To Work or Not to Work? The Role of Poverty, Race/Ethnicity, and Regional Location in Youth Employment

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INTRODUCTION

Paid work has become a common and expected part of the lives of many youth in the United States. Recent data show 2.9 million youth aged 15-17 were employed during the school year and 4 million were employed during the summer months. The likelihood of employment for youth increases markedly as they progress through adolescence. For example, 9 percent of 15-year-olds report working for pay, while 39 percent of 17-year-olds were working (U.S. Department of Labor, 2000). Youth employment also varies by other individual as well as family characteristics, including race/ethnicity, gender, family income/poverty level, family structure, and regional location (U.S. Department of Labor, 2000; Keithly and Deseran, 1995). Yet little recent research has focused on how youths’ participation in paid labor may vary by the needs of their families. For example, youth in single-parent families may share a larger burden of housework or caring for siblings than youth from two-parent families, which may constrain their available time for paid employment. In contrast, youths in single-parent families are more likely to live in poverty; thus, we might expect to see earlier entry into employment given family financial need. In this chapter, we describe how youth participation in paid work varies by these key youth and family characteristics, focusing especially on important contextual measures, including family income/poverty level, family structure, and regional location, while controlling for individual youth characteristics including gender, race/ethnicity and time use. In sum, we will focus on the context of youth employment, especially with regard to socioeconomic status.

On the macro level, several economic and social factors affect youth employment, including discrimination and social disadvantage as well as cyclical and structural trends in the economy. On the micro level, youths’ individual and family characteristics, as well as their
regional location influence their labor force participation. Although one might expect that youth from poor families are more likely to work in order to help support their families, the data show a quite different pattern. First, employed youth are more likely to be middle class, Caucasian, and to live in suburban areas (Keithly and Deseran, 1995). This is attributable to the fact that most youth work in service-sector jobs, which are highly concentrated in suburban areas where Caucasian, middle class youth and their families are more likely to reside. Second, youth employment rates mirror those for adults with regard to race/ethnicity, with employment rates lowest among African American and Latino youth (U.S. Department of Labor, 2000). Last, working youth today contribute little of their earnings to support their families. Researchers show that youth spend the majority of their earnings on their own needs and activities (Johnson, Bachman, and O’Malley, 1982; Steinberg, Fegley and Dornbusch, 1993). Although historically, children from poor families were more likely to be employed and to economically contribute to their family (Elder, 1974), working youth today are less likely to be poor and contribute little of their earnings to their families.

LITERATURE REVIEW

Paid Work and Adolescent Development

Although the U.S. public believes that work is valuable for children and adolescents -- teaching them needed skills that will ease the transition from school to work -- much debate in research and policy circles centers on the adverse outcomes of youth employment. The debate has primarily focused on 1) how much work is too much, 2) whether paid work deters youth from other more developmentally beneficial activities, and 3) the effect of early paid work on youths’ educational and later labor market outcomes. Thus, the literature on youth employment,
similar to the literature on youth development in general, has been plagued by a tendency to emphasize negative outcomes, especially in regard to youth employment (Furstenberg 2000).

Considerable research attention has focused on the adverse consequences of employment on youth development (Bachman, Johnston, & O’Malley 1981; Marsh 1991). Specifically, researchers argue that adolescent employment, particularly that over 20 hours a week or “high intensity,” may have negative consequences (Panel on Child Labor, 1998). Researchers have found that youth paid employment decreases opportunity costs in terms of academic achievement (Marsh 1991), increases likelihood to engage in problematic behaviors (Bachman, Johnston, and O’Malley 1981), reduces time in extracurricular activities for Caucasian males (D’Amico 1984), and reduces time spent with family (Greenberger and Steinberg 1986; Steinberg and Dornbusch 1991).

On the positive side, researchers have suggested that youth employment may help ease the transition to adulthood. Elder’s (1974) pioneering research sheds light on the relationship between employment and subsequent achievement, finding that teenagers’ work experience among rural farm youth had lasting benefits, such as positive values and confidence building. Similarly, Newman’s (1999) moving portrayal of young inner city youth employed in low-skilled employment suggests such experience leads to improved occupational outcomes. Entwistle et al. (2000) note that early work experience may vary in both the beneficial and adverse consequences for minority youth. As Mortimer et al. (2003) argue, little research or policy attention has focused on whether youth involvement in paid work might act as a mechanism through which youth “acquire knowledge about the labor force, form occupational values, learn how to behave appropriately, and acquire skills that will facilitate their adaptation
to work.” In other words, early work experience may provide youth with a special advantage when they compete for full-time jobs, thus easing the transition to adulthood.

Research on youth employment has been conducted in a variety of disciplines, including sociology, psychology, child development, geography, and economics. Although many of these studies operate in isolation of research in the other disciplines, most of this research broadly examines similar issues – barriers to and predictors of youth employment. Sociologists have focused on the social deterrents of employment resulting from social isolation of minorities in urban areas due to a lack of exposure to regularly employed middle-class role models and/or social networks that lead to knowledge of and access to job opportunities (Wilson, 1987). Massey and Denton (1993) have persuasively argued that although both urban African Americans and Latinos experience high levels of residential segregation, African Americans are subject to “hypersegregation,” which crystallizes inequality by constraining educational opportunities and may lead to the development of a distinct culture outside the mainstream. Testing this theory, O’Regan and Quigley (1998) find that living in a neighborhood with a high concentration of poverty or African-American population reduces the likelihood of youth employment. Research by geographers and economists has highlighted the “spatial frictions” faced by minorities who are concentrated in urban areas, while employment opportunities are located in suburban areas. Many of these studies have focused on locational constraints on employment options: for example, how the costs of commuting or housing costs discrimination might deter urban minorities from access to employment in suburban areas (Kain 1968; 1992a). In sum, a spatial mismatch exists between where workers live and where jobs are available. Although debates continue over the magnitude of this mismatch, (for a review, see Ihlanfeldt and Sjoquist 1998), the majority of published reviews of the spatial mismatch literature conclude that
there exists strong or moderate support for the hypothesis in the empirical literature on adult employment (Kain 1992, Ihlanfeldt 1992, Moss and Tilly 1991; for an exception see Jencks and Mayer 1990).

Concerns about simultaneity between employment and residential location led researchers to focus on employment among youth still living with their parents, as their residential location would be exogenously determined by their parents or guardians. A growing body of research has examined the role of spatial mismatch in youth employment (O’Regan and Quigley 1998; Holloway, 1996; Larson and Mohanty 1999). Youth are an especially interesting group to study from this perspective, as the majority of youth are employed in retail and service sector jobs, which are more highly concentrated in suburban areas (U.S. Department of Labor 2000; Wilson 1996). While urban African American and Latino youth experience high levels of urban residential segregation, they have little control over the choice of their residence. In addition, they may face fewer transportation options compared with adults as they have a lower likelihood of having a driver’s license and of owning a car. In sum, youth are especially susceptible to spatial mismatch (Larson and Mohanty, 1999). To date, the evidence that youth experience lower employment rates due to spatial mismatch is inconclusive.

Regional location, especially the urban/suburban dichotomy, is also highly correlated with family poverty status, family structure, and joblessness. Inner city urban neighborhoods are characterized by high concentrations of poverty, female-headed families, and unemployment, as compared with suburban neighborhoods. For example, in 2000, the poverty rate in central cities (18.4 percent) was more than twice that in the suburbs (8.3 percent), although the central city/suburb gap decreased by .5 percent since 1990. In cities that experienced the greatest decline in the poverty rate, rates of child poverty declined even more sharply. Conversely, cities
in the northeast, and Southern California experienced increased rates of poverty, and also experienced higher rates of child poverty, although at smaller increases than overall poverty rates (Berube & Frey, 2002). Thus, higher rates of overall and child poverty continue to persist in urban versus suburban regions.

Higher rates of poverty are attributed to high levels of joblessness, especially in the manufacturing sector, as work has “disappeared” or moved to suburban or overseas locations (Wilson, 1989; 1997). This change is exacerbated by spatial changes in the growth of new service sector jobs. The majority of these new jobs are concentrated in suburban areas; thus, urban areas are left with fewer job opportunities (Wilson, 1997). This changing job structure is especially salient for youths who are likely to be employed in service sector jobs, which are concentrated in suburban locations.

Family structure also contributes to high rates of poverty, especially in urban areas. According to recent estimates from the Current Population Survey, while 8.8 percent of married couples with two children live below poverty, whereas 43.8 percent of female-headed families with two children live in poverty. Thus, children growing up in female-headed families are nearly 5 times more likely to experience childhood poverty than are children in married-couple families. Although their numbers are small, children growing up in single-father families are twice as likely to live in poverty as children with married parents (U.S. Bureau of the Census, 2005). Family structure may influence youth employment, as single parents may rely more on youths for assistance with caring for siblings and household labor because they do not have a second parent on whom to rely. As discussed above, intuitively although it would seem children from socially and economically disadvantaged families might enter employment to provide financial support for struggling families; however, recent evidence shows that these youth are
actually less likely to be employed (U.S. Department of Labor, 2000). Thus, our analysis will provide evidence as to whether this is the case.

Individual characteristics of youth including age, gender, and race/ethnicity are also related to youth employment. In this chapter, we focus on youth ages 14 to 18. As adolescence is a period of developmental growth characterized by distinct physical, cognitive, social, and behavioral transformations, there is much variability during this span of time. One of the most pronounced characteristics of adolescence is the need for independence from parents in order to establish one’s own identity. Erikson (1963) characterized this stage of life as “identity versus role confusion.” Often, conflict with parents over this desire for independence is a central marker of this developmental period. One way in which adolescents can establish their individual selves is through outside employment. Thus, increased age is associated with greater likelihood of youth employment.

Additionally, researchers find significant time-use differences between boys and girls, and that these differences increase with age (Gager et al., 1999; Timmer, Eccles, & O’Brien, 1985). Specifically, Gager and colleagues (1999) find that girls spend more time on paid work than boys in the 9th grade although this difference disappears by 12th grade. As previously mentioned, race and ethnicity of youth may be important to consider, because youth employment rates are likely to mirror those of adults. Thus, previous research indicates that youth demographics need to be considered when examining youth involvement in paid work.

Thus, the main goal of this chapter is to recognize both the individual and structural factors that may influence youth involvement in paid employment, especially focusing on how poverty, urban location, and family structure are related to youth employment. In sum, we examine who works and who does not work and how involvement varies by youth and family
socioeconomic characteristics, as well as geographic location. Based on our synthesis of theoretical approaches from multiple disciplines, we identify the most important correlates of youth employment. These correlates include characteristics of youth, such as age, race/ethnicity, and gender, and/or characteristics of their families, such as family socioeconomic status, family structure, and regional residence. Family socioeconomic status is measured by family income, and TANF or food stamp recipiency. Family structure is measured as living in a two-parent married structure, versus a single-mother or single-father family. Last, regional residence is measured as living in an urban or suburban neighborhood.

In addition, we address several data shortcomings in previous research examining general youth time-use, and specifically, involvement in paid work. First, much of what we know about involvement in youth time-use, has come from studies that lack complete and accurate estimates of youths’ time-use activities (Ben-Arieh & Ofir, 2002; Gager & Sanchez 2004). For example, studies often rely on adult estimates of children’s involvement, rather than on reports from children themselves (Blair 1992a; Blair 1992b; Demo & Acock, 1993; Larson & Verma, 1999). Second, many studies on involvement in paid work utilize a regional sample (although longitudinal), of mostly Caucasian, suburban, middle-class youth (Mortimer 2003) or are African American, urban, or lower-class youth (Leventhal, Graber, and Brooks-Gunn 2001; Entwisle, Alexander, and Olson 2000), without examining a comparison group. Thus, we do not know the degree to which involvement varies by race, income level, or regional residence. However, although the few studies that do include comparison groups are informative, they often rely on non-representative samples that cannot be generalized to a national population (Brown & Evans, 2002; Jarrett, Sullivan, & Watkins, 2005; Lareau, 2002). Thus, we present data to show the
degree to which involvement in paid labor varies by race/ethnicity, income level/poverty status, or regional residence using a nationally representative sample.

DATA AND METHODS

This chapter will summarize data from the Survey of Adults and Youth (SAY), collected as part of the Urban Health Initiative (UHI), and funded by the Robert Wood Johnson Foundation. The UHI seeks to ameliorate the health, safety, and well-being of children and youth living in America’s most economically distressed cities.\(^1\) The SAY survey was administered to a nationally representative population and over-samples parents and youth living in urban areas and six cities: Baltimore, MD; Chicago, IL, Detroit, MI; Oakland, CA; Philadelphia, PA; and Richmond, VA. SAY, a random digit dialed survey, includes 4,441 parents and 7,778 youth.

Telephone interviews are conducted every 3 years beginning in 1998 and commencing in 2005 (see Mijanovich & Weitzman, 2003 and Modi, 2000 for more information regarding SAY).\(^2\) The present study utilizes data from the first wave of data collected between October, 1998 and May, 1999.

SAY is unique in that it includes interviews with adults, parents, and youth ages 10 to 18. Most importantly, SAY surveys youth about their involvement in school and in non-school related activities, including paid work, thereby presenting a fuller picture to better understand how youth divide their time. Youth were asked to report on their time spent in paid work, housework, and extracurricular activities as well as their demographic characteristics. The Parent survey generates information on family socioeconomic status, including family income, welfare

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\(^1\) The sample is a probability sample of the entire United States, in which UHI purposely over sampled urban areas and 6 economically distressed cities, thereby resulting in higher percentages of African American and urban families.

\(^2\) Prior to 2005, The Survey of Adults and Youth (SAY) was referred to as The Survey of Parents and Youth (SPY).
recipiency, family structure, and regional location. Our data analysis combines information collected from both the youth and the parental interviews.

Parents were interviewed first and then youth were interviewed upon permission from their parents. The youth survey lasted approximately 30 minutes and the parent survey lasted about 20 minutes. The response rate for parents was 89% and the response rate for parents who granted permission to interview a child was 74%. The current analysis is limited to youth, ages 14-18, and our effective sample size is 3,441 parent/child pairs, for whom there are no missing data. No differences between responders and non-responders were found with regard to urbanicity, region of country, race/ethnicity, or family income.

Variables

The youth employment variable is based on the question, “During the last week, have you earned any money at any job besides housework: yes or no.” Additional individual youth variables in this study are age (14 to 18 years), gender (0 = male, 1 = female), and race/ethnicity. Race/ethnicity of the respondent was coded as 1) Caucasian, 2) non-Hispanic African American, 3) Asian, 4) Hispanic, and 5) other race/ethnicity.

Family characteristics include income, welfare recipiency, family structure, and regional residence. Parents were asked, “What was your total family income last year?” The response categories include 1 = less than $20,000, 2 = $20,001 to $30,000, 3 = $30,001 to $50,000, and 4 = over $50,000. The use of social welfare services is measured by two questions. The first question regards government assistance and asked “In the past 12 months, did you or anyone in your family receive assistance from AFDC or TANF?” They were also asked “In the past 12 months, did you or anyone in your family receive food stamps?” They responded either “yes” or “no” to each question. Due to small sample sizes, we coded family structure as 1) two-parent
married families (may be either biological or step-parent structures), 2) mother-only families, and 3) father-only families. Last, regional location is measured as families who live in urban areas versus suburban areas.

We will present descriptive statistics including means and frequencies, to describe the characteristics of our total SAY sample. Next, we will describe how employed and unemployed youth differ by demographic and socioeconomic characteristics. We perform a Pearson Chi-Square analysis to determine if significant associations exist between youth employment status and each youth/family characteristic.

RESULTS & DISCUSSION HERE

In Table 1 we present descriptive statistics for our main variables. Nearly forty percent of our sample reported that they had earned money at a job in the past week, and of those, the mean hours reported worked is 15.8 hours.

In terms of individual youth characteristics, the average age of youth in our sample is 15.8 years of age and the sample is evenly split between male and females. Forty-three percent of youth in our sample are Caucasian, 39.8% are African American, 10.3% are Hispanic, 2.3% are Asian, and 4.6% are in the other category. The other category comprises youth who consider themselves Native American, who identify with more than one racial or ethnic category, and who chose the category “other.” Nearly 60% of the youth we surveyed live in two-parent, intact families. Most of the youth in our sample are from families who did not receive food stamps or AFDC/TANF in the past year (88% and 93%, respectively). Annual family income is between $30,000 and $50,000 per year. Most of the youth live in urban areas (69.3%), as the SAY survey purposely oversampled urban areas.
In Figures 1 through 8, we present key demographic and socioeconomic characteristics of youth and families by youth employment status. In Figure 1, for example, we see that age is a key correlate of youth employment status. At age 14, only 24.8 percent of youth report that they worked at a paid job last week, whereas by age 18 that percentage increased to 60.5 percent. Thus, older youth are significantly more likely to be employed compared to their younger peers ($\chi^2=235.75$, $p \leq .001$). Mirroring trends among the adult population, we find that the likelihood of youth employment varies by race/ethnicity ($\chi^2=59.94$, $p \leq .001$). Forty-five percent of Caucasian youth are employed, while only one-third of African-Americans and Latino youth are employed (see Figure 2). In contrast to rates reported by the Bureau of Labor Statistics, Asian youth in our sample have the lowest employment rates at 28.8 percent (U.S. Department of Labor, 2000).

In Figure 3, we see that there is no significant difference by gender among the youth in our survey in employment likelihood. For both girls and boys, employment rates are approximately 38 percent. However, we do find an interaction between gender and race/ethnicity (analyses not shown). Latino girls are significantly less likely to be employed compared with their male peers. While over 62 percent of Latino boys are employed, only 38 percent of Latina girls are involved in paid employment. In contrast, we find greater parity between both African American and Caucasian girls and boys (ranging from 48 to 52 percent); thus, Latino boys have the highest employment rates. This finding is in tandem with recent data from the Bureau of Labor Statistics (U.S. Department of Labor, 2005).

Figures 1, 2, & 3 here

Moving to family characteristics, in Figure 4, we can see the relationship between youth employment status and family income. A clear positive trend emerges between youth
employment and family income. Youth from poor families are less likely to be employed than children from families with higher incomes ($\chi^2 = 15.72, p \leq .01$). Thus, although intuitively, we expected youth from economically disadvantaged families to be employed in order to help support their families financially, employed youth today are more likely to be from more economically advantaged families.

Figure 4 here

In Figures 5 and 6, we consider the association between welfare recipiency and youth employment status. Similar to the findings for family income, we find that youth who live in more economically disadvantaged families, as measured by TANF or food stamp recipiency, are less likely to be employed compared to youth from families who do receive these forms of government assistance. Receiving TANF is significantly and negatively associated with youth employment ($\chi^2 = 4.94, p \leq .05$). In addition, food stamp receipt is negatively associated with the likelihood of youth employment ($\chi^2 = 7.15, p \leq .01$). In sum, youth from more economically disadvantaged families are less likely to be employed than their less economically disadvantaged peers.

Figures 5 & 6 here

We suggested that children from single-parent families may be less likely to work for pay if their parents rely on them for assistance with household labor and care of siblings. In Figure 7, we consider the association between youth employment status and family structure. We compare youth from two-parent married families (combining step-parent and biological parents) with youth living in mother only and father only family structures. Although the data show a trend toward greater labor force participation among youth from single-parent families, the relationship is not statistically significant ($\chi^2 = 4.42, p \leq .10$). It is also interesting to highlight
that youth from father-only versus mother-only families do not significantly differ in their labor force participation rate. In sum, we find no association between family structure and youth employment status.

Figure 7 here

Last, we examine the association between regional location and youth employment rates. As we summarized above, research has suggested a spatial mismatch between youth residence in urban areas and job availability (i.e. service sector jobs, which are concentrated in suburban areas). This is especially salient for youths who may lack the transportation options that adults may have (i.e., they are not old enough to have a license and are less likely to own a car) and because youth usually do not choose their place of residence. We find a significant association between regional residence and youth employment status. While 46 percent of the youth living in suburban neighborhoods are employed, only 34.5 percent of urban youth are involved in paid labor ($\chi^2 = 40.92, p \leq .001$). Thus, suburban youth are more likely to work for pay compared to urban youth.

Figure 8 here

Overall, we find high variation in youth employment status by race/ethnicity and regional location, which begs the question: which effect better predicts youth employment? In additional research using this data set and multivariate methods, we have examined the simultaneous effects of these individual and family characteristics on youth employment status. Our analyses show that regional location trumps race/ethnicity in predicting the likelihood of youth employment. In other words, suburban/urban residence is the strongest predictor youth employment (Gager & Lundquist, 2004). While we know urban neighborhoods, especially in the cities we survey, have high concentrations of African Americans, our findings suggest that location matters more than
race, as African American youth living in suburban areas in our sample are no less likely to be employed compared to their Caucasian counterparts.

Our findings have implications for policy regarding youth unemployment. Many policy makers have highlighted that early employment can have a large effect on youths’ future outcomes.
Bibliography


Table 1: Descriptive Statistics of Variables Used in Analysis

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<tr>
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