

CHARACTERIZING DAY LABOR IN THE TEXAS PANHANDLE

Barry Duman, West Texas A&M University

Neil Terry, West Texas A&M University

INTRODUCTION

It is undeniably true that the 1990's have been good to the working person. National unemployment rates have hovered around five percent, while the unemployment rate in the Texas Panhandle has frequently fallen below three percent. New job horizons have emerged as others have declined and, in general, opportunities abound for the well-trained and mobile. In spite of this, there continues to exist, and by some measures, grow, a class of employees that "falls through the cracks." These are the casual workers, the ones that are often seen congregating on inner city streets, offering a multitude of skilled and unskilled services to the spot employer as day labor. Call them Auletta's underclass, a component of the industrial reserve army, or the detritus of society, they exist, have needs and present problems and challenges to a modern industrial based and service oriented society [1]. It is this group that the authors have endeavored to isolate and study. They are sometimes unwashed, frequently ill-fed and often itinerant.

The group studied was confined to the Texas Panhandle and focused specifically on Amarillo and Lubbock during 1997. Individuals were approached on street corners, parking lots and in a temporary office, and asked a series of questions designed to find out "who they are" and "what they think." Many individuals were eager to talk about their lives and be understood. They were given a small sum of money and assured anonymity. Ultimately, ninety-four individuals offered to cooperate and their responses will be presented and analyzed in a later section of this paper. Many of these people have talents and abilities that can be tapped, directed, and channeled into meaningful employment. Mid-sized cities (150-200 thousand people) like Amarillo and Lubbock have chronic labor shortages that have always served as an impediment to economic growth and development. The general purpose of this paper is to investigate the characteristic and perceptions of the informal labor cohort in order to determine the feasibility of partially alleviating the labor shortage problem existing in many Texas cities.

BACKGROUND

The Texas Employment Commission (TEC) first recognized the existence of this group of casual workers in the Amarillo and Lubbock areas in 1965. Initially, there was an attempt to provide structure to the relationship between the employer and employee. For over thirty years an office was made available and open from 7 a.m. to 4 p.m. daily, and individuals were asked to register as they entered, assigned a number and matched with employers as job offers became available. The TEC provided the casual labor market basic organization, a queuing arrangement, and established an employer/employee code of conduct. Negotiations between the individual and the employer regarding wages and duties were a private matter and remained unrecorded and unreported. In February 1996, the service was scaled back considerably, as other employment related issues occupied the TEC's agenda and budget. In August 1997, the TEC, now known

as the Texas Workforce Commission (TWC), terminated the casual labor program and referred participants to private sector employment agencies. Although much of the structure has been lost without state supervision, the informal labor market still exists with individuals offering day labor on street corners, fields, and parking lots outside former state offices.

CHARACTERIZING THE COHORT

The demographic characteristics of the individuals that participated in the survey are presented in Table 1. Not surprisingly, all the participants are male. Female participation is minimal because most of the jobs available require extensive physical labor or are set in a male-dominated work environment. Thirty-one percent of the casual labor participants identified themselves as African American and twenty-eight percent as Hispanic. The result is somewhat surprising considering minority groups represent less than twenty-five percent of the population in the Texas Panhandle cities of Amarillo and Lubbock. The racial mix of the informal labor cohort provides evidence supporting the hypothesis that the evolution of the American economy often leaves behind minorities [3, 7]. Most of the participants are middle aged, with 84% of the participants within the 36 to 54 age-range. There is clearly a negative relationship between education and participation in the informal labor market. Forty-seven percent of the participants claim to have not finished high school, while only three percent assert that they are college graduates.

Table 1
Demographic Characteristics

Classification	Percent
Gender	
<i>Male</i>	100
<i>Female</i>	0
Ethnic Background	
<i>Caucasian</i>	41
<i>African American</i>	31
<i>Hispanic</i>	28
Highest Level of Education	
<i>Did not complete high school</i>	47
<i>Completed high school or equivalent</i>	40
<i>Some college or vocational training</i>	10
<i>College graduate</i>	3
Age	
<i>Under 25</i>	1
<i>26-35</i>	10
<i>36-45</i>	45
<i>46-54</i>	39
<i>55-64</i>	4
<i>Over 64</i>	1
Marital Status	
<i>Married</i>	16
<i>Divorced</i>	45
<i>Never married</i>	39
Number of Children	
<i>Zero</i>	31
<i>One</i>	22
<i>Two</i>	27
<i>More than two</i>	20
Disabled or major health problems	19
Receiving Government Assistance	19

The demographic results indicate that most of the informal labor market participants have children but are not currently married. Specifically, two-thirds of the participants have one or more children but only seventeen percent are married. Forty-five percent of the men in the survey selected "divorced" as their current marital status. It is interesting to note that the majority of men in the informal labor cohort stated they did not provide financial support to their children if they had any (62%). This observation might be confounded by the fact that two-parent families are categorically denied welfare benefits available to similarly situated one-parent families [5, 6]. Other demographic results include the observation that nineteen percent in the survey acknowledge receiving some form of government assistance and twenty-two percent of the men in the cohort claim to have health or medical problems.

WORK ATTITUDES AND PERCEPTIONS

In addition to demographic questions, casual labor market participants were asked about their opinion on a variety of issues. Selected survey results will briefly be presented in this section. The first two questions in the survey correspond to the importance of human capital (education and experience) on standard of living. The results indicate that respondents recognize the importance of human capital as the education and experience questions are both positive and highly significant. In fact, eighty-four percent of participants agree or strongly agree with the idea that education is an important determinant of wages and standard of living. Most of the survey participants are not well educated but acknowledge the important correlation between education and standard of living. Clearly, many of them feel the lack of a formal education has limited their labor market opportunities. It should be noted that the state has made intermittent attempts over the years to provide education and training programs to this cohort with limited success. Representatives of the TWC complain that few in the informal labor market cohort will attend formal training for more than a month unless some tangible reward is promised or implied. A comparable response of eighty percent recognizes the importance of experience influencing wages and standard of living. Men in the cohort have a wide range of little to extensive work experience.

The next two questions relate to work attitudes. Do people in the casual labor cohort want a formal job? We asked survey participants to respond on a 1-5 scale (1=strongly disagree, 3=neutral, and 5=strongly agree) to the statements "I prefer to work a traditional job instead of participating in the casual labor market" and "I have adequate access to traditional employment opportunities." The issue is important for public policy since it is very difficult to create programs that aid people that do not desire assistance or live from moment to moment [2]. The question is unresolved based on the survey results. The response to the first statement include twenty-nine with a strongly agree response and twenty-one with a strongly disagree response. Although a large number of respondents desire a formal job, many in the cohort enjoy the flexibility and anonymity of the informal labor market and have no desire to work a traditional job. The second statement provides evidence that people in the cohort do not feel they have adequate access to traditional employment opportunities, where traditional employment is defined as a Monday through Friday workweek (or a slight variation). Over sixty percent of the cohort respondents disagree or strongly disagree with the statement. Many in this cohort select the day labor lifestyle but there are others that are thrust into the casual labor market by a series of unfortunate events. Some argue that government agencies like the TWC can play a key role increasing traditional employment access, while others argue that people that really want a traditional job instead of day labor employment will eventually be able to find a traditional job if their search is earnest.

Some of the more interesting survey results refer to work and wage information. Most of the men in the research cohort have a vast array of work experience and skills. Twenty-seven percent of the cohort selected construction or home repair as their primary occupation. It should be noted that many of the employers that participate in the informal labor market are construction businesses seeking day labor to perform simple labor intensive jobs during busy times. Nineteen percent of the cohort selected agriculture

or livestock production as a primary occupation. The vast amount of cotton and beef production associated with Lubbock and Amarillo should provide ample employment opportunities for the men with work experience in this area. Unfortunately, the authors did not ask the men why they were no longer formally employed in agriculture or livestock production. Future research should address this important question. Seven to fifteen percent in the cohort selected custodial services, manufacturing, retail service, or yard work as a primary occupation. Curiously, but understandably, this day labor cohort potentially serves as an employment safety net as their services are often in greater demand as the economy falters and revenues weaken. For example, during economic declines construction companies often prefer to reduce the size of their formal labor force in favor of ad hoc labor because of wage and employment flexibility inherent in this informal market. Employers are also able to reduce their costs by avoiding payroll taxes and mandatory insurance services during economic downturns.

What are the wage expectations of the research cohort? None of the men expect to earn less than the minimum wage. The observation is a bit surprising since day laborers are not associated with wage negotiation power and are often paid in cash [4]. It appears that the current economic expansion and subsequent labor shortage is all encompassing, even reaching the market for day labor. Eighty-eight percent expect to earn a wage between the minimum wage and ten dollars an hour, while twelve percent expect to earn a wage greater than ten dollars an hour. Given the physical demands of most of the jobs performed by the informal labor market participants and assuming an adequate amount of effort is exerted on the job, wage expectations appear to be at or slightly below market value.

CONCLUSION

There is a broad agreement that America has developed a working underclass. While academic theories and discussion are of great value, it is our belief that one must ultimately consider real people in order to understand this group. This study has focused on members of the underclass in the Texas Panhandle through interviews and surveys conducted in the informal labor market. Many of the men in this cohort struggle to enter the mainstream of society and the world of work. What we do with this segment of the underclass will tell us much about the way we elect to promote growth within our communities and the way in which we choose to live.

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