23-Nov-2023

Dear Dr. Hadah:

I have now heard back from referee(s) who reviewed manuscript # JODE-2023-0074 entitled "The Impact of Hispanic Last Names and Identity on Labor Market Outcomes" which you submitted to the Journal of Demographic Economics(JODE).

The comments of the reviewer(s) can be found in this e-mail. Both refeeres recommend rejection. They find the quetion interesting but have issues with the originality and novelty of your contribution, as well as with your empirical analysis, which they find insufficiently convincing. I think both reports will be very useful when you revise your paper and submit it to another journal.

Based on this feedback, I am afraid that I have no choice but to decline publishing your paper in JODE.

Thank you for considering JODE as a potential outlet for your research. I hope this decision does not discourage you from submitting your research to JODE in the future.

Sincerely,
Prof. Hillel Rapoport
Associate Editor, Journal of Demographic Economics
hillel.rapoport@psemail.eu

Reviewer(s)' Comments to Author:
Reviewer: 1

Comments to the Author
Review of "The Impact of Hispanic Last Names on Labor Market Outcomes"

Summary

In the spirit of Rubinstein and Brenner (2014), this paper aims to study discrimination in the labor market. It finds no effects once differences in education are accounted for.

This is a fascinating study that provides an interesting contribution to the literature, which has addressed this research question primarily through comparison of whites with Hispanics. Finding out whether earnings gaps for Hispanics reflect discrimination is an important research question that has not been addressed credibly for this group. However, I have a few concerns that prevent a clear reading of the results. I would like the author to address these points to strenghten his work.

Contribution

The scholarship has long focused on the outcomes of Hispanics in the US labor market. For a recent review see Antman et al. (2023) and it is no news that education shrinks considerably the earnings gap of this group. The paper would benefit from a more detailed framing of its results into this literature. At the same time, the paper is quite interesting, especially given the scarcity of audit studies in the context of Hispanics names (yet, the author should look into Kenney and Wissoker, 1994). The empirical strategy, in principle, is a quite interesting way to address the usual challenges in detecting discrimination.

Measurement

1) I might be missing something, but I really do not understand the need to combine CPS and census data. The census provides HISPAN (1850-2021), BPL (1850-2021), MBPL (1880-1990) and FBPL (1880-1990), ANCESTR (from 1980). The author could easily gain in sample size, be able to define children with parents of Hispanic origin (without the need of synthetic parents) and extend the time period of his analysis, perhaps showing some interesting pattern over time or across origin groups.

2) Rubinstein and Brenner (2014) compare wage gaps of children born from Sephardic-Ashkenazi (SA) to those born from Ashkenazi-Sephardic couples (AS). As sorting is key in the marriage market, the main identifying assumption is that selection on unobservables goes in the same direction as that on observables in the spirit of Altonji, Elder and Taber (2005). They therefore present a wide range of evidence suggesting that SA parents are similar or better than their AS peers, and that SA children do better than AS children. Consequently, their results provide a conservative estimate of the wage gap, i.e. the negative and statistically significant gap they find against SA esists for sure as it is a lower bound of the real gap.

To translate this framework into the current paper, we would need HW to do better along all dimensions compared with WH. But the sorting here goes in the opposite direction, at least on observables (and we presume also on unobservables). So we would expect the results to be upward biased. It is therefore unclear what we can learn from the exercise.

One possible idea (but I am not sure about statistical power) is to look at subgroups where the bias would not work against the author. Since Hispanics are a very heterogeneous group, it might be f.e. that Hispanics of European origin who married whites do better than whites who married Hispanics of European origin. Although this group is definitely less interesting than, say, Mexican Americans, the surname is still Hispanic. In other words, does it help and what happens if one excludes the main groups such as Mexicans, Puerto Ricans, Cubans…? At any rate, my overall point is that the authors should much more carefully think about identification.

3) I was honestly a bit surprised to see earnings regressed on hours worked. The labor supply of HW is likely to differ from that of WH, again biasing this

3) I was honestly a bit surprised to see earnings regressed on hours worked. The labor supply of HW is likely to differ from that of WH, again biasing this indicator. Of course constructing a wage rate dividing total earnings by hours worked has its disadvantages, but it has become such a practice using census/CPS data that I would at least look at whether it matters (might be a good idea to focus on full time workers etc).

4) The author is aware of this, but of course also education is endogenous and potentially affected by discrimination. I think using the census as suggested in point 1) might help in controlling for family socioeconomic characteristics. Although sample size might be small, it might be possible see children of working age living in the same household as their parents and so control for parental characteristics rather than child characteristics.

5) The paper spends a long time reporting summary statistics but very quickly presents the final results. Any heterogenous effect?

References

Altonji, Joseph G., Todd E. Elder, and Christopher R. Taber. "Selection on observed and unobserved variables: Assessing the effectiveness of Catholic schools." Journal of political economy 113, no. 1 (2005): 151-184.

Antman, Francisca M., Brian Duncan, and Stephen J. Trejo. "Hispanic Americans in the Labor Market: Patterns over Time and across Generations." Journal of Economic Perspectives 37.1 (2023): 169-198.

Reviewer: 2

Comments to the Author
"The Impact of Hispanic Last Names and Identity on Labor Market Outcomes" Manuscript ID: JODE-2023-0074

Summary

This paper uses parental place of birth to compare wage gaps for children of inter-ethnic marriages and look for evidence consistent with discrimination against Hispanics that might be higher for those with Hispanic last names. The author finds evidence that males born to Hispanic father-White mothers earn 6 percentage points less than those born to White father-Hispanic mothers. However, the author finds that the gap could be completely explained by educational differences.

Comments

1. This is an interesting attempt to isolate the impact of Hispanic names on labor market outcomes, however, the title is somewhat misleading as the author has no data on actual last names. Are there any data suggesting the types of names that might be observed in this study? Perhaps the data from the historical Censuses where the names have been released would be helpful in this analysis. What share of individuals have Hispanic last names in each of the ethnic groups considered here?
2. We know from Duncan and Trejo (2011) and many other studies that intermarriage is selective on education. A careful review of those papers may also indicate that people entering a Hispanic male-White woman union are selected differently than those entering a White male-Hispanic woman union. This type of selection does not seem to be accounted for here, as it seems that you are treating children from a White male-Hispanic woman union as a good comparison group for Hispanic male-White woman union. The fact that the wage gaps for the children of these groups can be explained by educational differences suggests that selection into types of intermarriage could explain these results as well. I would recommend that you closely examine the literature on ethnic intermarriage (e.g., works by Delia Furtado and others) and highlight the contribution this paper makes to that literature.
3. Table 1 and Figure 1 are redundant.
4. JEL classification should include J15 to match keywords listed.