

# **Socioeconomic Integration of U.S. Immigrant Groups Over the Long Term: The Second Generation and Beyond**

Stephen J. Trejo  
University of Texas at Austin

## Central Question

How much socioeconomic progress occurs *across* (rather than *within*) generations for contemporary U.S. immigrant groups? Answering this question is important for assessing the long-term integration of immigrants.

Irish, Italian, and other relatively unskilled immigrants arrived in large numbers at the end of the 1800s and the beginning of the 1900s. For these groups, the American “melting pot” seemed to work amazingly well. The large differences in educational attainment, occupation, and earnings that initially existed across European national origin groups have largely disappeared among the modern-day descendants of these immigrants.

Are present-day Hispanic, Asian, and other immigrant groups following this same trajectory of intergenerational integration?

## Average Education of 2<sup>nd</sup>-Generation Men, by National Origin

<b>Source Country/Region</b>	<b>Avg Yrs Educ</b>
India	15.9
China	15.2
Korea	15.0
Africa	14.7
Europe	14.5
Philippines	14.3
Cuba	14.3
South America	14.3
Japan	14.2
Haiti	14.1
Canada	14.1
Vietnam	14.0
Jamaica	13.9
<b>3<sup>rd</sup>+Generation Anglos</b>	<b>13.7</b>
Central America	13.6
Dominican Republic	13.3
Puerto Rico	12.7
Mexico	12.6

Source: 2003-2009 CPS data.

Note: The samples include men ages 25-59.

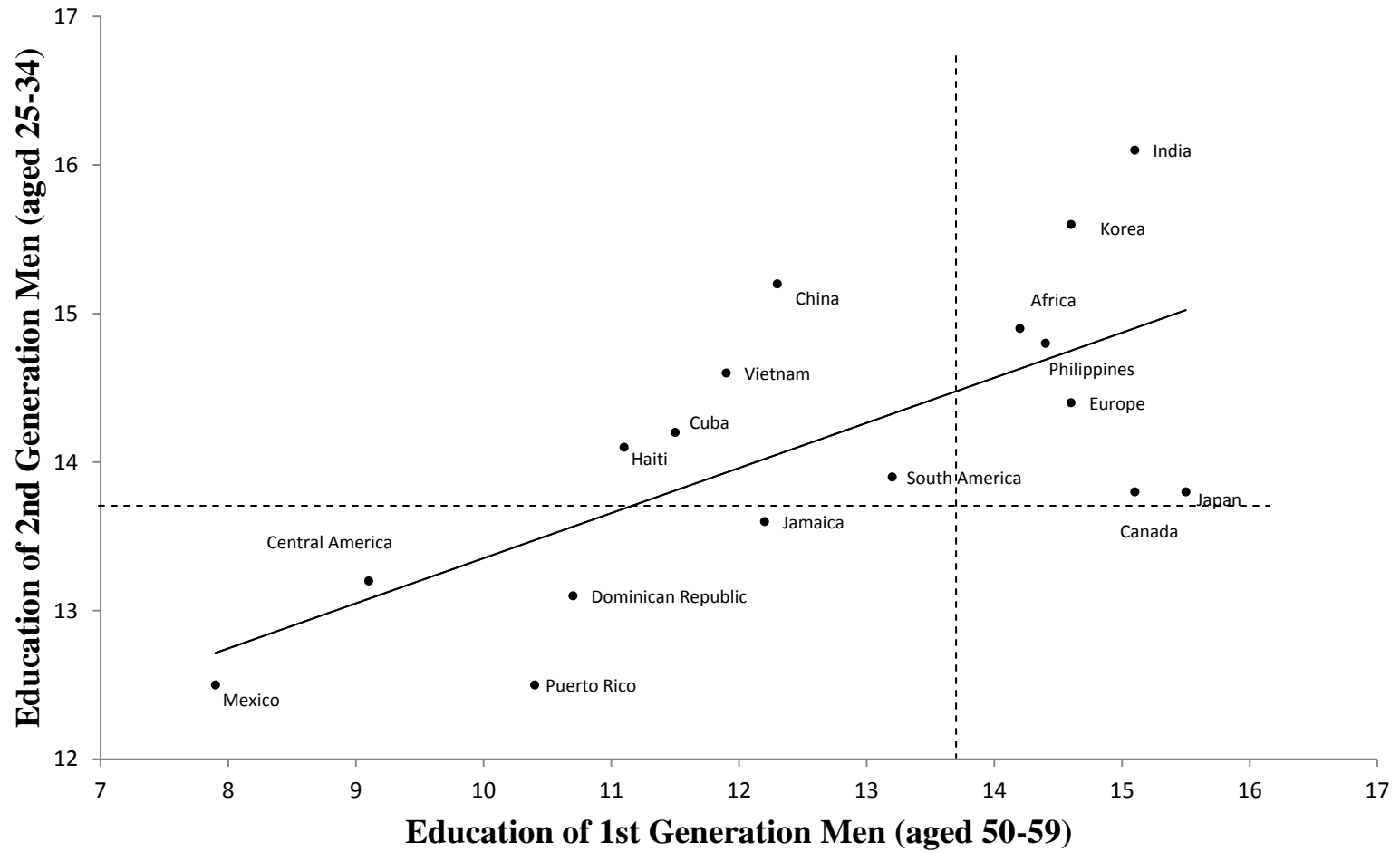
## Average Education of 1<sup>st</sup>- and 2<sup>nd</sup>-Generation Men, by National Origin

<b>Source Country/Region</b>	<b>1<sup>st</sup> Generation</b>	<b>2<sup>nd</sup> Generation</b>
India	16.3	15.9
China	14.6	15.2
Korea	15.2	15.0
Africa	14.3	14.7
Europe	14.4	14.5
Philippines	14.5	14.3
Cuba	12.3	14.3
South America	13.0	14.3
Japan	15.9	14.2
Haiti	12.5	14.1
Canada	15.2	14.1
Vietnam	12.4	14.0
Jamaica	12.8	13.9
<b>3<sup>rd</sup>+Generation Anglos</b>	<b>13.7</b>	
Central America	9.2	13.6
Dominican Republic	11.3	13.3
Puerto Rico	11.8	12.7
Mexico	9.0	12.6

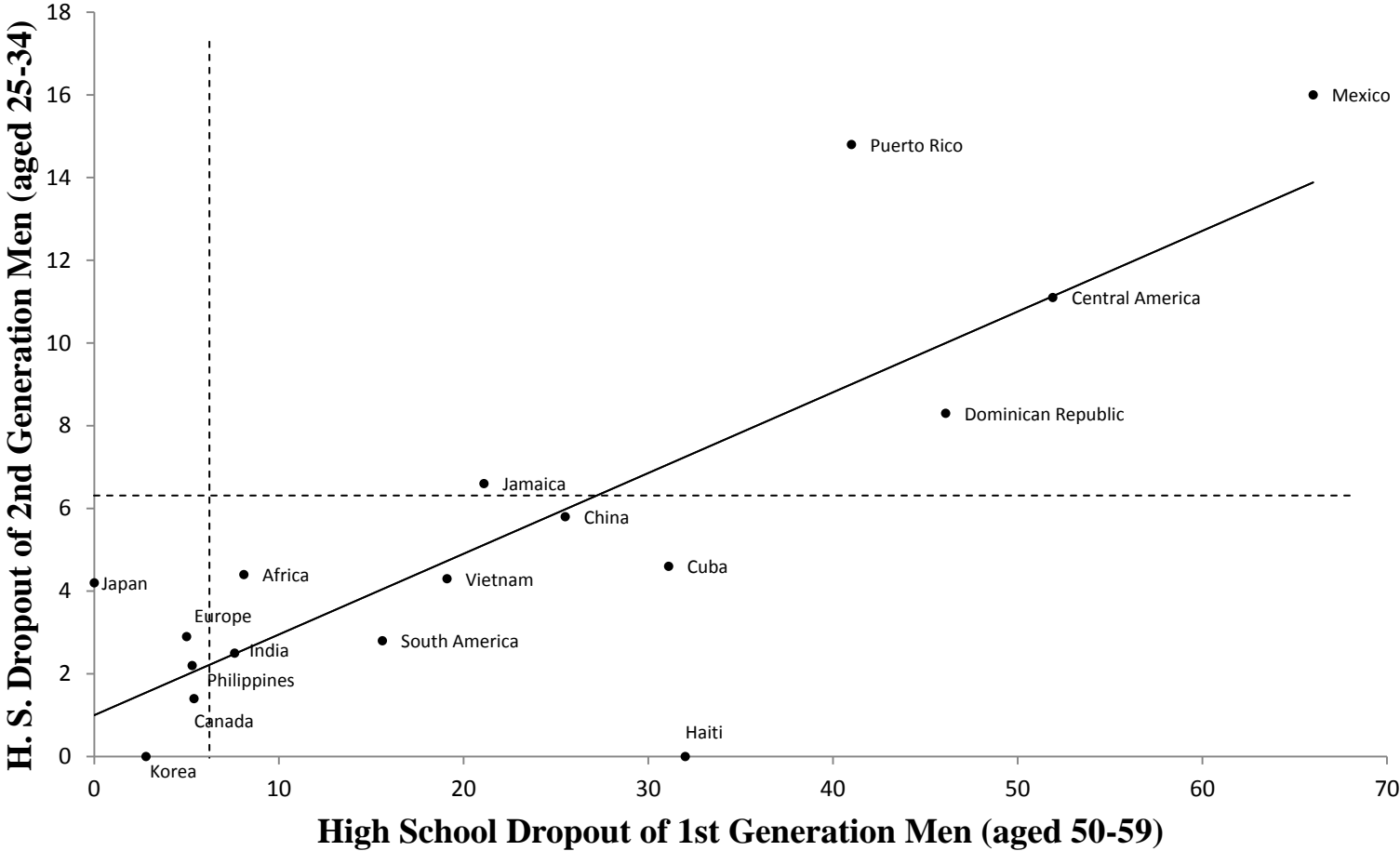
Source: 2003-2009 CPS data.

Note: The samples include men ages 25-59.

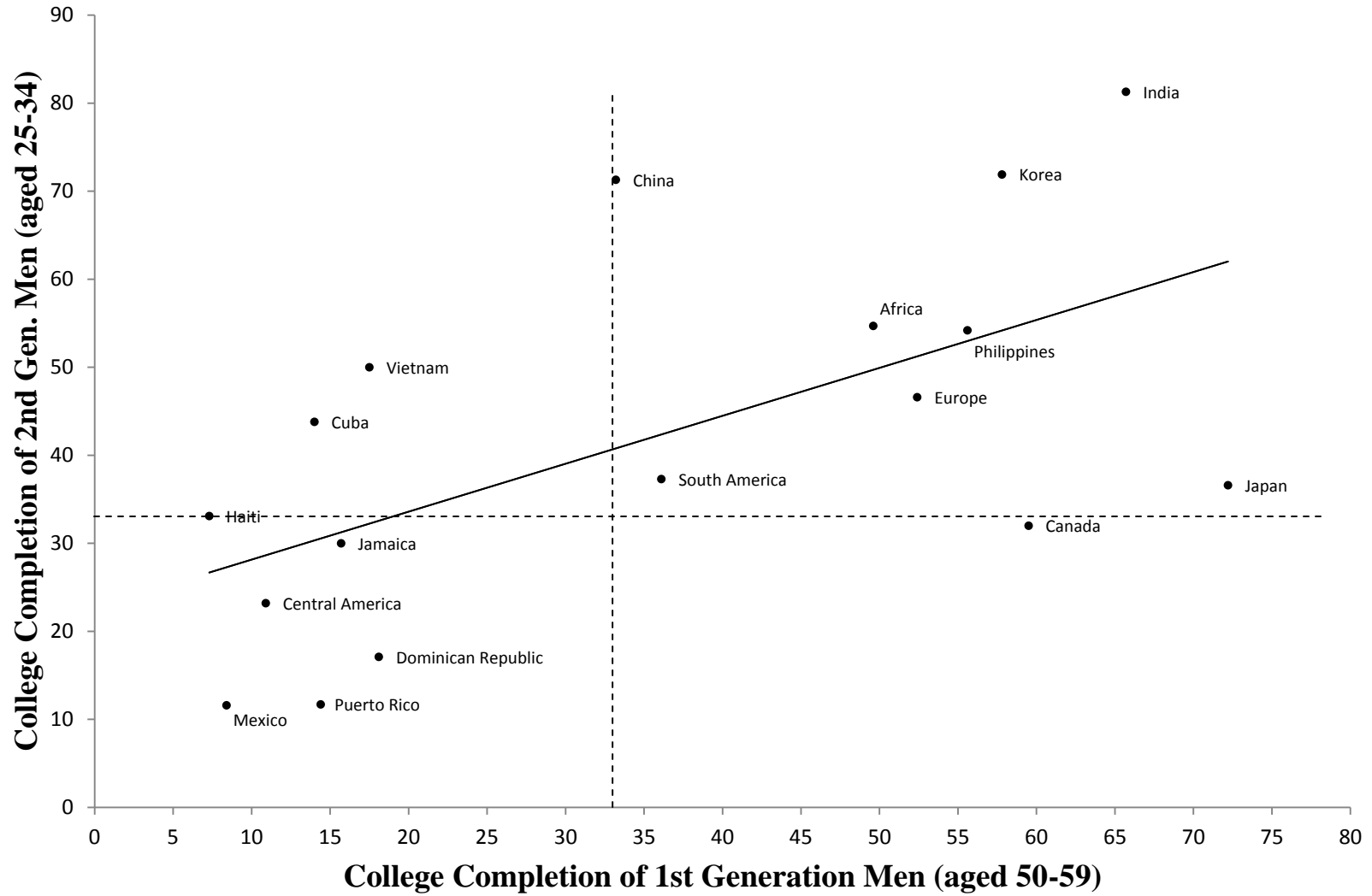
## Average Education (in Years) of First and Second Generation Men



# High School Dropout (%) of First and Second Generation Men



## College Completion (%) of First and Second Generation Men



## Educational Integration

With regard to educational attainment, a key determinant of economic success, health, and life opportunities:

1. By the 2<sup>nd</sup> generation, most contemporary immigrant groups meet or exceed the U.S. average.
2. The primary exceptions are several Hispanic groups: Mexicans, Puerto Ricans, Dominicans, and Central Americans.
3. Part of the issue for the U.S.-born, 2<sup>nd</sup>-generation members of these Hispanic groups is that their 1<sup>st</sup>-generation immigrant ancestors came to the U.S. with particularly low levels of education, English proficiency, and other forms of human capital.

Because they start out farther behind, will it just take these Hispanic groups an extra generation or two to catch up?



## Objective vs. Subjective Ethnic Identification

To tackle this issue, we must confront the question of how, empirically, to identify immigrant groups beyond the 2<sup>nd</sup> generation?

In CPS data, the national origins of 1<sup>st</sup>- and 2<sup>nd</sup>-generation immigrants can be identified “objectively” using the reported information about the countries of birth of the respondent and his parents.

The national origins of 3<sup>rd</sup>+--generation immigrants, however, can only be identified from their “subjective” responses to the Hispanic origin or race question (**see next two slides**).

Virtually all studies of the later-generation descendants of immigrants rely on the Hispanic origin or race question (or something similar) to identify the populations of interest. We'll return to this point later.

# 2000 Census Questions Regarding Hispanic Origin and Race

**NOTE: Please answer BOTH Questions 5 and 6.**

**5. Is this person Spanish/Hispanic/Latino?** Mark [X] the "No" box if *not* Spanish/Hispanic/Latino.

- No, not Spanish/Hispanic/Latino
- Yes, Mexican, Mexican Am., Chicano
- Yes, Puerto Rican
- Yes, Cuban
- Yes, other Spanish/Hispanic/Latino - *Print group.*

[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]  
[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

**6. What is this person's race? Mark [X] one or more races to indicate what this person considers himself/herself to be.**

White

Black, African Am., or Negro

American Indian or Alaska Native - *Print name of enrolled or principal tribe.*

[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

Asian Indian

Chinese

Filipino

Japanese

Korean

Vietnamese

Other Asian - *Print race.*

[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

Native Hawaiian

Guamanian or Chamorro

Samoan

Other Pacific Islander - *Print race.*

[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

Some other race - *Print race.*

[ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

## Average Education of 1<sup>st</sup>-, 2<sup>nd</sup>-, and 3<sup>rd</sup>+ -Generation Men, by Subjective Race/Ethnicity

<b><u>Race/Ethnicity</u></b>	<b><u>1<sup>st</sup> Gen</u></b>	<b><u>2<sup>nd</sup> Gen</u></b>	<b><u>3<sup>rd</sup> + Gen</u></b>
Hispanic	9.7	12.9	12.7
Mexican	9.0	12.6	12.5
Puerto Rican	11.8	12.6	13.0
Asian	14.7	14.9	14.4
Black	13.3	13.9	12.9
Anglo	14.3	14.4	13.7

Source: 2003-2009 CPS data.

Note: The samples include men ages 25-59.

## High School Dropout (%) of 1<sup>st</sup>-, 2<sup>nd</sup>-, and 3<sup>rd</sup>+-Generation Men, by Subjective Race/Ethnicity

<b><u>Race/Ethnicity</u></b>	<b><u>1<sup>st</sup> Gen</u></b>	<b><u>2<sup>nd</sup> Gen</u></b>	<b><u>3<sup>rd</sup> + Gen</u></b>
Hispanic	51.2	13.7	14.3
Mexican	59.7	15.9	15.9
Puerto Rican	30.0	15.5	9.4
Asian	8.0	3.6	3.5
Black	10.5	4.1	11.0
Anglo	7.4	3.0	6.3

Source: 2003-2009 CPS data.

Note: The samples include men ages 25-59.

## College Completion (%) of 1<sup>st</sup>-, 2<sup>nd</sup>-, and 3<sup>rd</sup>+ -Generation Men, by Subjective Race/Ethnicity

<b><u>Race/Ethnicity</u></b>	<b><u>1<sup>st</sup> Gen</u></b>	<b><u>2<sup>nd</sup> Gen</u></b>	<b><u>3<sup>rd</sup> + Gen</u></b>
Hispanic	9.4	18.9	15.6
Mexican	5.1	15.0	14.0
Puerto Rican	15.4	14.1	20.7
Asian	59.4	57.0	46.0
Black	31.0	32.1	17.1
Anglo	48.6	44.7	33.0

Source: 2003-2009 CPS data.

Note: The samples include men ages 25-59.

## Wage Gaps (%) of 1<sup>st</sup>-, 2<sup>nd</sup>-, and 3<sup>rd</sup>+-Generation Men, by Subjective Race/Ethnicity (Relative to 3<sup>rd</sup>+-Generation Anglos)

<u>Race/Ethnicity</u>	<u>1<sup>st</sup> Gen</u>	<u>2<sup>nd</sup> Gen</u>	<u>3<sup>rd</sup>+ Gen</u>
Basic specification:			
Hispanic	-53.0	-17.8	-18.9
Mexican	-57.8	-21.7	-21.1
Puerto Rican	-31.8	-20.6	-15.5
Asian	-3.6	7.9	-3.9
Black	-34.5	-15.7	-30.2
Anglo	-3.0	6.7	ref. group
Also control for education:			
Hispanic	-27.9	-8.7	-8.9
Mexican	-28.9	-10.0	-9.6
Puerto Rican	-17.3	-10.0	-9.2
Asian	-12.1	-1.6	-7.6
Black	-30.0	-17.8	-23.0
Anglo	-7.1	2.1	ref. group

Source: 2003-2009 CPS data.

Note: The samples include employed men ages 25-59. The basic specification includes controls for age, geographic location, and survey month/year.

# Intergenerational Stagnation for Hispanics?

The previous tables suggest that:

1. Hispanics overall, and Mexicans in particular, show little improvement in education and wages between the second and later generations (some schooling gains for Puerto Ricans, which lead to wage gains).
2. Education deficits explain much of the wage gap for Hispanics of all generations.
3. Given the relatively high education and earnings of 2<sup>nd</sup>-generation members of non-Hispanic immigrant groups, concern about the long-term intergration of immigrant families in the U.S. is in effect concern about Hispanic-American families.



## Is This Evidence Misleading?

Cross-sectional comparisons between generations, like those in the previous tables, do a poor job of matching immigrant parents and grandparents in the first generation with their actual descendants in later generations (Borjas 1993; Smith 2003).

Smith (2003) combines Census and CPS cross-sections from successive time periods in order to compare 2<sup>nd</sup>-generation Mexicans in some initial period with their 3<sup>rd</sup>-generation descendants 25 years later. This analysis reveals sizeable gains between 2<sup>nd</sup>- and 3<sup>rd</sup>-generation Mexicans for some cohorts, but there are still signs of intergenerational stagnation (e.g., in Smith's Table 4, five of the six most recent cohorts of Mexicans experience no wage gains between the 2<sup>nd</sup> and 3<sup>rd</sup> generations).

Moreover, all studies conclude that large education and earnings deficits (relative to Anglos) remain for 3<sup>rd</sup>- and higher-generation Mexicans (and Puerto Ricans).

## Why Might Mexicans Be Different?

Theoretically, there are several factors that could slow the pace of assimilation and intergenerational progress by Mexicans today as compared to Europeans in the past (Portes and Zhou 1993; Portes and Rumbaut 2001; Huntington 2004; Perlmann 2005; Telles and Ortiz 2008).

1. Mexico shares a large border with the U.S., which facilitates return and repeat migration.
2. The vast scale of current immigration flows from Mexico and other Spanish-speaking countries.
3. The long history and persistence of such immigration flows.
4. The substantial (though lessening) geographic concentration of these flows within the U.S.

These unique features of Mexican immigration foster the growth of ethnic enclaves in the U.S. where immigrants and their descendants could, if they so choose, live and work without being forced to learn English or to Americanize in other important ways.

## Why Might Mexicans Be Different?

Other factors that might slow assimilation by Mexican Americans:

5. Many Mexicans enter the U.S. as illegal immigrants (but this can't be the whole story, because patterns are similar for Puerto Ricans).
6. Today's economy provides fewer opportunities for unskilled workers to advance than did the economy that greeted earlier European immigrants.

## Selective Ethnic Attrition

Another potential problem with the previous evidence is that immigrant descendants beyond the second generation can only be identified from subjective responses regarding Hispanic origin and race.

Do many later-generation descendants of Hispanic and Asian immigrants fail to self-identify as such in CPS, Census, and other standard data sets? If so, and if this “ethnic attrition” is selective on socioeconomic characteristics, it could distort comparisons between generations.

Ideally, we would want to know the family tree of each individual, so that we could identify which individuals are descended from a particular immigrant group and how many generations have elapsed since that immigration took place (**see next slide for data close to ideal for Hispanics**).

## Hispanic Identification of Individuals with Ancestors from a Spanish-Speaking Country (1970 Census Content Reinterview Study)

<u>Hispanic Ancestry Classification in Reinterview</u>	<u>Percent Who Identified as Hispanic in the Census</u>	<u>Sample Size</u>
Most recent ancestor from a Spanish-speaking country:		
Respondent (1 <sup>st</sup> generation)	98.7	77
Parent(s) (2 <sup>nd</sup> generation)	83.3	90
Grandparent(s) (3 <sup>rd</sup> generation)	73.0	89
Great grandparent(s) (4 <sup>th</sup> generation)	44.4	27
Further back (5 <sup>th</sup> + generation)	5.6	18
Hispanic ancestry on both sides of family	97.0	266
Hispanic ancestry on one side of family only	21.4	103
Father's side	20.5	44
Mother's side	22.0	59
All individuals with Hispanic ancestry	75.9	369

Source: Table C of U.S. Bureau of the Census (1974, p. 8).

Note: Information regarding the generation of the most recent ancestor from a Spanish-speaking country was missing for 68 respondents who nonetheless indicated that they had Hispanic ancestry on one or both sides of their family.

## Implications of Preceding Table

Unfortunately, the microdata underlying the preceding table no longer exist. Otherwise, it would be straightforward to analyze how selective ethnic attrition impacts generational comparisons for Hispanics.

Two important implications of the preceding table:

1. Ethnic attrition could be substantial.
2. Intermarriage may be a fundamental source of ethnic attrition.

Lacking data similar to those in the preceding table, co-author Brian Duncan and I have explored alternative strategies for assessing selective ethnic attrition. Much of this work (Duncan and Trejo 2007, 2009, 2011) is for the specific case of Mexicans.

## Our Basic Argument

1. Marriage to non-Mexicans is common among U.S.-born Mexican Americans. (This, by itself, is a strong indicator of social integration.)
2. Mexican intermarriage is strongly selective, with Mexican Americans who intermarry (and their spouses) having on average much higher levels of human capital and much better labor market outcomes than Mexican Americans in endogamous marriages.
3. Only Mexican-American children with intermarried parents face a significant risk of **not** being identified as Mexican (by the Hispanic origin question in Census and CPS data).

In Mexican-American families, these forces combine to produce strong negative correlations between the human capital and labor market success of parents and the chances that their children retain a Mexican ethnicity. As a result, available data are likely to understate the socioeconomic achievement of later-generation Mexican Americans.

## Nativity/Ethnicity Distributions of the Spouses of U.S.-Born Mexicans

Nativity/Ethnicity of Spouse	U.S.-Born Mexican: Husbands	Wives
<u>U.S.-born</u>		
Mexican	50.6	45.3
Other Hispanic	2.7	2.3
Non-Hispanic:		
White	26.7	28.1
Non-white or multiple race	2.8	3.4
<u>Foreign-born</u>		
Mexican	13.6	17.4
Other Hispanic	1.5	1.8
Non-Hispanic:		
White	1.1	1.2
Non-white or multiple race	1.0	.6
	100.0%	100.0%

Source: 2000 Census data.

Note: The sample includes marriages that meet the following conditions: both spouses are between the ages of 25-59, the couple currently lives together, and at least one spouse is a U.S.-born individual identified as Mexican by the Census question regarding Hispanic origin. For the U.S.-born Mexican husbands and wives involved in these marriages, the table shows the nativity/ethnicity distributions of their spouses. There are 62,734 such marriages, and these marriages involve 38,911 U.S.-born Mexican husbands and 43,527 U.S.-born Mexican wives.



## Types of Marriages Involving U.S.-Born Mexicans

<u>Type of Marriage</u>	<u>Percent of Sample</u>
Both spouses U.S.-born Mexican	31.4
Husband foreign-born Mexican (Wife U.S.-born Mexican)	12.0
Wife foreign-born Mexican (Husband U.S.-born Mexican)	8.4
Husband non-Mexican (Wife U.S.-born Mexican)	25.9
Wife non-Mexican (Husband U.S.-born Mexican)	22.2
	<hr/> 100.0%

Source: 2000 Census data.

Note: The sample includes marriages that meet the following conditions: both spouses are between the ages of 25-59, the couple currently lives together, and at least one spouse is a U.S.-born individual identified as Mexican by the Census question regarding Hispanic origin. There are 62,734 such marriages.

## Average Outcomes of Husbands, by Type of Marriage

	<u>Years of Education</u>	<u>Deficient English</u>	<u>Log Hourly Earnings</u>
<b>Husbands</b>			
Type of marriage:			
Both spouses U.S.-born Mexican	12.0 (.02)	14.1 (.25)	2.692 (.005)
Husband foreign-born Mexican	9.6 (.05)	53.3 (.57)	2.544 (.007)
Wife foreign-born Mexican	11.5 (.04)	24.4 (.59)	2.621 (.009)
Husband non-Mexican	13.5 (.02)	4.0 (.15)	2.919 (.005)
Wife non-Mexican	13.1 (.02)	5.1 (.19)	2.845 (.005)
All husbands	12.3 (.01)	15.0 (.14)	2.763 (.003)

Source: 2000 Census data.

Note: Standard errors are shown in parentheses. The sample includes husbands in marriages that meet the following conditions: both spouses are between the ages of 25-59, the couple currently lives together, and at least one spouse is a U.S.-born individual identified as Mexican by the Census question regarding Hispanic origin. The sample for the hourly earnings data is further limited to individuals who were employed at some time during the calendar year preceding the Census. The sample sizes are 62,734 husbands for the full sample and 58,003 husbands for the employed sample.

## Average Outcomes of Wives, by Type of Marriage

	<u>Years of Education</u>	<u>Deficient English</u>	<u>Log Hourly Earnings</u>
<b>Wives</b>			
Type of marriage:			
Both spouses U.S.-born Mexican	12.1 (.02)	14.0 (.25)	2.415 (.005)
Husband foreign-born Mexican	11.4 (.03)	18.8 (.45)	2.355 (.009)
Wife foreign-born Mexican	10.3 (.05)	53.5 (.69)	2.289 (.012)
Husband non-Mexican	13.1 (.02)	6.0 (.19)	2.565 (.006)
Wife non-Mexican	13.3 (.02)	4.4 (.17)	2.579 (.006)
All wives	12.4 (.01)	13.7 (.14)	2.480 (.003)

Source: 2000 Census data.

Note: Standard errors are shown in parentheses. The sample includes wives in marriages that meet the following conditions: both spouses are between the ages of 25-59, the couple currently lives together, and at least one spouse is a U.S.-born individual identified as Mexican by the Census question regarding Hispanic origin. The sample for the hourly earnings data is further limited to individuals who were employed at some time during the calendar year preceding the Census. The sample sizes are 62,734 wives for the full sample and 45,857 wives for the employed sample.

## Mexican Identification of Youngest Child, by Type of Marriage

Type of marriage:	Percent with Youngest Child Identified as Mexican
Both spouses U.S.-born Mexican	98.2 (.12)
Husband foreign-born Mexican	97.9 (.20)
Wife foreign-born Mexican	97.8 (.24)
Husband non-Mexican	63.5 (.51)
Wife non-Mexican	71.1 (.51)
All types of marriages	84.4 (.19)

Source: 2000 Census data.

Note: Standard errors are shown in parentheses. The sample includes marriages that meet the following conditions: both spouses are between the ages of 25-59, the couple currently lives together, at least one spouse is a U.S.-born individual identified as Mexican by the Census question regarding Hispanic origin, and the marriage has produced at least one child under age 19 that resides in the household. There are 37,921 such marriages.

## Average Outcomes of Fathers, by Mexican Identification of Youngest Child

	<u>Years of Education</u>	<u>Deficient English</u>	<u>Log Hourly Earnings</u>
<b>Fathers</b>			
Youngest child identified as:			
Mexican	12.1 (.02)	18.0 (.21)	2.733 (.004)
Not Mexican	13.2 (.03)	6.2 (.31)	2.888 (.009)
All fathers	12.3 (.02)	16.1 (.19)	2.757 (.003)

Source: 2000 Census data.

Note: Standard errors are shown in parentheses. The sample includes fathers in marriages that meet the following conditions: both spouses are between the ages of 25-59, the couple currently lives together, at least one spouse is a U.S.-born individual identified as Mexican by the Census question regarding Hispanic origin, and the marriage has produced at least one child under age 19 that resides in the household. The sample for the hourly earnings data is further limited to individuals who were employed at some time during the calendar year preceding the Census. The sample sizes are 37,921 fathers for the full sample and 35,496 fathers for the employed sample.

## Average Outcomes of Mothers, by Mexican Identification of Youngest Child

	<u>Years of Education</u>	<u>Deficient English</u>	<u>Log Hourly Earnings</u>
<b>Mothers</b>			
Youngest child identified as:			
Mexican	12.3 (.02)	15.8 (.20)	2.454 (.004)
Not Mexican	13.1 (.03)	6.5 (.32)	2.535 (.010)
All mothers	12.4 (.01)	14.4 (.18)	2.467 (.004)

Source: 2000 Census data.

Note: Standard errors are shown in parentheses. The sample includes mothers in marriages that meet the following conditions: both spouses are between the ages of 25-59, the couple currently lives together, at least one spouse is a U.S.-born individual identified as Mexican by the Census question regarding Hispanic origin, and the marriage has produced at least one child under age 19 that resides in the household. The sample for the hourly earnings data is further limited to individuals who were employed at some time during the calendar year preceding the Census. The sample sizes are 37,921 mothers for the full sample and 27,227 mothers for the employed sample.

## **Implications for the Relative Position of Mexicans**

Our findings suggest that available data are likely to understate the socioeconomic achievement of later-generation Mexican Americans.

Does this mitigate concerns that Mexicans seem to be experiencing less intergenerational progress than other immigrant groups?

Not necessarily, because the relevant measurement biases could be similar or even larger for other immigrant groups, such as Asians. (Intermarriage is a primary source of these biases, and most other groups have intermarriage rates at least as high as those of Mexicans.)

If the direction of the bias is the same for all groups, then appropriate corrections could produce no improvement or even deterioration in the relative position of Mexican Americans.

## **Implications for the Relative Position of Mexicans**

We have begun to investigate selective ethnic attrition for national origin groups besides Mexicans. Our findings suggest that correcting for the resulting biases will in fact raise the attainment of later-generation Mexicans Americans (and most other Hispanic groups) relative to the descendants of Asian immigrant groups.

The extent and selectivity of ethnic attrition seems roughly similar for U.S.-born Puerto Ricans as for Mexican Americans.

The selectivity of ethnic attrition is reversed, however, for Asian-American groups with high levels of education, such as U.S.-born Chinese, Japanese, Koreans, and Indians. Among the descendants of immigrants from these Asian countries, those with fewer years of schooling are less likely to retain an Asian identification. As a result, ethnic attrition may inflate standard measures of socioeconomic attainment for later-generation Asian Americans. Furtado's (2006) model of interethnic marriage potentially explains this pattern.



# The Future

U.S. Hispanic population is growing very rapidly.

Currently, 1 in every 2 new people added to the U.S. population are Hispanic.

This rapid growth is fueled by:

Immigration

Youth (median age of 27, versus 39 for whites)

Relatively high fertility

These drivers of growth are shifting in importance, however:

Immigration most important in the recent past

Births become increasingly dominant in the future

# The Future

Burgeoning 2<sup>nd</sup> generation of U.S.-born (and educated) Hispanics.

Currently, median age of 2<sup>nd</sup> generation is under 13: most are still in school.

The Hispanic 2<sup>nd</sup> generation will come of age and enter the labor market over the next few decades.

This presents both an opportunity and a challenge: Will these Americans have the education and labor market skills to realize their potential in helping to support retirees from the baby boom generation?