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DOES ASSIMILATION MATTER?  
LABOR PARTICIPATION AMONG CHINESE IMMIGRANT WIVES

by

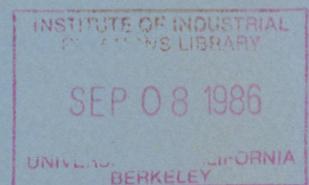
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## INTRODUCTION

The literature on the labor supply of married immigrant women has grown in recent years, stimulated by a confluence of the two notable changes: a substantial growth in the number of non-white immigrant workers and a dramatic increase in women's participation rate. The former phenomenon can be attributed to the 1965 Immigration Act, which eliminated a historical bias against non-Europeans and increased the annual quota from 250,000 in the 1950s to 400,000 in the 1970s. About seven out of every ten arrivals among this new wave of immigrants have been from Africa, Asia, or Latin America. (U.S. Immigration and Naturalization Services, 1984) Not included in the figures are undocumented aliens from third world countries, whose ranks have swollen into the millions. As the flow and composition of immigration have shifted, women's labor force participation rate (LFPR) has increased dramatically. Between 1960 and 1980, the rate jumped from 37.8% to 51.3%, with the movement of married women into paid work being the driving force behind this trend. (Mincer, 1985, p.52) Immigrant wives are very much a part of these two trends.

This article questions what can be called a simple assimilation thesis of labor participation among immigrant wives, which states that the level of Americanization is a major determining factor. An axiom is that recent arrivals and those with limited English-language proficiency have lower employment opportunities because of lower market wages. Quantitative studies on various immigrant groups lend empirical support for this thesis.

An alternative hypothesis is that assimilation is unimportant in communities with a well developed ethnic sub-economy that functions

as an outlet for those facing linguistic and cultural handicaps in the mainstream economy. Ethnically owned and operated firms and ethnically defined labor markets articulate immigrant labor into the larger urban economy directly via a product markets or indirectly via sub-contracting in vertically segmented industries. Less assimilated wives, therefore, do not experience a lower participation rate, *ceteris paribus*.

This article examines the evidence on these two hypotheses. Part one reviews the literature pertaining to the assimilation thesis and ethnic labor markets. Unfortunately, no study of either categories provides an explicit test of the two competing views. Part two presents a case study based on Chinese ethnic labor markets in the San Francisco and Los Angeles metropolitan areas, which exhibit considerable differences in employment opportunities for immigrant wives. This variation provides a means to test statistically the two hypotheses, and the quantitative results support the argument that a viable local ethnic subeconomy attenuates the role of assimilation in labor force participation.

## PART I.

### ASSIMILATION AND PARTICIPATION

Much of the recent literature view assimilation as a key to understanding the labor-market status of immigrants. The term has been widely used to denote a process of cultural, social, and structural adjustment by immigrants (and their children) to the dominant society. (See Gordon, 1964, for summary.) Various forms of adjustment need not be unrelated. In fact, the assimilation hypothesis of labor force participation posits that some aspects of

"Americanization" improve employment opportunities, and this economic integration can be viewed as one dimension of structural assimilation.

The prevalent economic view interprets assimilation as both a form of human capital and a process of human-capital formation. The difficulties encountered by immigrants, then, are due to too little human capital. Migration devalues previous cultural-specific and firm-specific human capital. Skills that were marketable in the sending country are not in demand or are not portable. Immigrants from third-world countries suffer additional handicaps because they often have no or limited English-language skills, and hold values and norms disparate from the dominant ones in the United States. An immigrant can improve his or her status by acquiring new human capital specific to American society, such as the English language, knowledge about the U.S. labor market, new modes of work-related behavior, and appropriate training.

The problems of less assimilated immigrants can be cast in wage terms, although there could be related problems in employment opportunities. Most wage and earnings studies of immigrants show that high levels of assimilation increase wages, *ceteris paribus*, and conversely, lower levels decrease wages. <sup>1/</sup> Within the general human-capital framework, the lack of appropriate skills contributes to low wages because of low individual productivity. The lack of assimilation, however, has a broader impact by lowering the firm's productivity or increasing its cost of production. Higher labor cost (or greater labor input) is attributed to a need for bilingual personnel to coordinate production and on-the-job training. (McManus, 1985) In a competitive market, less assimilated immigrants must

receive lower wages to offset the additional cost associated with their employment.

Lower individual productivity or higher production cost need not be manifested simply as lower wages. When competitively determined wages fall below a legal or institutionally set level, there are no job offers because firms can not profitably hire less assimilated workers -- the outcome is equivalent to the posited affect of minimum wage on minority youths.

Although low wages only slightly diminish participation rates among men, whose supply is highly inelastic, the same is not true for females. Women's participation is sensitive to market wages. In the standard economic model, a woman's participation is determined by the difference between her market and reservation wages. (Killingsworth, 1983) The latter is determined by the value of leisure, other household income, and the value of home production. For a given reservation wage, the level of assimilation affects participation through market wages; consequently less assimilated wives have lower market wages and a corresponding lower participation rates.

The human-capital/competitive-wage story is not the only plausible one for the assimilation-participation hypothesis. Discrimination based on culture can cause lower wages or limited job offers. 2/ Moreover, less assimilated individuals may find fewer employment openings because they do not have access to social networks in the larger society which are important sources of job information and referrals. (Kim, et. al., 1981; Rees, 1966) Finally, the lack of assimilation may indicate a retention of traditional norms discouraging paid work among women. All three alternatives can generate the hypothesis that the level of assimilation influences

participation.

Empirically, models based on the human-capital explanation and the broader social ones use very similar causal (independent) variables. Economic models of women participation typically rely on a reduced form, where both the market wage and the reservation wage are proxied by the underlying factors. The underlying factors influencing market wage include English-language ability, years in the United States (as a measure of other time-dependent assimilation), education attainment, and potential years of labor market experience. The underlying factors influencing reservation are some measures of family structure, husband's income, and other income. While the rationale is economic, the empirical specification is not unique since models based on the broader social explanation also use the same variables but with different interpretations. 3/

For the issue central to this article, determining the relative validity of the competing explanations is irrelevant because they all generate an observational equivalence, assimilation enhances participation. Studies using national samples have found that the assimilation variables, such as English-language ability and years in the U.S., are positively related to labor force participation among immigrant wives, *ceteris paribus*. (Cooney and Ortiz, 1984; Reimers, 1985; Wong and Hirshman, 1983) Although interpretations differ, this finding is offered as evidence that assimilation does matter.

#### ETHNIC LABOR MARKETS

A flaw in the assimilation framework is an implicit assumption that immigrants compete for jobs in an open market and in firms using the English language and operating on American norms. If this were

true, then less assimilated immigrants would be disadvantaged. However, a large body of literature (mainly outside economics) shows that many of these workers are concentrated in ethnically defined labor markets, which can be defined simply as a combining of ethnic capital and ethnic labor. These ethnic labor markets (ELMs) have been found to be a significant source of employment among Cubans, Koreans, and Chinese, and a major contributor to the increasing balkanization of the urban labor market. (Freedman, 1985; Kim, 1981; Mar, 1985; Portes and Bach, 1985)

Based on the existing studies, it is clear that ELMs greatly in character across ethnic groups. Among the three mentioned, the Cuban ELM in Miami is perhaps the largest and the most diverse, while the Korean one in New York City is the smallest and least diverse. The Chinese ELMs in several large urban areas (San Francisco, Los Angeles, and New York) fall between the two. Moreover, Cuban and Chinese firms are concentrated (although not exclusively located) in their respective residential enclaves, while the Korean firms do not exhibit such a spatial pattern.

Despite the inter-ethnic variations, all ELMs serve a common function of articulating immigrant labor into the larger economy. Despite a distinctive outward culture appearance, these labor markets are not insulated from the larger urban economy. Some segments of an ethnic sub-economy exist to meet the special needs of the immigrant community, but an ELM's viability depends on the sales of commodities and services outside its group. Much of what is sold is labor service. Because many of the firms are founded by fellow immigrants with little capital, economic activities are concentrated in labor-

intensive industries. Immigrant workers, then, are indirectly integrated into the economy through the value labor adds in production.

Less assimilated immigrant workers constitute the major labor force in an ethnic labor market. There is a mutual relationship between the way ethnic firms operate and the immigrants' need. One, firms use the native tongue in production. The incentive is lower production costs, not only from tapping low-wage immigrant labor but also from the savings gained by minimizing bilingual personnel. 4/ Two, production is concentrated in or close to ethnic enclaves where a large percentage of the less assimilated immigrants reside, thus the workers's out-of-pocket costs for job search and transportation are lower. And three, the working environment offers workers an opportunity to socialize with those of the same cultural background. A frequently mentioned characteristic of ethnic firms is an informality conducive to social activities. Because of these three traits, ELMs serve as a major source of employment for less assimilated immigrants.

While the above factors are important, equally important is the "crowding" of labor into the ethnic labor market. (See Bergmann, 1971 for description of the crowding model.) Discrimination probably contributes to this phenomenon, but crowding also occurs because, as stated in the previous section, some unassimilated workers are excluded from non-ethnic firms by minimum wage levels above the cost of labor. On the other hand, ELMs are sheltered by language and cultural differences from institutional set minimum wages; unionization is absent or ineffective, and legal minimum wages are often ignored. Consequently, jobs in the ethnic labor market are the

only viable option for many workers. With crowding, employment in the ethnic sector is larger, but wages are lower.

Despite the insights gained from existing studies on ethnic labor markets, these studies suffer some limitations. Studies attempting to gauge the economic importance of ELMs rely on comparisons of groups with and without these markets, for example, Asians and blacks (Light, 1971; Sowell, 1983), Cubans and Mexicans (Portes and Bach, 1985), and Cubans and blacks (Wilson and Martin, 1982). Unfortunately, it is difficult to discern how much of any intergroup differences can be attributed to culture, social institutions, or structural conditions. (Liberson 1980; Steinber, 1983) More important, no study has quantify the impact on the participation rates of immigrant wives.

One way to gauge this impact is to examine interurban variation within one ethnic group. 5/ This approach circumvents the problems of inter-group comparison by holding constant culture and social institutions. However, local structural conditions do generate differences in the relative viability of local ELMs, differences that can be exploited to estimate the effects on participation rates. The experience of Chinese immigrants in the Los Angeles and San Francisco SMSAs (Standard Metropolitan Statistical Areas) is used to implement this research design. There are substantial variations in the local Chinese ethnic labor markets and in participation rates among immigrant wives.

A critical assumption in the above approach is that immigrant wives do not equalize interurban differences through moving, a relatively safe assumption since they have extremely limited geographic mobility. As immigrants, they are tied to a community

where friends and relatives provide in kind services of social and economic benefit. And as wives, they are live in the locality where their husbands find work. Thus, participation among the less assimilated invariably is linked to a local ethnic labor market, whose viability is determined by local structural conditions.

## PART II

### CHINESE ETHNIC LABOR MARKETS

Both the San Francisco-Oakland SMSA and the Los Angeles-Long Beach SMSA contain a sizable Chinese immigrant community. In 1980, post-1965 immigrants from China and Hong Kong numbered about 48 thousand in the former area and 31 thousand in the latter. (U.S. Bureau of the Census, 1983) Among these were approximately 9,300 prime working-age wives (24 to 55 years old) in San Francisco and 8,500 in Los Angeles. <sup>6/</sup> Many of the less assimilated immigrants reside in the Chinatowns of the two areas, but LA's immigrants are less concentrated than SF's immigrants. (Ong, 1984) A substantial but unknown number of these immigrants work in their respective Chinese ethnic labor market, whose economic base is comprised largely restaurants and garment sub-contracting.

Within the Chinese ELMs, women are concentrated in garment sub-contracting while men are concentrated in the restaurant industry. (Loo and Ong, 1981; Nee and Nee, 1974; Wong, 1983) This gender division is rooted in a sexist norm that depicts sewing as being more appropriate for women and restaurant work as being more appropriate for men. This norm is reinforced by another culturally defined division of work: the requirement that women do most of the housework effectively limits them to the apparel sector. Unlike restaurant work where consumers

determine diurnal activities, garment work offers a more flexible schedule that allows workers to coordinate wage-work with household duties, and if needed, to perform some family responsibilities at the shop, such as supervising young children.

Despite the similarities, the two ELMs differ in the extent of sub-contracting. Although employment data are rare and incomplete, trends in the garment industries of the two respective enclaves provide one piece of evidence. San Francisco's Chinatown has about twice the number of recent immigrants as its southern counterpart but a garment industry three to four times larger. SF's Chinatown housed 120 garment shops in the late 1960s and over 200 in the early 1980s. (Citizens' Survey, 1969; Asian Law Caucus, 1981) Z/ Chinese garment shops are not absent in the LA's enclave, but they have been few in numbers and small in size. No more than sixty garment shops operated in the early and mid-seventies, and fewer in the late seventies. (Li, 1975; Wong, 1979; Grisby and Levine, 1982)

SMSA-wide data for 1980 offer collaborating evidence. (See Table 1.) Compared with Los Angeles, a much higher percentage of San Francisco's labor force of Chinese immigrant wives were in the craft and operative occupations, categories comprised primarily of garment workers. The industrial distribution provides more direct support: over 35% of the San Franciscans were in the apparel industry, while only 21% of Los Angelinos were. As telling as the SMSA data maybe, they understate the case. When both those in and outside the labor market are considered, one quarter of those in San Francisco were associated with the apparel industry while only less than one-eighth of those in Los Angeles were. Although the statistics can not distinguish between employment in ethnic and non-ethnic firms, it is

safe to assume a large majority of the jobs were located within Chinese shops. Hence, the bulk of the variation can be attributed to the relative size of garment sub-contracting in the two ELMs.

The relative size of the Chinese garment industries can be attributed to several factors. One factor is San Francisco's better financial ability to expand garment subcontracting in response to an increase in the supply of labor. Although capital requirements are not extensive, workers aspiring to be entrepreneurs must raise the startup money through personal and family savings from wages. This protracted accumulation process ties the potential of establishing additional firms to the pool of established workers with the required savings. SF's Chinese community, with a relatively larger number of earlier immigrants, has had a larger supply of available capital and aspiring entrepreneurs to absorb the new immigrants. A second factor is LA's less conducive geographic characteristics: its relatively more dispersed immigrant population and less than efficient public transportation. Consequently, proportionately more of its Chinese wives face a high out-of-pocket expense if they work in the garment industry. With a lower net wage, the supply of labor is smaller.

But perhaps the most important factor in determining the extent of sub-contracting is the degree of competition. Unlike Chinese restaurants, Chinese garment sub-contractors are not sheltered from external competition. The restaurants operate in a market populated by other ethnic outlets and low-cost, fast-food chains, but product differentiation mitigates competition. In fact, it appears that Chinese restaurants "to a marked extent...create their own demand." (Bailey, 1984) On the other hand, Chinese garment shops compete not

only with themselves but also with other ethnic subcontractors since there are few ethnically defined products. The major manufacturers are free to substitute one subcontractor for another, thus are free to substitute indirectly one group of ethnic workers for another.

(California Legislature, 1979, p. 134)

Chinese sub-contractors in Los Angeles face more intense competition than their northern brethern. The pools of other immigrant workers in the two areas are substantially different. According to the official 1980 statistics, Los Angeles had over two million Hispanics, comprising approximately 28% of the total population, but San Francisco had only three hundred and fifty thousand, comprising less than 11% of the total population. Moreover, Mexicans constituted 42% of LA's immigrant population, but only 11% of SF's immigrant population. Many of the Hispanics female immigrants in LA have limited education and language ability and must take work in the garment industry through Hispanic sub-contractors, who own and operate the overwhelming majority of LA's garment shops. (California Legislature, 1979; Soja, et. al., 1984) In this highly competitive environment, Chinese subcontracting in Los Angeles has been less extensive than in San Francisco. 9/

#### IMPACT ON LABOR FORCE PARTICIPATION

This article's central question can be stated as "does a viable ELM create enough additional employment opportunity (at any given net wage, which includes search and travel-to-work costs, and nonpecuniary benefits) so that less assimilated immigrant wives are as likely to be in the labor market as more assimilated immigrant wives?" We have seen that Chinese subcontracting in apparel, which a major source of

jobs within the ELM, varies significantly. Extensive subcontracting, however, can not be accept as prima facie evidence for a positive answer. Despite the considerable qualitative documentation supporting the characterization of ethnic labor markets presented earlier sections, it is also plausible that most ethnic jobs are substitutes for non-ethnic jobs. If this were true, then extensive subcontracting merely indicates that immigrants work for ethnic employers rather than that a viable ELM alters the overall structure of employment opportunity. The hypothesis that assimilation matters is essentially correct, regardless of the number of ethnic firms. On the other hand, if an ELM can generate significant more opportunities, then the role of assimilation may be attenuated or completely eliminated. In other words, less assimilated wives in San Francisco should have higher participation rates than those in Los Angeles. 10/

This section presents a test of the latter proposition by analyzing in detail the labor market status of immigrant wives in the two SMSAs. The data come from the 1% and 5% Public Use Microdata Samples (PUMSs) for 1980 census, and include post-1965 Chinese immigrants who were married to a Chinese immigrant, under the age of 55 in 1980, and an adult at the time of entry. General characteristics for the two samples are listed in Table 4. The data show that the aggregate LFPRs for the two samples differed by about 13 percentage points, over 69% in San Francisco but under 56% in Los Angeles.

Variations in average characteristics could account for some of the gap. Unfortunately, there are offsetting effects. Based on other research, we would expect a lower rate for the San Francisco sample because of lower average educational attainment and English-speaking

ability. On the other hand, we would expect a higher rate because on the average the wives had been in the United States longer, their children were less likely to be under six years old, and other household incomes were lower. The univariate statistics do not yield an unambiguous explanation for the gap.

Logit regressions are used to isolate the influence of the various factors. The dummy dependent variable indicates whether or not the woman was in the labor force in the last week of March 1980. The model uses the reduced-form cited earlier and includes variables denoting deficiencies in English-speaking ability, years of entry into the United States, educational attainment, the presence of infants and older children, husband's wage or income, and other control variables. 11/ Further descriptions of the variables can be found in Table 4.

It is expected that the presence of children lowers participation by increasing the reservation wage, higher educational attainment increases participation by raising the market wage, and higher spousal earnings lowers participation through an income effect. The important coefficients are those for the language and year-of-entry variables. The assimilation story described earlier predicts that in both SMSAs recent immigrants and those with limited English-speaking ability have lower probabilities (negative coefficients), *ceteris paribus*. The alternative story predicts the same outcome for LA but not for SF.

Table 5 reports the results for the two SMSA samples. The chi square test for homogeneity easily rejects the null hypothesis that there is no structural difference between the two samples. There are two notable disparities between the two regressions. The first is that limited English-speaking had no effect in San Francisco but a

substantial effect in Los Angeles. The coefficients for the language variables in the SF regression are small and statistically insignificant at even the .50 or smaller confidence level, but are large, positive, and statistically significant in the LA regression. In San Francisco limited English-language ability had no impact on the odds of being in the labor market, but in Los Angeles the poorer one's ability, the lower the probability. The second major regional difference is the role of the length of residency, which is usually interpreted as a proxy for human-capital assimilation gained through exposure and experience with the American labor market. The results indicate disparate outcomes. Being a recent immigrant had no statistically significant effect in San Francisco but had a measurable and statistically significant effect in Los Angeles.

The results demonstrate that the odds of being in the labor market among those less assimilated differs dramatically in the two labor market. The difference can be estimated by using the regressions results to trace the impact of assimilation on participation rates or probability odds. The results are presented in Table 6. The numbers in the first row restate the aggregate LFPR for each sample. Simulations are used to generate the percentages in the other three rows, which provide estimates of the components of the inter-regional differences and of the impact of assimilation in each area.

The figures in the second row are from simulations that estimates the LFPR of the San Francisco sample if they had been in LA, and the LFPR of the Los Angeles sample if they had been in San Francisco. The numbers indicate a much smaller difference between the two samples if they had been in the same SMSA. The gap closes from 13 percentage

points to 2 percentage points. The results can be interpreted as saying that differences in average characteristics are not a major contributor to inter-regional gap. Less than one sixth can be attributed to source. Structural differences between the two regions account for the rest.

The last two rows contain estimates of the LFPR for assimilated and unassimilated wives. The percentages are generated by using the average (mean) values for all variables except the assimilation variables. The assimilated category (immigrants who have been in the country for over ten years and have no difficulties with speaking English) takes on the value of zero for the variables DEN4, DEN3, DEN2, Y7580, and Y7074; and the unassimilated category (immigrants who have been in the country less than five years and have no English-speaking abilities) takes on a value of one for DEN4 and Y7580, and zero for the other three variables. In San Francisco, the estimated gap between these two categories of wives was 9 percentage points, but in Los Angeles, 56 percentage points.

These results, along with those in the previous paragraph, are consistent with the hypothesis that a viable ethnic labor market attenuates or eliminates the role of assimilation in labor force participation among immigrant wives.

#### CONCLUSION

The answer to the question posed by the title of this article is maybe. The finding is academically interesting because it indicates that the integration of immigrants into the American economy is complex. Unfortunately, the finding does not provide an answer to the question of whether or not assimilation is desirable. Restating the

question as whether viable ELMs are desirable does not simplify the issue. They can generate employment opportunities for recent arrivals and for those experiencing difficulties assimilating into American society. Unfortunately, an ELM may create long-run problems for it appears that those in this sector become entrapped. (Li, 1977; Loo and Ong, 1981; Mar, 1985) Thus, to the question of whether assimilation matters, the answer seems to hinge not only on the viability of local ethnic labor markets but also on the time frame.

## Notes

1. Studies that find this relationship include those by Chiswick (1978), Mancus, et. al. (1983), and Cheng and Kim (1985). An example of an exception is a study by Reimers (1983). After correcting for sample selection bias, she finds that English-language ability has a small and sometimes statistically insignificant effect on wages for some groups of Hispanic males.
2. This type of discrimination would be equivalent to the racial discrimination described by Becker (1957), but here non-immigrant employers and employees have a distaste for working with people holding alien values and behaving in a foreign manner. This type of discrimination would be unstable in long-run unless markets are not competitive.
3. It is possible to use the results to distinguish empirically among some aspects of the competing stories, but many of the results are consistent with two or more of the positions. It is likely that both the economic and social arguments are correct. For example, cultural differences appear to play an indirect rather than a direct role in determining reservation wage. Ortiz and Cooney (1984) find that variations in belief in traditional values among Hispanic wives do not directly influence behavior. Reimers (1985) finds a consistent result in a comparative study of several ethnically defined groups of wives: much or all of the difference in LFPR's between U.S.-born whites and foreign-born Asians and Hispanics are due to differences in characteristics, such as family size and age structure, and husband's earnings. This implies that while cultural values and norms may influence these characteristics, there is little or no difference in reservation wages for individuals of similar characteristics.
4. This is partly due to the fact that ethnic entrepreneurs have low learning costs in acquiring the required English-language skills to operate a business. Ethnic entrepreneurs are typically former workers, some of whom already had the language skills or else faced an opportunity cost equal to the immigrant wage. Moreover, ethnic firms are more likely to emerge in industries where the level of language proficiency needed to coordinate production is often higher than the level to conduct sales. Consequently, ethnic entrepreneurs need to learn less than the non-ethnic entrepreneur to operate a firm employing unassimilated immigrants.
5. Interurban variation in LFPR is not uncommon. Cooney (1979) finds that the Puerto Rican LFPRs vary inversely with their percentage of a city's total population. A high percentage may hinder participation because it provides a greater opportunity to retain the native language and culture or because it precipitates(?) greater discrimination from the majority population.
6. Estimated based on a tabulation of the combined 5% and 1% Public Use Microdata Samples.
7. The Chinese in San Francisco also operated over half of the shops

in the South-of-Market district, a center for light manufacturing and a short bus ride from Chinatown.

8. It has been argued that rotating credit associations historically were an important institution for pooling savings within the Chinese community. However, there is little quantitative evidence that these associations are important in more recent times.

9. A measurable impact of the larger absolute and relative supply of immigrant workers has been a secular divergence in garment wages. Garment wages in the two SMSAs were nearly equal in the early sixties, but by the early 1980s LA's rate was about one-fifth lower than SF's rate.

10. One would also to expect to find a difference in net wages. Unfortunately, it is impossible to calculate net wages from the census data.

11. Several other variables were examined but not included in the final run because they were statistically insignificant or had limited variation. Among these were variables denoting if the spouse was self employed, unemployed, or retired.

TABLE 1  
DISTRIBUTION OF LABOR FORCE, 1980

	San Francisco	Los Angeles
Total Sample Size	388	285
By Occupation		
Management/Admin.	5.7%	14.4%
Professional	4.4%	7.7%
Technical	1.3%	5.6%
Sales	8.8%	7.0%
Clerical	18.8%	26.7%
Food Service	9.5%	7.7%
Other Service	7.7%	2.8%
Craft/Operat.	41.5%	24.9%
Other	2.3%	2.1%
By Industry		
Apparel	35.3%	20.7%
Other Manufacturing	8.8%	10.9%
Eating/Drinking Places	10.3%	9.5%
Retail, Wholesale	10.0%	14.4%
FIRE	12.1%	15.8%
Service	17.0%	23.9%
Other	6.6%	4.9%

Source: Combined 1% and 5% PUMS, 1980 Census

TABLE 2

Population Characteristics

	Los Angeles		San Francisco	
Total	7477503		3250630	
Spanish Origins	2065503	27.6%	352189	10.8%
Not of S.O.	5412000	72.4%	2898441	89.2%
White	3985022	53.3%	2167888	66.7%
Black	925832	12.4%	385265	11.9%
Amer Indians	41600	0.6%	16670	0.5%
Asians	437493	5.9%	318997	9.8%
Others	22053	0.3%	9621	0.3%
<b>Immigrant Population</b>				
Total	1664793		509352	
China & HK	42580	2.6%	73375	14.4%
Mexico	697771	41.9%	56029	11.0%
Entered 1965-1980	1164812		287912	
China & HK	31501	2.7%	47763	16.6%
Mexico	551829	47.4%	35742	12.4%

Source: U.S. Bureau of Census, 1983, Table 195

TABLE 3  
General Characteristics

	San Francisco	Los Angeles
Total Sample Size	560	512
In Labor Force	69.3%	55.7%
English Speaking Ability		
Do Not Speak English	21.6%	12.7%
Do Not Speak Well	38.6%	34.8%
Speak English Well	24.5%	32.4%
Very Well or English Only	15.3%	20.1%
Average Years of Education	10.1	11.8
Average Age	38.8	36.8
Year of Immigration		
1975-1980	47.5%	56.2%
1970-1974	29.5%	28.7%
1965-1969	23.0%	15.1%
With Children Under 6 Years	35.5%	37.9%
With Children 6 to 17 Years	57.5%	53.9%
Husband's average income in 1979	\$12,900	\$14,400
Family's average income from dividends and rents, 1979	\$750	\$1,140

Source: Combined 1% and 5% PUMS, 1980 Census

TABLE 4

Definitions of variables in logit regressions

DEN4	If does not speak English, then = 1, else = 0
DEN3	If does not speak English well, then = 1, else = 0
DEN2	If speaks English well, then = 1, else = 0
EDUC	Years of education
AGE	Age in years
Y7580	If entered US between '75 and '80, then = 1, else = 0
Y7074	If entered US between '70 and '80, then =1, else = 0
NONCANT	If non-Cantonese speaking
DIVD	Dividends and rents in \$10,000
HUSBINC	Husband's income in \$10,000
HUSBEMP	If spouse not employed, then =1, else =0
HUSBED	Spouse's years of education
INFANT	Family with children under 6
CHILD	Family with children 6 to 17
MORTGAG	If paying mortgage, then =1, else = 0
SF	If in San Francisco, then = 1, else = 0

TABLE 5

## Logit Regressions for San Francisco and Los Angeles

Dependent Variable: In Labor Force, 1980

Independent Variables	San Francisco		Los Angeles	
	Logit Coefficients	First Derivative	Logit Coefficients	First Derivative
Intercept	2.242 ***		2.239 **	
DEN4	-0.006	-0.002	-1.874 ***	-0.831
DEN3	-0.117	-0.036	-1.492 ***	-0.662
DEN2	-0.199	-0.061	-0.754 **	-0.334
EDUC	0.075 **	0.023	0.033	0.015
AGE	-0.007	-0.002	0.015	0.007
Y7580	-0.438	-0.135	-0.779 **	-0.346
Y7074	0.467	0.143	-0.427	-0.189
NONCANT	-0.180	-0.055	0.260	0.115
DIVD	-0.660 *	-0.203	-0.809 **	-0.359
HUSBINC	-0.298 ***	-0.092	-0.356 ***	-0.158
HUSBEMP	-0.745 **	-0.229	-1.567 ***	-0.695
HUSBED	-0.075 **	-0.023	-0.032	-0.014
INFANT	-0.980 ***	-0.301	-0.772 ***	-0.342
CHILD	-0.031	-0.010	-0.032	-0.014
MORTGAG	0.239	0.073	0.413 *	0.183
-2 Log L		633.57		595.31
Chi-sq for no effect		57.24 w/15 df p<.000		107.89 w/15 df p<.000

\* p&lt;.10    \*\* p&lt;.05    \*\*\* p&lt;.01

First derivative equal coeff. times p(1-p), where p is the LFPR

TABLE 6  
SIMULATION RESULTS  
ESTIMATED PARTICIPATION PROBABILITIES

	San Francisco	Los Angeles
Aggregate LFPR	69%	56%
Alternative B's (1)	58%	67%
Assimilated (2)	74%	86%
Unassimilated (3)	65%	30%

1. Using SMSA averages but with coefficients from the regression for the other SMSA.
2. Average characteristics except english speaking and entered the U.S. between 1965 and 1969.
3. Average characteristics except non-english speaking and entered U.S. between 1975 and 1980.

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