

Comment Christopher Winship

Rees and Gray have carried out an important exploratory analysis of the effects of family background on youth employment behavior. Three of their findings are of particular note. These are: (1) that the usual measures of family background have little if any effect on employment behavior of youths; (2) that receipt of government transfers (welfare, social security, etc.) has little if any effect on employment behavior; (3) that there is a large correlation between the employment behavior of siblings even after observed variables measuring family background and local labor market conditions have been controlled for. It is this last finding that I want to discuss in more detail.

The strong relationship between the employment status of siblings may have a number of sources. It may be due to the effects of unobserved family characteristics, local labor market conditions, or, as Rees and Gray suggest, the fact that siblings are able to help each other find jobs. An unnoticed finding in Rees and Gray's analysis is the distinct pattern of the effects. The effect of younger sibling's employment status is almost always greater than that of the older sibling in real, not absolute, value (an observation made by Robert Mare). This relationship holds for 29 of the 32 possible comparisons that can be made for the regressions using present employment status and hours worked during the year. Thus the fact that a younger sibling is employed has a greater effect on a respondent's employment than the fact that an older sibling is employed. Conversely, the fact that an older sibling is not employed has a greater effect, in absolute value, on one's employment (note that the effects are negative rather than positive in this case) than the fact that a younger sibling is not employed. To put it another way, knowing that a younger sibling is employed tells us more about the respondent's probable employment status than knowing that an older sibling is employed. Conversely, knowing that an older sibling is not employed tells us more about the respondent's employment status than knowing that a younger sibling is not employed. This pattern holds net of the effects of age, educational attainment, and other variables that we would expect to produce this difference.

This pattern cannot be explained by the mechanism that Rees and Gray have suggested, namely, that siblings help each other find jobs. If we assume that this was the major explanation for the correlation between sibling employment status, then we would expect to find either no pattern in the effects or that the pattern was just the opposite: an older sibling being employed should have a greater effect on an individual's

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employment status than a younger sibling. This latter conclusion follows from the assumption that older siblings are more likely to be able to provide jobs for younger ones since, presumably, they would have higher status jobs and thus have access to better jobs. Younger siblings would be likely only to have access to jobs that their older siblings would find undesirable.

This finding (that older siblings, net of age, education, and other variables, are more likely to be employed), suggests a number of alternative explanations. I shall discuss three briefly. First, it may be the case that job rationing goes on within families on an oldest-first basis. This would be particularly likely if parental personal contacts were an important source of jobs for youths. Second, there may be a normative structure within households that imposes an obligation on older youths to obtain employment before their younger siblings do. Third, and not inconsistent with either of the first two explanations, there may be a definite structure to intrafamilial labor supply in terms of the age of different siblings.

Having discussed Rees and Gray's analysis briefly, I want to turn to a discussion of the major hypothesis that they propose in their chapter. Rees and Gray propose that jobs in the youth labor market are rationed by means of parental personal contacts. They contend that they find no support in their analysis for this hypothesis. This contention is based on their finding that the traditional measures of family background and parental status have no effect on a youth's employment status.

The question I want to ask is whether this finding provides an adequate test of the proposed hypothesis. Let us break down the reasoning implicit in Rees and Gray's argument into its three constituent parts: (1) that jobs are rationed in the labor market by means of personal contacts; (2) that it is parental contacts that are critical for youths in finding jobs; (3) that parents with higher socioeconomic status should have more effective contacts in terms of their ability to find their children jobs. In order for their hypothesis to be true, statements 1 and 2 would have to be correct. Rees and Gray's test, however, relies on all three statements being true. Clearly, there is no reason that subhypotheses 1 and 2 might hold whereas subhypothesis 3 might not. In fact, one could argue that parents with lower socioeconomic status might be in a better situation to provide their children with jobs since the type of jobs they have and the places where they are employed would be closer to the type that their children would have the necessary qualifications to work in.

Table C13.1 provides more direct evidence for subhypotheses 1 and 2. The data are taken from the January 1973 Current Population Survey and its supplement.

The table indicates that personal contacts are an important mechanism for finding jobs for individuals of all age groups. Personal contacts are

Table C13.1 Meth

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	Direct applic Relat
	Other contact Form: other

NOTE: Weighted percentage. Data taken from the January 1973 Current Population Survey and its supplement.

particularly important. As found in Table C13.1, personal contacts are found through the hypothesis that personal contacts are especially for youths.

Second, the table indicates that personal contacts involving parents are more effective than Granovetter's (1974) findings that are most effective for youths, however, indicate that personal contacts are more effective for youths than for adults. The number of jobs found through personal contacts for adults the number is 1.5 for subhypothesis 2.

I have no direct evidence for subhypothesis 3. I have done some preliminary work on this ground and the use of his figures so they are done. I indicate that, using the data, white youths (a through personal contacts) that of those using personal contacts use relatives (47.5 percent) the survey come from whites, this finding is consistent with the hypothesis that there is no necessary reason between the effectiveness of personal contacts on ground.

In summary, we can see that subhypothesis 1, weak evidence to support subhypothesis 2, and strong evidence to support subhypothesis 3.

Table C13.1 Method of Finding a Job by Age

Method		Age		
		16-19	20-24	over 24
Direct	%	33.5	34.1	35.9
application	f	399	501	821
Relatives	%	13.3	9.4	5.4
	f	155	138	134
Other personal	%	28.0	18.5	18.4
contacts	f	331	273	425
Formal and	%	25.2	38.0	40.3
other	f	299	566	924

NOTE: Weighted percentages for individuals who searched for a job and found one in 1972. Data taken from the January 1973 CPS. Frequencies are the unweighted counts.

particularly important for teenagers, for whom a full 41.3% of the jobs found are found through personal contacts. This evidence supports the hypothesis that personal contacts are an important rationing mechanism, especially for youths.

Second, the table indicates that jobs are found more often through contacts involving persons other than relatives. This is consistent with Granovetter's (1974) finding that it is usually distant and weak contacts that are most effective in helping individuals find jobs. The table does, however, indicate that contacts with relatives are more important for youths than for adults. For youths, approximately one-third of the jobs found through personal contacts are found through relatives, whereas for adults the number is less than a quarter. Thus we find only weak support for subhypothesis 2.

I have no direct evidence on the relationship between family background and the use of personal contacts. Becker (1979), however, has done some preliminary analysis on differences by race. If we recompute his figures so they are comparable to those in table C13.1, his findings indicate that, using the same January 1973 Current Population Survey data, white youths (aged 16-24) are more likely to have found a job through personal contacts than black youths (33.6 versus 30.7%), but that of those using personal contacts blacks are more likely than whites to use relatives (47.5 versus 32.6%). Under the assumption that blacks in the survey come from families with lower socioeconomic status than whites, this finding is consistent with the argument made above that there is no necessary reason to suspect that there is a positive relationship between the effectiveness of parental contacts and socioeconomic background.

In summary, we can say that we have found evidence to support subhypothesis 1, weaker evidence to support subhypothesis 2, and no evidence to support subhypothesis 3. Clearly, however, our discussion of

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the importance of personal contacts has at best been suggestive. More work needs to be done to assess the importance of personal contacts as a mechanism by which people find jobs.

The analysis by Rees and Gray is also suggestive. Perhaps their contribution lies not so much in what they have told us about the importance or lack of importance of personal contacts, but rather in the suggestion that there are potentially rich analyses to be done on the nature of intrafamilial labor supply and employment behavior. This has been an active area with respect to husband and wives. Rees and Gray's analysis, however, suggests that there is much to be done with regard to the interdependencies among siblings. In this, their chapter has suggested important new directions for research.

References

- Becker, H. J. 1979. Personal networks of opportunity in obtaining jobs: Racial differences and effects of segregation. Report no. 281, Center for Social Organization of Schools, John Hopkins University.
- Granovetter, M. S. 1974. *Getting a job: A study of contacts and careers*. Cambridge, Massachusetts: Harvard University press.

Comment George Farkas and Ernst W. Stromsdorfer

Economists analyzing youth employment or labor supply with microdata have usually been content to estimate income and substitution effects, with little regard for intrafamily (supply-side) tastes and decision-making mechanisms or labor market (demand-side) distortions which might bias their results. Rees and Gray's chapter is thus particularly valuable in that it explicitly introduces "family work ethic" and "family job contacts" as variables which might play these roles. The authors make no attempt to separate these supply and demand side effects, and their test of the empirical importance of the resulting combined effect is only indirect, but they do produce findings which suggest that something beyond the usual income effect is occurring in their data.

As the authors note, the unexpected finding of a positive association between family income and youth labor force participation goes back at least to Bowen and Finegan (1969), who attributed it to a positive association between family income and job contacts. More recently, Gustman and Steinmeier (1979) have replicated this result; Boskin

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