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Cover Page Footnote

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Persistence of Poverty across Generations

A Comparison of Anglos, Blacks, and Latinos

Anna M. Santiago
Yolanda C. Padilla

Utilizing data from the National Longitudinal Survey of Youth, this study examines the impact of children's growing up in poverty on the probability of their remaining in poverty during young adulthood. The primary goals of the research are to examine racial, ethnic, and gender differences in patterns of persistent poverty and to identify predictors of poverty status in young adulthood. The results suggest that both women, regardless of their race, ethnicity, or adolescent poverty status, and black men who grew up in poverty are more likely to be poor as young adults than Anglo men. Logistic regression analyses reveal that in addition to education and work experience, metropolitan unemployment rates were also significant predictors of poverty status for both men and women. Further, while growing up in a poor family for extended periods of time was found to be associated with the increasing probability of being poor for minority men and Anglo women, other family background variables were insignificant predictors of adult poverty status in all models.

The significant reductions in individual poverty rates during the 1960s came to an abrupt end during the early 1970s. Since 1973, poverty rates for Anglos,¹ blacks, and Latinos have risen, and as Devine, Plunkett, and Wright have noted, poverty rates were higher throughout the 1980s than in the 1970s.² Poverty rates hit their peak, 15 percent, in the early 1980s before dropping below 14 percent at the end of the decade. However, this pattern varied markedly along racial and ethnic lines. Throughout 1973 to 1989, three times as many blacks and twice as many Latinos were poor, compared with Anglos. In addition, the difference between individual poverty rates of blacks and Latinos had narrowed by the mid-1980s. While black poverty rates remained about 33 percent during the 1970s and 1980s, Latino poverty rates rose sharply in the 1970s. In 1973, approximately 22 percent of all Latinos were poor. By 1989, 27 percent of all Latinos were in poverty.³

During the 1980s, scholarly debate focused on whether poverty in the 1980s was different from earlier periods. This "new" American poverty was apparently more entrenched and the overriding assumption was that the brief, episodic spells of poverty, which were identified by Duncan and others, had given way to chronic, long-term poverty.⁴ As Devine, Plunkett, and Wright underscore, scholars assumed that chronicity had increased, although the empirical evidence to substantiate this assumption was rather limited.⁵ Support for the assumption of the growing intractability of poverty was

inferred from cross-sectional studies that reported continued high poverty rates;⁶ increased numbers of workers with low earnings;⁷ increased income inequality, particularly between blacks and Anglos;⁸ and the growing concentration of poor blacks and Latinos in inner-city poverty neighborhoods.⁹

Within the policy arena, this debate has centered on determining the causes of persistent poverty. Wilson has argued that changing economic, demographic, and ecological structures in our urban areas have ensnared the poor within inner-city poverty areas.¹⁰ Economic restructuring has further restricted the boundaries of opportunity for individuals possessing limited education and job skills. From this perspective, growing inner-city poverty is a result of the increasing social and spatial isolation of the poor. Yet Mead contends that it is not the lack of job opportunities that has led to rising poverty; rather, it is the result of an increasing fraction of the low-skilled population that has chosen not to work.¹¹ Harrington suggests that the rise in poverty is linked to the dismantling of federal antipoverty programs during the 1980s.¹² In contrast, Murray links the rise in poverty to the disincentives embedded within the structure of the welfare system. He maintains that the eligibility criteria of existing welfare programs, particularly AFDC, discourage poor people from leaving the system and seeking gainful employment.¹³

Implicit in much of this research is the notion that poverty is transferred from parent to child by virtue of either an underlying subculture or a lack of resources, which in turn hinders economic achievement.¹⁴ Indeed, the assumption that poverty is transmitted intergenerationally is fundamental to current conceptualizations of persistent or chronic poverty. Nevertheless, very little empirical work has focused on the persistence of poverty across generations despite the rhetoric which suggests that this relationship exists. Moreover, the studies conducted to date provide mixed support for the thesis that poverty is transmitted from generation to generation.¹⁵

Indeed, these studies have shown that there is a high degree of intergenerational mobility in and out of poverty. Our study extends this line of research to examine patterns of intergenerational mobility, or lack thereof, during the 1980s. Utilizing data from the National Longitudinal Survey of Youth, we examine racial, ethnic, and gender differences in the patterns of persistent poverty among young adults. Then, using multivariate analyses, we develop a model incorporating family background, nativity and ethnic status, and human capital and contextual factors to identify predictors of poverty status in young adulthood.

The Persistence of Poverty across Generations

With the advent of longitudinal data sets such as the Panel Study of Income Dynamics (PSID), the National Longitudinal Survey of Labor Market Experience (NLS), the National Longitudinal Survey of Youth (NLSY), and the Survey of Income and Program Participation (SIPP), researchers have been able to study the extent and persistence of poverty over time. To date, the PSID and SIPP have been used most extensively to examine long-term poverty,¹⁶ but a growing number of researchers are using the NLS and NLSY data, especially to examine the links between poverty and participation in social welfare programs.¹⁷

These studies have revealed the pervasiveness of poverty in America.¹⁸ While approximately 25 percent of American households fell into poverty in at least one year during the 1970s, only one percent of all households were poor during all ten years.¹⁹

Bane and Ellwood found that most poverty conditions were for a short term (<3 years), underscoring the point that only a small fraction of those who entered poverty in any given year would be chronically poor. However, they also found that durations of poverty were quite long (average = 12 years) for those persons already in the midst of it.²⁰

The duration of spells of poverty was found to vary significantly by changes occurring to the structure of the household or the employment status of the head. Spells tended to be shortest for those who were either at the onset of their work careers or in the midst of a decline in earnings. On the other hand, poverty lasted significantly longer if a household came to be headed by a female or if the spell was caused by a birth. Race also exhibited a positive relationship to the length of the poverty spell. The average duration of poverty for blacks was 6.7 years — two years longer than the average spell for whites.²¹ Coe found that the majority (77 percent) of the persistently poor were black.²² Corcoran et al. show that persistent poverty is tied to racial and gender inequalities in earnings.²³ A study by Devine et al. reveals that poverty spells in the 1980s lasted longer and were most entrenched in households headed by black females. They found that only 12 percent of female-headed black households were never poor between 1969 and 1987 while more than 50 percent of these households had been poor for ten years or more.²⁴

Theoretical propositions derived from the culture of poverty and underclass models emphasize the permanence of being poor. Indeed, one major focus of the theoretical debate centers on the deleterious effect of growing up in a poor household.²⁵ Culture of poverty and underclass theory predicts that the social origins of individuals are important determinants of economic status. According to these perspectives, the poor hold values, aspirations, and psychological characteristics that are distinct from mainstream values. These, in turn, produce a subculture that inhibits their achievement and produces deficiencies which keep them poor.²⁶ Through the socialization process, poor parents train their children to survive within the confines of poverty, thereby perpetuating this status across generations.

Yet, as Bane and Ellwood note, these assumptions are inconsistent with much of the research on the dynamics of poverty.²⁷ Studies by Hill and Ponza, Duncan, Corcoran et al., and Hill et al. have reported mixed findings regarding the effects of childhood poverty on second-generation poverty.²⁸ Hill et al. found considerable intergenerational mobility both in and out of poverty, with young adults from poor families moving out of it and those from nonpoor families moving into it once they left the parental home.²⁹ Hill and Ponza found that among the young adults, 57 percent who were impoverished as children did not fall into poverty after leaving home. Nevertheless, they also report that the risks of being poor vary along class lines.³⁰ Approximately three times as many children who grew up in poverty were poor as adults as compared with nonpoor children.

Corcoran et al. suggest that there was little evidence to support the notion of intergenerational transmission of poverty status. They report that 80 percent of poor children moved out of poverty as adults. Instead, they argue that, based on their findings, gender and racial inequalities were significant predictors of persistent poverty.³¹ Moreover, studies of motivation demonstrate that parental attitudes and values had no effect on children's later economic outcomes.³² Earlier work argued that long-term poverty among women, particular black women, reflected different rates of marriage — one of the most salient determinants of poverty among women.³³ Poverty among men was mainly a function of low wages.³⁴ Sawhill notes that poverty was increasingly tied to structural condi-

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tions such as poor education and job discrimination rather than personal deficiencies.³⁵ Wilson, Tienda and Stier, and others suggest that during the 1980s, structural factors such as the loss of manufacturing jobs assumed a more significant role in limiting the opportunities available to workers with low levels of human capital.³⁶ Santiago and Wilder and Massey and Denton argue that the increased concentration of poverty in minority communities was linked to the continued persistence of high levels of racial residential segregation.³⁷

However, Corcoran et al. and Solon reported a strong association between economic status and family background. Using data from the PSID on white and black men, their studies show that in addition to race, the economic well-being of young adult men is directly related to parental poverty and welfare status. Specifically, men raised in poverty had considerably lower incomes as young adults. In addition, men whose family of origin received welfare earned less than those whose families did not.³⁸

One of the shortcomings of these studies of persistent poverty is that they document essentially the experience of blacks and Anglos. We have limited knowledge of the experience of other racial and ethnic groups. Particularly lacking is information regarding long-term poverty among Latinos. Cross-sectional studies have documented the rise in Latino poverty, particularly among Puerto Ricans, since 1970.³⁹ However, until relatively recently, longitudinal data for Latinos were nonexistent. With the advent of the NLSY, the SIPP, and the oversample of Latinos in the PSID, it is now possible to extend this line of research to study the experience of Latinos in the United States.

Research with the NLSY shows that after controlling for education, industry of employment, and generational status, parental poverty status has a positive impact on the probability of adulthood poverty for young Latino men. The effect, however, was not found to be statistically significant.⁴⁰ Santiago found that Anglo, black, and Latina women who grew up in AFDC households tended, as young adults, to be more at risk of depending on AFDC themselves.⁴¹

We extend this work to examine interethnic differences in the impact of childhood poverty on the likelihood of being poor as a young adult. Our study addresses the following questions: Are children growing up in poverty more likely to be poor when they form their own households? And is this phenomenon constant across diverse racial, ethnic, and gender lines? Moreover, by incorporating detailed characteristics of childhood poverty and local labor-market characteristics, this study attempts to test empirically two theoretical arguments, namely, the negative consequences of childhood poverty versus changing economic opportunity structures, as predictors of individual poverty status.

Methodology

Data and Sample

Data for this study were obtained from the National Longitudinal Survey on Youth for 1979 through 1988. A nationally representative longitudinal survey of 12,686 young men and women, which commenced in 1979 when the respondents were between the ages of fourteen and twenty-two, the NLSY includes oversamples of blacks, Latinos, and economically disadvantaged Anglos. Each year respondents answer a set of core questions focusing on marriage and fertility, schooling, employment, health limitations, income and assets, and geographic residence. Additional information about the local community, for example, unemployment rates, has been appended to individual records in a supplemental geocode file available in the NLSY. Further detailed data about local

labor-market conditions, taken from Bureau of Labor Statistics publications, have been added to the individual files.⁴² For this analysis of intergenerational transmission of poverty status, our sample consists of all persons fourteen to seventeen years of age at the onset of the survey who were residing in the parental home during the years 1978 through 1980. The sample is restricted to individuals with complete respondent and parental data. The sample is further restricted to respondents who had completed their education as of 1988 and had positive earnings during the years 1986–1988. People in the 1979–1984 supplemental military sample were excluded from the analysis.⁴³ As described in Appendix A, the final sample consists of 2,138 men and 1,919 women.

Empirical Model

The empirical models tested in this study focus on examining the effects of four sets of factors on the likelihood of being poor during young adulthood. For the purpose of this study, our outcome measure is averaged across the period 1986–1988.⁴⁴ The predictors used in the models include family background characteristics, nativity and ethnic status, metropolitan labor-market characteristics, and human capital attributes. Each of these sets of factors is described below, and variable estimates for Anglo, black, and Latino men and women appear Appendix B.

The literature on persistent poverty focuses on the effects of family background. Previous work suggests that parental poverty status has a positive association with the poverty status and welfare usage of their children. Individuals who come from poor families are more likely to be poor as adults than those who come from nonpoor families.⁴⁵ Therefore, we expect this relationship to continue. Further, it has been argued that the likelihood of being poor increases with the length of time children spend living in poverty.⁴⁶ Thus, it is not only *whether* one has ever been poor but how long one has lived in poverty that shapes the risk of falling into poverty in adulthood.

In addition, studies of welfare dependency have shown that parents' receipt of AFDC has an effect on future welfare dependency. Murray and others argue that welfare benefits serve to diminish work incentives and increase the likelihood of poverty for recipients' children because they do not acquire the values or requisite skills that could keep them out of poverty.⁴⁷ Since we could not measure these effects directly, we examine the impact that the educational attainment and employment status of the adult householder had on a respondent's poverty status in adulthood. We assumed that respondents living in households whose heads attain higher levels of education and are working are less likely to fall into poverty.

Since families headed by females are likelier to be poor and on AFDC, we hypothesized that individuals growing up in single-parent families have higher rates of poverty than those in other families. Exposure to AFDC during adolescence, we postulated, increases the likelihood of being poor in young adulthood because youths would tend to prefer welfare to work.⁴⁸ Finally, the culture of poverty and underclass models espoused in this literature indicates that young persons who hold favorable attitudes toward welfare are more apt to refuse low-wage work, thereby increasing their prospects of being poor.

Studies by O'Neill and Tienda and Stier suggest that poverty status varies considerably along racial and ethnic lines. The incidence of poverty is higher for blacks than for Anglos or Latinos, and among Latino populations, poverty rates are higher among Puerto Ricans than among Mexicans or Cubans.⁴⁹ In addition, immigrants are more liable to be poor than the native-born. Therefore, we use dummy variables for black and

Latino heritage as well as immigrant status to test the effect of race and ethnicity and nativity status in predicting poverty status. We include two indicators of Latino national origin to test for differences in the probability of poverty being attributed to Puerto Rican or Mexican heritage. However, since poverty status varies considerably between men and women as well as across racial and ethnic groups, we estimate separate models by race, ethnicity, and gender as well.⁵⁰

However, the probability of being poor should also be affected by the conditions of local labor-markets. The work of Wilson and others underscores the importance of changing local economies on the well-being of individuals and their families.⁵¹ The loss of jobs, particularly manufacturing jobs in inner cities, has been linked to increased poverty in urban areas. Racial and ethnic minorities, who have been disproportionately represented in manufacturing, have been particularly hard hit. In the past, employment in manufacturing provided a means of exiting poverty for those with limited job skills. However, the pool of high-paying manufacturing jobs has declined drastically in the past twenty years, drying up a major avenue of social mobility for the poor. As a result, we expect that individuals living in urban areas which have been disproportionately affected by increasing unemployment or in communities that are heavily reliant on manufacturing employment have greater propensities for being in poverty. Conversely, we expect persons living in areas with higher fractions of service-sector employment to be less likely to fall into poverty because this industrial sector is expanding. Finally, since poverty rates vary across regions, one would expect that the risk of becoming poor is affected by residential location.

We introduce a set of variables into the model to address differences in human capital. We measure educational attainment to take into account the impact of schooling on poverty status. While the gap in educational attainment appears to be narrowing, particularly between blacks and Anglos, O'Neill has argued that there is a widening gap in the skill level of these workers.⁵² We have incorporated a measure of skills to control for these differences. We include years of work experience since school completion to account for the differential in labor-market activity across the groups. Finally, we introduce a measure to control for disability status as it has been well documented that persons with disabilities endure higher rates of poverty than their nondisabled counterparts.

Dependent Variable

Poverty status. We observed individual poverty status, the outcome measure, when the youth reached young adulthood, ages twenty-three to twenty-six. We defined it by using an approximation of the official poverty threshold for a family of four in 1988. We used Danziger's concept of low earnings, which was adopted by the U.S. Census, in which persons are classified as poor if their total individual annual earnings are less than the poverty line for a four-person family.⁵³ In 1988, this level was a minimum of \$12,000. For this analysis, we averaged annual earnings across a three-year period, 1986-1988, to obtain a more reliable assessment of economic status. We coded people with average earnings below \$12,000 as being at poverty level (code = 1) and those with earnings above \$12,000 as nonpoor (code = 0).

Predictor Variables

Family background. We measured the social origins of each individual with five indicators of family background and one social psychological attribute on attitude toward welfare. The measure for family structure is a dummy variable indicating whether an indi-

vidual lived in a mother-parent family (code = 1) or another family arrangement (code = 0). We included two measures of parental educational attainment and employment status to proxy the effects of parental values toward work and schooling, constructing both variables to represent the level of schooling and employment status of the householder while a respondent was growing up.⁵⁴ If the head of the household was an adult male, we used his educational attainment and employment status when the respondent was fourteen. However, if a respondent lived in a mother-only family, we used her educational attainment and employment status.

Two measures that address the issue of the intergenerational transmission of poverty more directly are family poverty status and family AFDC receipt between 1978 and 1980. In each year, the NLSY created a family poverty status that reflects whether total family income fell below poverty thresholds that year. We converted this information to three dummy variables reflecting the length of time in years that a respondent's family was living in poverty between 1978 and 1980. To measure family AFDC receipt, a dummy variable indicates whether a respondent's family received AFDC in any year between 1978 and 1980.⁵⁵

One final indicator measures a respondent's attitude toward welfare. In 1979, respondents were asked to indicate whether they expected to go on welfare in the event that they could not support their family; those who indicated that they would go on welfare were coded 1, all others being coded 0.

Nativity and racial/ethnic status. Dummy variables measure the effect of immigrant status on poverty. Respondents who indicated that they were not born in the United States were coded as immigrants (code = 1), all others as U.S. born (code = 0). Three variables measure the effects of racial or ethnic heritage. One dummy variable indicates whether a respondent was black to examine the impact of race; that category refers to non-Latino black. Two dummy variables indicate Mexican or Puerto Rican heritage to estimate the effect of national origin on poverty status; the Anglo category is omitted. We constructed these from respondent self-reports of racial/ethnic origin.

Metropolitan labor-market characteristics. Six indicators of metropolitan labor-market conditions are used as contextual variables. Two continuous variables indicating the proportion of jobs in the manufacturing and service sector measure the availability of employment during the period. We also calculated the average annual metropolitan area unemployment rate between 1986 and 1988 to estimate the effect of unemployment on poverty status, which we report as a continuous variable. Three dummy variables represent region of residence; residence in the West is excluded.

Human capital. Attributes such as educational attainment, skill level, disability status, and work experience are incorporated in the analysis as controls for differences in human capital. Education is measured in terms of years of schooling completed as of 1988. Skill level is based on the results of the Armed Forces Qualifications Test (AFQT), which was administered to the youth sample in 1980. Specifically, the AFQT measures performance in four areas: work knowledge, arithmetic reasoning, paragraph comprehension, and numeric operations. We used the results of these tests as a proxy for knowledge of basic skills. We use the raw scores and interpret higher scores to reflect higher levels of skill. Work experience is measured in terms of the number of years a respondent has worked since age eighteen while not attending school. Disability status is a dummy variable based on respondents' self-report of disability during 1986–1988.

The analysis begins with an examination of racial, ethnic, and gender differences in poverty status in young adulthood. Next, we assess the effects of childhood poverty on

patterns of poverty among Anglo, black, and Latino young adults. Then we use logistic regression analysis to assess the effects of family background, nativity and ethnic status, metropolitan area labor-market characteristics, and human capital on poverty status.

Results

Racial, Ethnic, and Gender Differences

Using Danziger's low earnings cutoff of \$12,000 to identify poverty status, we found that 54 percent of the young adults in the sample had earnings which, on average, fell below this threshold (see Table 1).⁵⁶ While it appears that this NLSY cohort overall has relatively low earnings, it is important to stress that even if we allow for age effects, women, regardless of ethnicity, and black men were disproportionately represented among the poor young-adult population. Although women comprised 47 percent of the sample, they represented 56 percent of the population with poverty-level earnings. Furthermore, nearly two-thirds of all women were poor between 1986 and 1988. Although the pervasiveness of female poverty seems to transcend racial and ethnic lines, black women were in the most precarious situation. Nearly 75 percent of them were poor as young adults, compared with 60 percent of Anglo and Latina women.

While the proportion of young-adult males with poverty-level earnings is substantially lower than it is for women, slightly more than four out of ten men in the sample were poor in 1986–1988. Again, black men were the most disadvantaged, with nearly six out of ten earning below poverty-level wages. In contrast, slightly less than half of all Latino males and four out of ten Anglo males were poor in 1986–1988.⁵⁷

Poverty Background and the Intergenerational Transmission of Poverty

A critical element of the “underclass” debate is the assumption of the intergenerational transmission of poverty status. In Table 2 we examine the effect of growing up in poverty on the poverty status of young adults. These data indicate that, overall, 53 percent of the men and 73 percent of the women who experienced poverty as adolescents had themselves fallen into poverty by 1986–1988. Further, there are significant ethnic and gender differences in the impact of childhood poverty on poverty in young adulthood. Although some degree of mobility occurs for all groups, Anglos were more likely than blacks or Latinos to move out of poverty. Also, men were more likely than women to move out of poverty. Among men who came from poor families, Anglo males as young adults were considerably less likely to face poverty themselves than either Latino or black men. Approximately 46 percent of white men who were poor as adolescents were also poor in 1986–1988, compared with 63 percent of black men and 58 percent of Latinos. The results indicate that the situation is much worse for women who grew up in poverty, regardless of their racial or ethnic background. Approximately 70 percent of Anglo, 79 percent of black, and 75 percent of Latina women who experienced poverty during adolescence were themselves poor once they reached young adulthood. Further, the risk of falling into poverty was also significantly higher for black men and for women in general who grew up in nonpoor families. While only about one-third of Latino and Anglo men from nonpoor families were poor as adults, 48 percent of black men from nonpoor families fell into poverty themselves. Among women who grew up in nonpoor families, the likelihood of falling into poverty was substantially higher than for their male counterparts. More than half of all women who came from nonpoor

Table 1

Individual Poverty Status in 1986–1988 by Ethnicity and Gender

	Total n	Below Poverty n	%	Not in Poverty n	%	Percentage of All Poor
Total Sample*						
Females	1,919	1,223	63.7	696	36.3	56.2
Males	2,138	952	44.5	1,186	55.5	43.8
Total	4,057	2,175	53.6	1,882	46.4	
Latinos*						
Females	321	197	61.4	124	38.6	9.1
Male	350	169	48.3	181	51.7	7.8
Total	671	366	54.5	305	45.5	16.8
Blacks*						
Females	505	375	74.3	130	25.7	17.2
Males	593	338	57.0	255	43.0	15.5
Total	1,098	713	64.9	385	35.1	32.8
Anglos*						
Females	1,093	651	59.6	442	40.4	29.9
Males	1,195	445	37.2	750	62.8	20.5
Total	2,288	1,096	47.9	1,192	52.1	50.4

Note: Computations based on unweighted data from the nonmilitary sample of respondents 14–17 years old who were living at home in 1979 and were 23–26 in 1986–1988. Poverty status is based on 1986–1988 average earnings. Persons with earnings below \$12,000 were categorized as being poor. See Sheldon Danziger, "The Poor," in *Human Capital and America's Future: An Economic Strategy for the '90s*, edited by David W. Hornbeck and Lester M. Salamon (Baltimore: Johns Hopkins University Press, 1991), and U.S. Bureau of the Census (1992) for detailed discussion of this measure of poverty status.

*Differences across groups are significant at the $p < .05$ level.

families were poor as young adults. As with the men, black women fared worse than Latina or Anglo women. Nearly two-thirds of black women from nonpoor backgrounds were poor in 1986–1988, compared with about one-half of Latina and Anglo women. In summary, these descriptive tabulations document that poverty in young adulthood was experienced in large measure by women, regardless of race or ethnicity, and black men. Further, these data suggest that growing up in a poor family significantly increased the likelihood of being poor in young adulthood, particularly for women and black men. These populations seem to have the most difficulty in overcoming the deleterious effects of growing up with limited resources. At the same time, women and black men from nonpoor families were more apt to fall into poverty than Latino or Anglo men, underscoring the precarious economic status of the former groups. However, childhood poverty is only one component that could account for the high level of poverty among these

Table 2
Poverty Status by Race/Ethnicity, Gender, and Adolescent Poverty Status

	Poor in adolescence and poor in 1986–1988 *	Poor in adolescence and not poor in 1986–1988 *	Not poor in adolescence and poor in 1986–1988 *	Not poor in adolescence and not poor in 1986–1988 *	N
Males					
Total					
N	614	614	1,532	1,532	2,145
%	52.6	47.4	31.20	68.80	
Anglo					
N	341	341	1,349	1,349	1,690
%	45.5	54.5	29.70	70.30	
Black					
N	196	196	118	118	314
%	62.8	37.2	47.5	52.5	
Latino					
N	77	77	65	65	141
%	58.4	41.6	32.3	66.2	
Females					
Total					
N	508	508	1,496	1,496	2,003
%	73.2	26.8	53.90	46.10	
Anglo					
N	287	287	1,330	1,330	1,618
%	70.0	30.0	53.2	46.8	
Black					
N	165	165	102	102	267.0
%	78.8	21.2	64.7	35.3	
Latino					
N	55	55	63	63	118
%	74.5	25.5	50.8	49.2	

Note: Computations based on nonmilitary sample of respondents 14–17 years old who were living at home in 1979 and were 23–26 in 1986–1988. Data are weighted using the 1988 sample person weight. N’s sum across both rows and columns by gender and race/ethnicity, percentages are based on the proportion in each dyad of poverty status (poor/not poor). For example, while 52.6% of all males who grew up in poverty were poor as young adults, the proportion poor in young adulthood varied from 46% for Anglo men to 63% for black men. If you wish to compare dyads, among men who were not poor in childhood, 31 %fell into poverty as young adults. While this pattern was similar for Anglo and Latino men, black men had a significantly higher chance of falling into poverty, regardless of adolescent poverty status.

*Differences across groups significant at the $p < .05$ level.

populations. Other factors include family attributes, such as family structure and AFDC reciprocity; human capital, such as educational attainment, skill level, work experience, and disability status; and metropolitan area characteristics, such as regional location, metropolitan area unemployment rate, and industrial sector of employment. In the next section, we assess the relative importance of each of these variables on the probability of being poor in young adulthood.

Multivariate Models of Poverty Status among Young Adults

Here we utilize logistic regression to verify the conclusions drawn in the previous section regarding the intergenerational transmission of poverty as well as to examine the effect of childhood poverty as one of a number of family background, human capital, and metropolitan area characteristics, which have been hypothesized to affect the likelihood of being poor. Our dependent variable, poverty status, is a dichotomy that indicates whether an individual was poor between 1986 and 1988. In logistic regression, the parameter estimates measure the effect of a unit change in the predictor variables on the log of the odds of being in poverty. However, these estimates prove unwieldy in terms of interpretation. We achieve a more straightforward interpretation of the results by using the antilogs of the regression coefficients. Therefore, we present the antilogs in our findings to provide a more meaningful interpretation of the results. This transformation enables us to measure the effect of a unit change in the predictor variable on the probability of being poor. We estimated four logistic regression models to test the effects of the various sets of predictors. Model 1 includes only family background characteristics; we then added the following: for Model 2, nativity and ethnic status variables; for Model 3, metropolitan area labor-market characteristics; and for Model 4, human capital attributes to control for differences in schooling, skills, work experience, and disability status. We utilized weighted estimates of these variables in our analyses to account for complex sampling design effects. In addition, we estimated separate regression models for men and women (full models) as well as for Anglo, black, and Latino men and women.

Explaining the Poverty Status of Young Men

Table 3 presents the results of our logistic regression analyses for young men. One of our key findings is that the childhood poverty measures continue to be significant predictors of the poverty status of men, even after controlling for differences in nativity and ethnic status, local area context, and human capital. The strongest predictor of adult poverty status among men remains the extended periods of time in poverty in childhood, which significantly increase the risk of falling into poverty. Men who were poor for two or three years while growing up were 1.7 to 1.8 times more likely to be poor as adults than men from nonpoor families. However, another key finding is that the other family background variables were found to be insignificant, contrary to the speculations of Murray, Mead, and others regarding the detrimental effects of living in mother-only or AFDC households.⁵⁸ The results also underscore that race continues to matter. Black men were 1.6 times more liable than their Anglo counterparts to be poor as adults. However, contrary to expectations, the other status variables — immigrant status, Mexican and Puerto Rican dummy variables — were not found to be significant predictors. We suggest that the effects of these statuses are mediated through differences in human capital, and once these differences are controlled, the independent effects dis-

Table 3

Estimated Coefficients of Logit Models Predicting
the Poverty Status of Young Men

	Model 1 B (S.E.) Antilog		Model 2 B (S.E.) Antilog		Model 3 B (S.E.) Antilog		Model 4 B (S.E.) Antilog	
Family Background Characteristics								
Mother-only Family at age 14	−.042 (.158)	.96	−.176 (.164)	.84	−.112 (.166)	.89	−.090 (.187)	.91
Educational Attainment of Householder	−.044 (.015)	.95	−.038* (.016)	.96	−.024 (.017)	.98	.020 (.020)	1.02
Employment Status of Householder	−.240 (.174)	.79	−.300 (.178)	.74	−.294 (.182)	.75	−.109 (.206)	.89
Family in Poverty One Year	.351* (.138)	1.42	.239 (.142)	1.27	.242 (.145)	1.27	.125 (.164)	1.13
Family in Poverty Two Years	.901** (.191)	2.46	.802** (.197)	2.23	.792** (.201)	2.21	.534* (.228)	1.71
Family in Poverty Three Years	1.272** (.243)	3.57	1.054** (.260)	2.86	1.018** (.259)	2.77	.599* (.291)	1.82
Family Received AFDC during 1978-1980	.461 (.865)	1.59	.422 (.867)	1.53	.211 (.936)	1.23	.313 (1.287)	1.37
Willingness to Go on Welfare	−.106 (.113)	.90	−.104 (.114)	.90	−.080 (.117)	.92	−.105 (.131)	.90
Nativity/Ethnic Status								
Black	—	—	.603** (.153)	1.83	.750** (.160)	2.12	.482** (.185)	1.61
Mexican	—	—	.255 (.282)	1.29	.060 (.306)	1.06	.162 (.336)	1.18
Puerto Rican	—	—	−.099 (.507)	.91	.371 (.514)	1.45	−.116 (.576)	.89
Immigrant	—	—	−.010	.99	.160	1.17	.084	1.09

Table 3, continued

	Model 1		(.275) Model 2		(.280) Model 3		(.308) Model 4	
	B (S.E.) Antilog		B (S.E.) Antilog		B (S.E.) Antilog		B (S.E.) Antilog	
Metropolitan Area Labor Market Characteristics								
Area Unemployment Rate	—	—	—	—	.109** (.024)	1.12	.098** (.026)	1.10
Percentage of Jobs in Manufacturing	—	—	—	—	-.011 (.008)	.99	.001 (.009)	1.00
Percentage of Jobs in Services	—	—	—	—	-.003 (.007)	.99	-.015* (.007)	.99
Residence in East	—	—	—	—	-.448* (.184)	.64	-.355 (.205)	.70
Residence in Midwest	—	—	—	—	-.139 (.159)	.87	-.115 (.177)	.89
Residence in South	—	—	—	—	-.251 (.156)	.78	-.126 (.173)	.88
Human Capital Attributes								
Years of Schooling Completed	—	—	—	—	—	—	-.385** (.039)	.68
AFQT Skills	—	—	—	—	—	—	-.005 (.003)	.99
Years of Work Experience since 18	—	—	—	—	—	—	-.546** (.036)	.58
Disability Status	—	—	—	—	—	—	.413* (.177)	1.51
Intercept	.022 (.247)	—	-.055 (.259)	—	-.660 (.389)	—	6.357* (.652)	—
Chi-square	2463.344*	*	2409.706**		2304.170**		1952.351	
n	1856		1833		1810		1805	

*p <.05

**p <.01

appear. As expected from recent discussions regarding the importance of local labor-market conditions, poverty status is highly correlated with prevailing job opportunities. A one percent increase in the area unemployment rate was associated with a 10 percent higher probability of being poor. In addition, higher fractions of employment in the service sector significantly reduced the likelihood of falling into poverty for men. For each percentage point increase in service-sector jobs, the probability of being poor was reduced by one percent.⁵⁹ Despite discussions that suggest independent effects of regional location, this study finds that regional effects were insignificant.

Table 4

Estimated Coefficients of Logit Models Predicting
Poverty Status of Anglo, Black, and Latino Men

Variables	Anglos (n=1052)		Blacks (n=475)		Latinos (n=278)	
	B	Antilog	B	Antilog	B	Antilog
Family Background Characteristics						
Mother-only Family at Age 14	-.014 (.293)	.99	-.249 (.250)	.78	-.064 (.402)	.94
Educational Attainment of Householder	.027 (.028)	1.03	-.010 (.039)	.99	-.013 (.040)	.99
Employment Status of Householder	-.284 (.304)	.75	.111 (.305)	1.12	.708 (.468)	2.03
Family in Poverty One Year	.264 (.224)	1.30	-.154 (.294)	.86	-.049 (.389)	.95
Family in Poverty Two Years	.321 (.345)	1.38	.659* (.342)	1.93	1.186* (.503)	3.27
Family in Poverty Three Years	.970 (.576)	2.64	.450 (.343)	1.57	.987* (.508)	2.68
Family Received AFDC during 1978-1980	-.755 (2.653)	.47	4.933 (12.997)	138.78	2.050 (12.833)	7.77
Willingness to Go on Welfare, Female	-.116 (.177)	.89	.007 (.239)	1.01	.176 (.350)	1.19
Nativity/Ethnic Status						
Black	—	—	—	—	—	—
Mexican	—	—	—	—	-.687 (.404)	0.50
Puerto Rican	—	—	—	—	-.362 (.560)	0.70
Immigrant	.102 (.473)	1.11	-.515 (1.387)	0.60	-.011 (.392)	0.99
Metropolitan Area Labor-Market Characteristics						
Area Unemployment Rate	.073* (.035)	1.08	.133* (.055)	1.14	.214** (.062)	1.24
Percentage of Jobs in Manufacturing	.055 (.012)	1.00	-.029 (.019)	0.97	-.016 (.027)	.98

Table 4, continued

Variables	Anglos (n=1052)		Blacks (n=475)		Latinos (n=278)	
	B	Antilog	B	Antilog	B	Antilog
Percentage of Jobs in Services	-.023* (.010)	.98	.007 (.014)	1.01	.010 (.021)	1.01
Residence in East	-.390 (.273)	.68	-.740 (.525)	.48	-.269 (.563)	.76
Residence in Midwest	-.142 (.229)	.87	.343 (.532)	1.41	-.643 (.699)	.53
Residence in South	-.147 (.229)	.86	-.483 (.470)	.62	.138 (.368)	1.15
Human Capital Attributes						
Years of Schooling Completed	-.400** (.052)	.67	-.373** (.077)	.69	-.252* (.104)	.78
AFQT Skill	-.004 (.004)	.99	-.017* (.007)	.98	-.010 (.008)	.99
Years of Work Experience since Age 18	-.553** (.048)	.58	-.517** (.070)	.60	-.462** (.095)	.63
Disability Status	.411 (.242)	1.51	.177 (.314)	1.19	1.010* (.480)	2.74
Intercept	6.832** (.886)	—	7.247** (1.342)	—	3.464* (1.599)	—
Chi-square	1102.241		516.248*		292.375*	

*p <.05

**p <.01

Lower levels of human capital partially explain the high levels of poverty experienced by the young men in our sample. Men with disabilities are 1.5 times more apt to be poor than their nondisabled counterparts. Further, the probability of being poor increases significantly among men with limited schooling and work experience.

For each additional year of schooling completed, the likelihood of a man's falling into poverty in young adulthood was reduced by 32 percent, and each additional year of work experience reduced the likelihood of being poor by 42 percent. Do these factors affect Anglo, black, and Latino men differently? The results presented in Table 4 suggest that to some extent they do. While several variables are significant for all groups, there are critical differences that warrant mention. The most important difference is that although childhood poverty is a significant predictor of poverty in young adulthood for black and Latino men, it was an insignificant predictor of the poverty status of Anglo men. Further, while increasing area unemployment rates were associated with increasing risks of being poor across all groups, the magnitude of the effect was largest for Latino men, suggesting the greater vulnerability of Latinos to economic downturns in the labor market. For each percentage point increase in local unemployment rates, the odds of

Table 5

Estimated Coefficients of Logit Models Predicting
the Poverty Status of Young Women

	Model 1		Model 2		Model 3		Model 4	
	B	Antilog	B	Antilog	B	Antilog	B	Antilog
(S.E.)								
Family Background Characteristics								
Mother-only Family at Age 14	-.141 (.155)	.87	-.163 (.159)	.85	-.155 (.166)	.86	-.278 (.182)	.76
Educational Attainment of Householder	-.090** (.017)	.91	-.090** (.017)	.91	-.066** (.018)	.94	-.013 (.021)	.99
Employment Status of Householder	-.268 (.204)	.76	-.267 (.205)	.77	-.266 (.215)	.77	-.260 (.246)	.77
Family in Poverty One Year	.410* (.160)	1.51	.378* (.161)	1.45	.353* (.167)	1.42	.298 (.189)	1.35
Family in Poverty Two Years	.751** (.247)	2.11	.699** (.252)	2.01	.727** (.265)	2.07	.541 (.298)	1.72
Family in Poverty Three Years	1.515** (.359)	4.55	1.443** (.368)	4.23	1.346** (.375)	3.84	.892* (.413)	2.44
Family Received AFDC during 1978-1980	.183 (.385)	1.20	.144 (.386)	1.15	.236 (.415)	1.27	-.549 (.461)	.58
Willingness to Go on Welfare	-.109 (.116)	.90	-.106 (.117)	.90	-.032 (.122)	.97	-.087 (.136)	.92
Nativity/Ethnic Status								
Black	—	—	.278 (.176)	1.32	.455* (.185)	1.58	.109 (.212)	1.12
Mexican	—	—	-.281 (.300)	.76	-.519 (.317)	.60	-.852* (.358)	0.43
Puerto Rican	—	—	-.585 (.646)	.56	.050 (.659)	1.05	-.521 (.725)	0.59
Immigrant	—	—	.172 (.266)	1.19	.338 (.277)	1.40	.181 (.317)	1.20
Metropolitan Area Labor Market Characteristics								
Area Unemployment Rate	—	—	—	—	.193** (.027)	1.21	.180** (.029)	1.20
Percentage of Jobs in Manufacturing	—	—	—	—	.005 (.008)	1.00	.006 (.009)	1.01

Table 5, continued

	Model 1		Model 2		Model 3		Model 4	
	B	Antilog	B	Antilog	B	Antilog	B	Antilog
(S.E.)								
Metropolitan Area Labor Market Characteristics								
Percentage of Jobs in Services	—	—	—	—	-.016* (.007)	0.98	-.014 (.008)	0.99
Residence in East	—	—	—	—	-.539** (.183)	.58	-.350 (.203)	.70
Residence in Midwest	—	—	—	—	-.335* (.170)	.72	-.158 (.189)	.85
Residence in South	—	—	—	—	-.202 (.161)	.82	-.024 (.179)	.98
Human Capital Attributes								
Years of Schooling Completed	—	—	—	—	—	—	.534** (.044)	.59
AFQT Skills	—	—	—	—	—	—	-.008* (.004)	.99
Years of Work Experience since 18	—	—	—	—	—	—	-.502** (.037)	.61
Disability Status	—	—	—	—	—	—	0.031 (.145)	1.03
Intercept	1.536** (.283)	—	1.528** (.288)	—	.397 (.409)	—	9.534** (.771)	—
Chi-square	2330.182**		2311.834**		2188.070**		1837.058*	
n	1690		1682		1671		1664	

*p <.05

**p <.01

Latino men's falling into poverty were increased by 25 percent. Finally, increased employment opportunities in the service sector significantly reduced the likelihood of being poor for Anglo men only, which may indicate that these jobs are less likely to be available to minority men. Our results confirm previous studies that underscore the continued importance of human capital in determining economic well-being. Increasing educational attainment is a factor in reducing the chances of falling into poverty. For black and Latino men, each additional year of schooling decreased the probability of being poor by 31 and 22 percent, respectively. Among Anglo men, additional schooling reduced the likelihood of being poor by 33 percent. Additional work experience was also found to reduce significantly the risk of falling into poverty. Each additional year of work experience accounted for approximately a 42 percent reduction in the odds of being poor for Anglo men. For black and Latino men, these risks were reduced by 40 and 38 percent, respectively. Further, the results suggest that black men whose skill

Table 6

Estimated Coefficients of Logit Models Predicting Poverty Status of Anglo, Black, and Latina Women

Variables	Anglos (n=969)		Blacks (n=416)		Latinas(n=279)	
	B	Antilog	B	Antilog	B	Antilog
Family Background Characteristics						
Mother-only Family at Age 14	-.436 (.262)	.65	.202 (.300)	1.22	-.174 (.515)	.84
Educational Attainment of Householder	-.019 (.028)	.98	.043 (.048)	1.04	-.063 (.051)	.94
Employment Status of Householder	-.525 (.356)	.59	.413 (.402)	1.51	-.630 (.676)	.53
Family in Poverty One Year	.254 (.262)	1.29	.471 (.361)	1.60	.474 (.478)	1.61
Family in Poverty Two Years	1.232* (.511)	3.43	-.407 (.410)	.67	.114 (.721)	1.12
Family in Poverty Three Years	1.174 (.855)	3.24	.821 (.534)	2.27	.166 (.691)	1.18
Family Received AFDC during 1978-1980	-.467 (.840)	.63	-.705 (.537)	.49	-.480 (1.202)	.62
Willingness to Go on Welfare, Female	-.055 (.180)	.95	.009 (.306)	1.01	-.119 (.395)	.89
Nativity/Ethnic Status						
Black	—	—	—	—	—	—
Mexican	—	—	—	—	-.162 (.457)	.85
Puerto Rican	—	—	—	—	.403 (.738)	1.50
Immigrant	.404 (.463)	1.50	.042 (.750)	1.04	-.248 (.558)	.78
Metropolitan Area Labor Market Characteristics						
Area Unemployment Rate	.169** (.039)	1.18	.256** (.077)	1.29	.263** (.083)	1.30
Percentage of jobs in Manufacturing	.009 (.011)	1.01	-.025 (.023)	.98	-.079* (.038)	.92
Percentage of Jobs in Services	-.017 (.010)	.98	.002 (.017)	1.00	.020 (.028)	1.02

Table 6, continued

Variables	Anglos (n=969)		Blacks (n=416)		Latinas (n=279)	
	B	Antilog	B	Antilog	B	Antilog
Residence in East	-.352 (.265)	.70	-.528 (.658)	.59	-.105 (.721)	.35
Residence in Midwest	-.162 (.244)	.85	-.244 (.662)	.78	-.291 (.656)	.75
Residence in South	-.018 (.235)	.98	-.042 (.611)	.96	-.665 (.453)	.51
Human Capital Attributes						
Years of Schooling Completed	-.523** (.058)	.59	-.625** (.107)	.54	-.701** (.149)	.49
AFQT Skill	-.007 (.004)	.99	-.020* (.010)	.98	-.005 (.012)	.99
Years of Work Experience since Age 18	-.492** (.049)	.61	-.534** (.084)	.59	-.788** (.113)	.46
Disability Status	-.023 (.191)	.98	.434 (.329)	1.54	-.301 (.691)	.74
Intercept	9.703** (1.047)	—	10.086** (1.731)	—	13.096** (2.409)	—
Chi-square	1069.940*		360.530		218.908	

*p <.05
**p <.01

level was higher were less likely to be poor. Each one-point increase on the AFQT was associated with a 2 percent decline in the likelihood of being poor for blacks. Interestingly, disability status was found to be a significant predictor of poverty status for Latino men but not for black or Anglo men. Latino men with disabilities were 2.7 times more likely to be poor than their nondisabled counterparts.

Explaining the Poverty Status of Young Women

The results of our logistic regression analyses for women are shown in Table 5. As noted in the models for the young men, the family background variables, with the exception of childhood poverty, were insignificant. Moreover, only women who experienced three years of poverty during childhood were more at risk of falling into poverty as adults once differences in human capital were controlled. Women growing up in poverty were 2.5 times more likely than their nonpoor counterparts to be poor as adults. Again, we find no significant effect associated with coming from a mother-only or AFDC family, supporting previous studies which have shown that women whose mothers were on welfare did not necessarily receive welfare as adults.⁶⁰ Nor did the educational attainment or employment status of the householder have significant effects on poverty status. As with the young men, we found no support for the link between attitudes toward welfare and poverty status,

which calls into question Murray's and Mead's assertion that poverty was the result of unwillingness to work, the socialization into a "subculture" that devalued school and work, and the widespread acceptance of welfare as an alternative to work.⁶¹

Except for the strong negative effect on poverty associated with Mexican heritage, none of the other ethnic background variables were significant. These results suggest two things: that the poverty status of women is linked more to their status as women than to their ethnicity, race, or immigrant status and that the strong negative effect of Mexican origin suggests the possibility that such Mexican families pool their economic resources as a means of escaping poverty.

The only metropolitan area characteristic found to be strongly associated with the poverty of women was the area unemployment rate. Clearly, the economic status of women is tied to the relative health of their local economy. Each percentage point increase in unemployment was associated with a 20 percent higher probability of being poor. Although proportion of service-sector jobs and residence in the East and Midwest were found to reduce significantly the likelihood of a woman's falling into poverty, these effects were insignificant once differences in human capital were controlled.

Overall, human capital variables were among the most significant predictors of the poverty status of women. Additional schooling and work experience were linked to sharp reductions in the probability of being poor for all women. Each additional year of schooling reduced the likelihood of falling into poverty by 41 percent, and each additional year of work experience lowered the probability of being poor by 39 percent. Women who possess higher skills were also less likely to be poor. Each one-point increase on the AFQT resulted in a one percent decrease in the probability of being poor. Finally, disability status was found to be an insignificant predictor of poverty status for women.

The picture that emerges from the group-specific analyses is a further indication that our empirical model does not provide an adequate explanation for the poverty status of women, particularly minority women. Relatively few variables are significant predictors of intergroup variations in poverty status in adulthood. These include differences in educational attainment, work experience, and area unemployment rates. Particularly noteworthy was the insignificance of several key variables in the debates on poverty. None of the family background variables were significant predictors of the poverty status of black and Latina women. For Anglos, only one of the childhood poverty measures was found to be associated with increasing the risk of falling into poverty. This suggests that the poverty status of women is linked to their precarious status as females, not to assumed deficiencies in their family background. This finding is particularly relevant given the climate of the debate, which has overemphasized such deficiencies. These group-specific models also reveal that the effects of metropolitan area characteristics were strongest for black and Latina women. For minority women, each percentage point increase in unemployment was associated with a 30 percent higher probability of being poor, compared with 18 percent for Anglo women. Significantly, we found that one of our proxies for job availability, proportion of manufacturing employment, was important only as a predictor of poverty status for Latinas. The likelihood of being poor decreased for Latinas residing in areas with higher fractions of manufacturing employment, an industrial sector that historically has provided an avenue of mobility for Latino workers.

Differences in human capital were the strongest predictors of the poverty status of women. While increases in human capital, particularly schooling and work experience,

were linked to sharp reductions in the probability of being impoverished for all women, these effects were strongest for Latinas. Each additional year of schooling completed by Latinas reduced the risk of falling into poverty by 51 percent. For black and Anglo women, comparable reductions were 46 and 41 percent, respectively. For each additional year of work experience, the probability of being poor was reduced by 54 percent for Latinas, 41 percent for blacks, and 39 percent for Anglos. Differences in skills were significant only for black women: each one-point increase on the AFQT resulted in a 2 percent reduction in the probability of being poor.

In sum, the lower human capital of women, especially Latinas, is linked to their higher risk of being impoverished as young adults. Increased educational attainment and work experience significantly improve their economic well-being. However, the strong effects of local labor-market conditions, particularly area unemployment rates, cannot be discounted when assessing factors that contribute to the poor economic status of women. Previous research has shown that increasing unemployment in the 1980s was linked to the worsening of women's economic position.⁶² One striking finding in this analysis is that after controlling for differences in human capital, the effect on adult poverty status of only one family background variable, childhood poverty, was significant only for Anglo women.

Summary

Our research suggests that during the 1980s, women, regardless of racial or ethnic background, and black men were disproportionately represented among the poor young adult population. These two groups had more difficulty in escaping poverty and were more vulnerable to falling into poverty than Anglo men. It was more difficult for women and minority men growing up in poor families to remove the constraints shaped by their economically disadvantaged background, particularly if their families were poor for extended periods. At the same time those who came from nonpoor families were less able to capitalize on the opportunities afforded by their more favorable social origins. Interestingly, the mobility patterns of Latino men most closely resembled those of Anglo men, a finding detailed in previous research.⁶³ Despite controls for differences in human capital and local labor-market conditions, the pernicious effects of childhood poverty remain significant for minority men and Anglo women.

The increased probability of being poor in young adulthood is linked largely to low levels of human capital. Increased educational attainment and work experience were associated with significant reductions in the likelihood of being poor across all groups. However, after again controlling for differences in human capital, we found that family background characteristics had relatively little effect on the poverty status of blacks and Latinos but exerted a significant effect on the poverty status of Anglo women. Growing up in mother-only families or in families receiving AFDC did not seriously increase the likelihood of falling into poverty. Furthermore, in contrast to the assertions of Murray and others, our study shows that parental attributes in terms of education and employment status as well as attitudes toward welfare had no effect on poverty status.⁶⁴

Although we found that racial and ethnic heritage were important predictors of poverty for black men and Latina women, it is meaningful to note that among women, disadvantage seems to be more along gender than racial or ethnic lines. Immigrant status did not prove to have a major effect on the probability of falling into poverty.

Moreover, the results of our analyses underscore the need to examine the economic

milieu of this population. Our work suggests that increasing unemployment rates are connected to the increasing likelihood of poverty among young adults, especially those with limited skills. Across all groups and for both men and women, higher unemployment significantly raised the probability of being poor. Low-skill employment, once a key vehicle of social mobility for the disadvantaged, is rapidly disappearing in our largest metropolitan areas. Further, service-sector employment did little to ameliorate the risks of falling into poverty. It may be that for young adults in general, and minority men and women in particular, existing or expanding employment opportunities in the low-wage service sector will not significantly reduce the prospect of poverty. As a result, growing numbers of both poor and nonpoor young adults will be in the precarious position of slipping into and out of poverty. Our research suggests the need for further analyses that document how continuing changes in the local economy limit the opportunities available to young adults.

This comparative study on the persistence of poverty across generations suggests two important policy implications. First, the probability of falling into poverty in young adulthood largely reflects the poverty status of one's parents, regardless of race or ethnicity. The generational chronicity of poverty highlights the detrimental effects of growing up poor, a focal point in current policy debates.⁶⁵ Therefore, policy decision makers must turn their attention to ameliorating the pervasive effects of childhood poverty by focusing their attention on improving health care, housing, and educational resources available to children and families. Clearly, welfare reform discussions need to expand their focus by moving beyond plans attempting to integrate welfare mothers into the labor force⁶⁶ to a more holistic approach, including ways of helping parents engaged in low-wage jobs.⁶⁷

Second, the racial and ethnic differences we have noted suggest that because the origins of poverty among Anglos, blacks, and Latinos are qualitatively different, they may require different policy responses. For example, the poverty status of family of origin had a positive effect on the probability of adulthood poverty for all groups, but the effect was statistically significant only for Anglo women and minority men. Further, although the effects of poverty are mediated by variations in human capital and labor-market factors, additional forces may exacerbate the precarious economic situation of Latinos and blacks. The work of Santiago and Wilder and of Massey and Denton suggests that continued high levels of residential segregation reinforce and accentuate existing patterns of economic inequality.⁶⁸ As a result, Massey and Denton argue that unless they address the persistence of segregation, policies will fail to alleviate poverty.⁶⁹

Further, studies suggest that the dynamics of poverty are quite distinct for Latinos relative to blacks and Anglos.⁷⁰ This research emphasizes that the underclass model derived to explain inner-city black poverty cannot be unequivocally applied to understanding the economic situation of Latinos.⁷¹ Although it can be argued that both blacks and Latinos have been affected by the processes of economic restructuring and deindustrialization and experience high rates of social dislocation, policy initiatives have to address some of the fundamental differences in the processes that have shaped the economic conditions in Latino communities.⁷² These processes include the history of integration and economic incorporation of Latino populations into the United States, the continuing expansion and increasing heterogeneity of Latino populations through immigration, and location-specific variations in the economic processes that shape local labor markets. 🐼

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Appendix A

NLSY Sample Selection

	Total	Males	Females
Number of respondents, 1979	12,686	6,403	6,283
Ages 14–17, 1979	5,583	2,846	2,737
Nonmilitary sample	5,582	2,845	2,737
Living in parental home, 1979–1980	5,443	2,799	2,644
Not enrolled in school, 1988	4,496	2,298	2,198
Positive earnings, 1986–1988	4,057	2,138	1,919

Source: National Longitudinal Survey of Youth.

Appendix B

Weighted Measures of Variables and Descriptive Statistics of NLSY Data

Variables	Anglo Men		Black Men		Latino Men		Anglo Women		Black Women		Latina Women	
	X or %	S.D.	X or %	S.D.	X or %	S.D.	X or %	S.D.	X or %	S.D.	X or %	S.D.
Family Background Characteristics												
Percentage in Mother-only Families at Age 14	7.8	.3	31.7	.5	20.8	.4	10.9	.3	37.7	.5	18.5	.4
Educational Attainment of Householder	12.1	3.1	10.4	3.2	8.8	4.6	12.2	3.1	10.4	3.1	8.6	4.2
Employment Status of Householder	91.6	.3	74.2	.4	77.8	.4	91.5	.3	74.3	.4	85.1	.3
Percentage of Families in Poverty, 1978–1980	20.2	.4	62.5	.5	54.2	.5	17.8	.4	61.7	.5	46.7	.5
Percentage of Families on AFDC, 1978–1980	.2	.1	.5	.1	.5	.1	1.6	.1	6.1	.2	4.4	.2
Percentage Willing to Go on Welfare	24.0	.4	30.1	.5	26.9	.4	23.1	.4	31.4	.5	31.1	.5
Nativity/Ethnic Status												
% Black	—	—	100.0	0.0	—	—	—	—	100.0	0.0	—	—
% Mexican Origin	—	—	—	—	52.3	.5	—	—	—	—	57.7	0.5

Appendix B, continued

% Puerto Rican	—	—	—	—	15.1	.4	—	—	—	—	10.9	0.3
% Immigrant	2.2	.1	.6	.1	24.5	.4	3.0	.2	2.8	0.2	19.1	0.4
Variables	Anglo		Black		Latino		Anglo		Black		Latina	
	Men		Men		Men		Women		Women		Women	
	X		X		X		X		X		X	
	or %	S.D.	or %	S.D.	or %	S.D.	or %	S.D.	or %	S.D.	or %	S.D.

Metropolitan Area Labor Market Characteristics

Area Unemployment Rate (1986–1988 average)	7.0	2.4	6.5	2.2	7.3	2.9	7.0	2.3	6.6	2.1	7.5	2.9
Proportion of Jobs in Manufacturing	12.1	10.0	12.2	8.8	13.0	7.5	12.6	10.0	12.2	8.7	12.9	7.4
Proportion of Jobs in Services	17.4	12.1	19.2	11.3	21.7	9.8	17.6	11.9	18.8	11.4	21.7	9.9
Residence in East (%)	19.8	.4	17.2	.4	18.1	.4	19.5	.4	16.6	.4	14.8	.4
Residence in Midwest (%)	32.2	.5	17.1	.4	6.0	.2	30.9	.5	16.1	.4	8.8	.3
Residence in South (%)	31.6	.5	59.2	.5	29.2	.5	32.8	.5	61.3	.5	33.3	.5

Human Capital Attributes

Years of Schooling Completed, 1988	12.8	2.2	12.2	1.9	11.7	2.0	13.1	2.0	12.8	1.7	12.1	2.0
AFQT Score	67.8	22.4	45.5	19.2	51.6	22.6	70.3	20.9	50.2	17.3	56.4	18.7
Years of Work Experience since Age 18	4.4	2.1	3.8	2.0	4.6	1.9	4.2	2.1	3.3	1.9	3.9	2.1
Disability Status	5.6	.3	7.9	.4	6.8	.3	9.2	.4	11.7	.4	5.3	.3

Source: National Longitudinal Survey of Youth. Data are weighted using 1988 person weight.

Notes

1. We use the term "Anglo" to refer to persons who identified themselves in the National Longitudinal Survey of Youth (NLSY) as racially white and of European ancestry, excluding Spanish heritage, rather than the term "white."
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4. Greg J. Duncan, *Years of Poverty, Years of Plenty* (Ann Arbor: Institute for Social Research, University of Michigan, 1984).
5. Devine, Plunkett, and Wright, "The Chronicity of Poverty."

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8. Sheldon Danziger and Peter Gottschalk, "Work, Poverty, and the Working Poor: A Multifaceted Problem," *Monthly Labor Review* 109 (1986): 1721; Sheldon Danziger and Peter Gottschalk, *Uneven Tides* (New York: Russell Sage, 1993); John Bound and Robert B. Freeman, "What Went Wrong? The Erosion of Relative Earnings and Employment among Young Black Men in the 1980s," *Quarterly Journal of Economics* 107 (1992): 201–232.
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10. Wilson, *The Truly Disadvantaged*.
11. Lawrence M. Mead, *The New Politics of Poverty: The Nonworking Poor in America* (New York: Basic Books, 1992).
12. Michael Harrington, *The New American Poverty* (New York: Harper and Row, 1984).
13. Charles Murray, *Losing Ground* (New York: Basic Books, 1984).
14. See Wilson, *The Truly Disadvantaged*, and David T. Ellwood, *Poor Support* (New York: Basic Books, 1988).
15. See, for example, Martha S. Hill and Michael Ponza, "Poverty and Welfare Dependence across Generations," *Economic Outlook USA* 10 (1983): 6164; Duncan, *Years of Poverty, Years of Plenty*; Mary Corcoran, Greg J. Duncan, Gerald Gurin, and Patricia Gurin, "Myth and Reality: The Causes and Persistence of Poverty," *Journal of Poverty Analysis and Management* 4 (1985): 516–536; Mary Corcoran, Greg J. Duncan, and Martha S. Hill, "The Economic Fortunes of Women and Children: Lessons from the Panel Study of Income Dynamics," in *Women and Poverty*, edited by Barbara C. Gelpi, Nancy C. M. Hartsock, and Myra H. Strober (Chicago: University of Chicago Press, 1986); Mary Corcoran, Roger Gordon, Deborah Laren, and Gary Solon, "Effects of Family and Community Background on Economic Status," *American Economic Review* 80 (1990): 362–366; Mary Corcoran, Roger Gordon, Deborah Laren, and Gary Solon, "The Association between Men's Economic Status and Their Family and Community Origins," *Journal of Human Resources* 27 (1992): 575–601; Martha S. Hill, Sue Augustyniak, Greg J. Duncan, Gerald Gurin, Patricia Gurin, Jeffrey K. Liker, James N. Morgan, and Michael Ponza, *Motivation and Economic Mobility* (Ann Arbor: Institute for Social Research, University of Michigan, 1985); and Gary Solon, "Intergenerational Income Mobility in the United States," *American Economic Review* 82 (1992) 393–408.
16. See, for example, Richard Coe, "Dependency and Poverty in the Short and Long Run," in Greg J. Duncan and James N. Morgan, eds., *Five Thousand American Families — Patterns of Economic Progress*, vol. 6 (Ann Arbor: Institute for Social Research, University of Michigan, 1978); Martha S. Hill, "Some Dynamic Aspects of Poverty," in Martha S. Hill, Daniel H. Hill, and James N. Morgan, eds., *Five Thousand American Families — Patterns of Economic Progress*, vol. 9 (Ann Arbor: Institute for Social Research, University of Michigan, 1981); Duncan, *Years of Poverty, Years of Plenty*; Corcoran et al., "Myth and Reality"; Corcoran et al., "The Economic Fortunes of Women

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17. For example, June A. O'Neill, Laurie J. Bassi, and Douglas A. Wolf, "The Duration of Welfare Spells," *Review of Economics and Statistics* 69 (1987): 241-249; Peter Gottschalk, "The Intergenerational Transmission of Welfare Participation: Facts and Possible Causes," *Journal of Policy Analysis and Management* 11 (1992): 254-272; Anna M. Santiago, *The Intergenerational Effects of Welfare Dependency: Evidence from the National Longitudinal Survey of Youth*, PSC Research Report No. 94-310, Population Studies Center, University of Michigan, May 1994.
18. Hill, "Some Dynamic Aspects of Poverty"; Duncan, *Years of Poverty, Years of Plenty*; Bane and Ellwood, *Slipping Into and Out of Poverty*.
19. Duncan, *Years of Poverty, Years of Plenty*.
20. Bane and Ellwood, *Slipping Into and Out of Poverty*.
21. Corcoran et al., "Myth and Reality."
22. Coe, "Dependency and Poverty in the Short and Long Run."
23. Corcoran et al., "The Economic Fortunes of Women and Children."
24. Devine, Plunkett, and Wright, "The Chronicity of Poverty."
25. Murray, *Losing Ground*; Christopher Jencks, *Rethinking Social Policy: Race, Poverty, and the Underclass* (Cambridge, Mass.: Harvard University Press, 1992); Mead, *The New Politics of Poverty*; Sheldon Danziger and Sandra K. Danziger, "Child Poverty and Public Policy: Toward a Comprehensive Antipoverty Agenda," *Daedalus* 122 (1993): 57-84; Aletha C. Huston, Vonnice C. McLoyd, and Cynthia Garcia Coll, "Children and Poverty: Issues in Contemporary Research," *Child Development* 65 (1994): 265-282.
26. Corcoran et al., "Myth and Reality"; Hill et al., *Motivation and Economic Mobility*; Ellwood, *Poor Support*.
27. Ellwood, *Poor Support*.
28. Hill and Ponza, "Poverty and Welfare Dependence Across Generations"; Duncan, *Years of Poverty, Years of Plenty*; Corcoran et al., "Myth and Reality"; Corcoran et al., "The Economic Fortunes of Women and Children"; Hill et al., *Motivation and Economic Mobility*.
29. Hill et al., *Motivation and Economic Mobility*.
30. Hill and Ponza, "Poverty and Welfare Dependence across Generations."
31. Corcoran et al., "Myth and Reality," and "The Economic Fortunes of Women and Children."

32. Hill et al., *Motivation and Economic Mobility*.
33. Duncan, *Years of Poverty, Years of Plenty*.
34. Ibid.
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36. Wilson, *The Truly Disadvantaged*; Marta Tienda and Haya Stier, "Intergenerational Transmission of Welfare Dependence: Racial and Ethnic Comparisons," paper presented at the 22nd World Congress of Sociology, Madrid, July 1990.
37. Santiago and Wilder, "Residential Segregation and Links to Minority Poverty," and Massey and Denton, *American Apartheid*.
38. Corcoran et al., "Effects of Family and Community Background on Economic Status," and "The Association between Men's Economic Status and Their Family and Community Origins"; Solon, "Intergenerational Income Mobility in the United States."
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40. Yolanda C. Padilla, "The Effect of Geographic Mobility on the Socioeconomic Achievement of Young Hispanic Men," Ph.D. diss., School of Social Work, University of Michigan, 1993.
41. Santiago, *The Intergenerational Effects of Welfare Dependency*.
42. Bureau of Labor Statistics, *Employment and Earnings* (Washington, D.C.: U.S. Government Printing Office, various years).
43. We imposed these restrictions in order to construct detailed information regarding childhood poverty and parental welfare receipt during adolescence. Given the composition of the NLSY data, these critical variables could not be reconstructed for youths 18 or older who resided outside the parental home. Further, we had serious concerns about the selectivity for young adults of 18 to 22 who at the onset of the survey still resided in the parental home. Since this cohort normally leaves home, those who remain at home are not representative of their group. Because the military oversample was dropped from the NLSY after 1984, we are unable to construct our predictor or outcome measures for this population.
44. At the end of the 1986–1988 period, our respondents were between the ages of 23 and 26. We are aware that this is a young population and suspect that, to some degree, the patterns observed for our outcome measure reflect this age effect. Since our respondents are in the early stages of their work careers, their wages tend to be low. However, we would still be able to test whether persons growing up in poverty are more likely to earn poverty-level wages in early adulthood and to document differences across gender, racial, and ethnic lines.
45. Hill, "Some Dynamic Aspects of Poverty"; Hill and Ponza, "Poverty and Welfare Dependence across Generations"; Bane and Ellwood, *Slipping Into and Out of Poverty*.

46. Danziger and Danziger, "Child Poverty and Public Policy."
47. Murray, *Losing Ground*.
48. Ibid.; Mead, *The New Politics of Poverty*.
49. June A. O'Neill, "The Role of Human Capital in Earnings Differences between Black and White Men," *Journal of Economic Perspectives* 4 (1990): 25–45; Tienda and Stier, "Intergenerational Transmission of Welfare Dependence."
50. See the discussion in O'Neill, "The Role of Human Capital in Earnings Differences."
51. Wilson, *The Truly Disadvantaged*.
52. O'Neill, "The Role of Human Capital in Earnings Differences."
53. Sheldon Danziger, "The Poor," in *Human Capital and America's Future: An Economic Strategy for the '90s*, edited by David W. Hornbeck and Lester M. Salamon (Baltimore: Johns Hopkins University Press, 1991); U.S. Bureau of the Census, *Workers with Low Earnings: 1964 to 1990*, Current Population Reports, Series P-60, No. 178 (Washington, D.C.: U.S. Government Printing Office, 1992).
54. We did this to avoid further loss of cases owing to missing data. While information on both parents was more likely to be available in two-parent families, information on the father's education and employment status was particularly unavailable for respondents in mother-only households. We argue that if parental attitudes and behaviors regarding work and school are important not only in terms of what is modeled, but also in terms of reducing the risk of growing up in poverty, the critical information concerns the characteristics of the head of the household, whether be that the respondent's mother or father.
55. We tested other proxies of both measures as well. Because of the limited range of years for which we could estimate family poverty status, we found that the continuous measure of poverty did not provide an adequate way to examine duration issues. Also, using either a continuous measure or a series of dummy variables to proxy AFDC receipt was problematic because a relatively small fraction of families reported AFDC income during 1978–1980.
56. Danziger, "The Poor."
57. Although the results presented in Table 1 are unweighted, weighted tabulations produce comparable distributions.
58. Murray, *Losing Ground*; Mead, *The New Politics of Poverty*.
59. Wilson, *The Truly Disadvantaged*.
60. Hill and Ponza, "Poverty and Welfare Dependence across Generations"; Duncan, *Years of Poverty, Years of Plenty*; Gottschalk, "The Intergenerational Transmission of Welfare Participation."
61. Murray, *Losing Ground*; Mead, *The New Politics of Poverty*.
62. Wilson, *The Truly Disadvantaged*; Tienda and Stier, "Intergenerational Transmission of Welfare Dependence."
63. Bean and Tienda, *The Hispanic Population of the United States*; Tienda and Jensen, "The Declining Economic Status of Puerto Ricans."

64. Murray, *Losing Ground*.
65. Danziger and Danziger, "Child Poverty and Public Policy"; Huston, McLoyd, and Coll, "Children and Poverty: Issues in Contemporary Research."
66. Mead, *The New Politics of Poverty*.
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69. Massey and Denton, *American Apartheid*.
70. Santiago and Wilder, "Residential Segregation and Links to Minority Poverty"; Douglas S. Massey, "Latinos, Poverty, and the Underclass: A New Research Agenda," *Hispanic Journal of Behavioral Sciences* 15 (1993): 449–475; Joan Moore and Raquel Pinderhughes, eds., *In the Barrios: Latinos and the Underclass Debate* (New York: Russell Sage, 1993).
71. Massey, "Latinos, Poverty, and the Underclass."
72. Moore and Pinderhughes, *In the Barrios*.