D.C.: U.S. Government Printing Office, 1998, pp. 329, 333). Thus, for each neighborhood, the share of men and women in the sample who were employed at the time of the survey equaled the share of men and women employed at the time of the 1990 Census. Those unemployed were included in the sample only if they had previously worked for pay in the United States and were not currently retired, in school, keeping house or disabled and unable to work.

Appendix

Definition of Variables for Wage Regression Equation

Real hourly wages = f(Education, On-the-job training, Off-the-job training, Tenure, Union, Government, Gender, Age, Neighborhood) + e
where for each individual, RHW = hourly wage in 1996 dollars on the current or most recent job; EDUCATION = a series of 8 dummy variables specifying highest grade completed (High School graduation = 1 if an individual only graduated from high school, 0 otherwise; Trade School = 1 if an individual completed 1 -3 years of trade or

vocational school, 0 otherwise; Community College, no degree = 1 if an individual attended community college but did not graduate; 0 otherwise; Community College graduation = 1 if an individual received an Associates Degree from a community college, 0 otherwise; College, no degree = 1 if an individual attended a 4 year college but did not receive a degree, 0 otherwise; College graduation = 1 if an individual graduated from a 4 year college or university, 0 otherwise; Graduate School, no degree = 1 if an individual pursued some graduate education but did not receive a degree, 0 otherwise; Graduate Degree = 1 if an individual received a graduate or professional degree, 0 otherwise); On-the-job Training = 1 if an individual had on-the job training lasting more than two weeks, 0 otherwise; Off-the-job Training = 1 if an individual attended a job training or vocational education program lasting more than two weeks, 0 otherwise; Tenure = months in current or most recent job; Union = 1 if an individual's job was unionized, 0 otherwise; Government = 1 if an individual's current or most recent job was in the public sector, 0 otherwise; Gender = 1 if an individual was a woman, 0 otherwise; Age = age in 1995; NEIGHBORHOOD = a series of dummy variables for residing in Grand Boulevard or North Lawndale; and e = error term.

Regression Results
(standard errors in parentheses)

Independent Variable	Dependent Variable RHW
High School graduation	1.010 ^c (.407)
Trade School	3.809c (.747)
Community College, no degree	3.876c (.695)
Community College graduation	3.326c (1.139)
College, no degree	.893 (.743)
College graduation	4.251c (.967)
Graduate School, no degree	-2.391 (3.996)
Graduate Degree	10.149c (1.998)
On-the-job Training	.270 (.474)
Off-the-job Training	.945d (.435)
Tenure	.017c (.003)
Union	2.427c (.405)
Government	.324 (.269)
Gender	-1.682c (.329)

Age	-036 (.019)
Grand Boulevard	.013 (.424)
North Lawndale	.890b (.416)
Constant	7.210a (.770)
Adjusted R ²	.321
F	17.894
N	608
Standard Error of the Estimate	3.944

^aSignificant at .01 level (two-tailed test)

^bSignificant at .05 level (two-tailed test)

^cSignificant at .01 level (one-tailed test)

^dSignificant at .05 level (one-tailed test)

Appendix 1.2

Variable Definitions for Determinants of Employment Logit Regression Equation.

$\text{Log (Pemployed/1 - Pemployed)} = f(\text{Education, On-the-job training, Off-the-job training, Union, Government, Gender, Age, Neighborhood}) + e$
 where for each individual Pemployed is the probability that the individual will be employed; EDUCATION = a series of 8 dummy variables specifying highest grade completed (High School graduation = 1 if an individual only graduated from high school, 0 otherwise; Trade School = 1 if an individual completed 1 - 3 years of trade or vocational school, 0 otherwise; Community College, no degree = 1 if an individual attended community college but did not graduate; 0 otherwise; Community College graduation = 1 if an individual received an Associates Degree from a community college, 0 otherwise; College, no degree = 1 if an individual attended a 4 year college but did not receive a degree, 0 otherwise; College graduation = 1 if an individual graduated from a 4 year college or university, 0 otherwise; Graduate School, no degree = 1 if an individual pursued some graduate education but did not receive a degree, 0 otherwise; Graduate Degree = 1 if an individual received a graduate or professional degree, 0 otherwise); On-the job Training = 1 if an individual had on-the-job training lasting more than two weeks, 0 otherwise; Off-the-job Training = 1 if an individual attended a job training or vocational education program lasting more than two weeks, 0 otherwise; Union = 1 if an individual's current (or most recent) job was unionized, 0 otherwise; Government = 1 if an individual's current (or most recent) job was in the public sector, 0 otherwise; Gender = 1 if an individual was a woman, 0 otherwise; Age = age in 1995; NEIGHBORHOOD = a series of dummy variables for residing in Grand Boulevard or North Lawndale; and e = error term.

Logit Equation Results

(standard errors in parentheses)

Dependent Variable
Log (Pemployed/1 - Pemployed)

Independent Variable	
High School Graduation	.228 (.236)
School	.754 (.418)
Community College, no degree	1.293c (.375)
Community College graduation	1.029 (.614)
College, no degree	.843d (.414)
College graduation	1.184d (.508)
Graduate School, no degree	-4.864 (15.037)
Graduate Degree	7.067 (9.139)
On-the-job Training	.151 (.264)
Off-the-job Training	-.089 (.252)
Union	.636a (.219)
Government	.364d (.182)
Gender	-.480c (.184)
	.047c (.010)
Grand Boulevard	-1.950a (.260)
North Lawndale	-1.153a (.228)
Constant	-1.539a (.409)
Chi-Square (16d.f.)	140.332
(-2) X log likelihood ratio	871.417
N	649

aSignificant at .01 level (two-tailed test)

bSignificant at .05 level (two-tailed test)

cSignificant at .01 level (one-tailed test)

dSignificant at .05 level (one-tailed test)

Appendix 1.3

Variable Definitions for Reasons for Job Loss Logit Regression Equation

Log (Plaid off/1 - Plaid off)= f (Education, On-the-job training, Off-the-job training, Union, Government, Gender, Age, Neighborhood) + e
 where for each unemployed individual Plaid off is the probability of becoming jobless due to a layoff; EDUCATION = a series of 8 dummy variables specifying highest grade

completed (High School graduation = 1 if an individual only graduated from high school, 0 otherwise; Trade School = 1 if an individual completed 1 - 3 years of trade or vocational school, 0 otherwise; Community College, no degree = 1 if an individual attended community college but did not graduate; 0 otherwise; Community College graduation = 1 if an individual received an Associates Degree from a community college, 0 otherwise; College, no degree = 1 if an individual attended a 4 year college but did not receive a degree, 0 otherwise; College graduation = 1 if an individual graduated from a 4 year college or university, 0 otherwise; Graduate School, no degree = 1 if an individual pursued some graduate education but did not receive a degree, 0 otherwise; Graduate Degree = 1 if an individual received a graduate or professional degree, 0 otherwise); On-the-job Training = 1 if an individual had on-the-job training lasting more than two weeks, 0 otherwise; Off-the-job Training = 1 if an individual attended a job training or vocational education program lasting more than two weeks, 0 otherwise; Union = 1 if an individual's most recent job was unionized, 0 otherwise; Government = 1 if an individual's most recent job was in the public sector, 0 otherwise; Gender = 1 if an individual was a woman, 0 otherwise; Age = age in 1995; Neighborhood = a series of dummy variables for residing in Grand Boulevard or North Lawndale; and e = error term.

Logit Equation Results
(standard errors in parentheses)

Independent Variable	Dependent Variable Log (Plaid off/1- Plaid off)
High School graduation	.174 (.286)
Trade School	.596 (.611)
Community College, no degree	-.637 (.493)
Community College graduation	-.375 (.922)
College, no degree	-.171 (.466)
College graduation	-.428 (.838)
Graduate School, no degree	-1.665 (1.659)
Graduate Degree	-----
On-the-job Training	-.413 (.332)
Off-the-job Training	-.230 (.302)
Union	-.946a (.311)

Government	.863 (.456)
Gender	-.942c (.239)
Age	.025 (.014)
Grand Boulevard	.730b (.307)
North Lawndale	.538 (.310)
Constant	-.116 (.572)
Chi-Square (15 d.f.)	43.367
(-2) X log likelihood ratio	466.671
N	385

aSignificant at .01 level (two-tailed test)

bSignificant at .05 level (two-tailed test)

cSignificant at .01 level (one-tailed test)

dSignificant at .05 level (one-tailed test)

Note: The sample size is smaller than the original sample because it only includes those individuals who were unemployed at the time of the survey.