Immigrants' Financial Well-Being:
The Role of Race/Ethnicity, Nativity, and Education

DISSERTATION

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Abstract

Immigrants' integration into American society has occupied the interest of both scholars and the general public throughout the nation's history. One way to assess how contemporary immigrants integrate into American society is to examine immigrants' economic integration or their financial well-being. In this dissertation, I join with a handful of scholars who have moved beyond using income as an indicator of economic integration and have begun to examine wealth accumulation. This dissertation focuses on three dimensions of the U.S. social stratification system – and their intersections – that may affect immigrants' economic integration: race/ethnicity, nativity, and class. One particularly important indicator of class is immigrants' educational attainment. Overall educational attainment is certainly important for immigrant integration; however, immigrants' education is typically devalued upon migration. The devaluation suggests that the relationship between education and wealth accumulation for immigrants may differ from that for the native-born.

This dissertation examines two ways in which education may produce differential patterns of integration for contemporary immigrants: place of education and educational-occupational mismatch. First, this dissertation focuses on place of education or where immigrants complete their education – either in the United States or abroad. Second, the devaluation of immigrants' educational attainment may produce mismatch between immigrants' educational attainment and their occupation after arrival. This may lead

immigrants to be either over- or underqualified relative to their coworkers. This dissertation draws on two datasets that correspond to the particular measure of class: for place of education, this dissertation uses the Survey of Income and Program Participation and for educational-occupational mismatch, this dissertation uses the New Immigrant Survey.

Results demonstrate strong racial/ethnic and educational stratification. For the native-born and U.S. educated immigrants, race/ethnicity is the primary stratifying factor and racial/ethnic wealth inequality conforms to expectations. Among the foreign educated; however, both Asian and Latino immigrants present contradictory patterns that alter the racial/ethnic hierarchy. In terms of educational-occupational mismatch, the relationship between educational-occupational mismatch and wealth accumulation depends on whether immigrants have more or less education than their same-occupation coworkers. This relationship also differs by race/ethnicity, revealing a Latino/nonLatino contrast. The differential pattern of wealth accumulation for Latino immigrants could reflect both their unique distribution of educational attainment and their disproportionate concentration in occupations with less education. This dissertation concludes with a discussion of the implications of both racial/ethnic and educational stratification for contemporary immigrant integration.

Dedication

I dedicate this dissertation to the most important people in my life:

Jennifer, David, Michael and Jane. Also to the memory of my mother.

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Fields of Study

Major Field: Sociology

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Chapter 1: Introduction

Contemporary U.S. Immigrants

Immigrants' integration into American society has occupied the interest of both scholars and the general public throughout the nation's history. For contemporary immigrants, much scholarly attention addresses questions related to the historically unprecedented diversity in source countries. This greater diversity stems, in part, from the passage of the 1965 Amendments to the Immigration and Nationality Act. This legislation abolished national-origin quotas, lifted bans on immigration from Latin America and Asia, and established family-reunification policies (Massey 1995). These changes drastically altered the composition of the U.S. immigration stream, which led – in part – to greater source-country diversity after 1965 than earlier in the century. Over time, the number of European immigrants shrank, while the population of immigrants from Latin America and Asia grew substantially. During this time period, immigration from Africa remained relatively stable. As a general trend, the shift from European-dominance to Latin American and Asian dominance of the immigration flow stands in stark contrast to the first half of the 20th century.

The shift in the immigration stream away from European-origin immigrants and toward immigrants from Latin America and Asia has several broader implications both for the life chances of contemporary immigrants and for broader U.S. society. For one, with immigration flows from Latin American and Asia above that from Europe, most

contemporary immigrants are nonwhite. This trend, however, is not historically unique. Indeed, in the early 20th century, immigrants from Southern and Eastern Europe were also considered to be nonwhite. Given the importance of race/ethnicity in U.S. society, contemporary immigrants' life chances will be shaped by their perceived racial/ethnic status. For example, immigrants may be affected by some of the same social processes (e.g. prejudice, discrimination, segregation) that facilitate or constrain opportunities for upward mobility. In this way, immigrants' life chances may closely reflect those of their same-race/co-ethnic native-born peers. Additionally, since contemporary immigrants are largely nonwhite, they introduce racial/ethnic variation into U.S. society that differs from the racial/ethnic composition of the native-born. Therefore, contemporary immigrants – as their immigrant peers did over 100 years ago – contribute to the alteration of the racial/ethnic composition of U.S. society.

In addition to source country and racial/ethnic diversity, contemporary immigrants possess a wide range of skills and abilities. Yet, contemporary immigrants are often viewed as a homogenous group; since many are from relatively poor sending countries, they are frequently viewed as uniformly poor and uneducated (Portes and Rumbaut 2006). This perception mischaracterizes immigrants' life experience prior to migration. Many immigrants arrive to the United States with valuable skills and abilities acquired abroad from extensive educational attainment and work experience. Other immigrants may lack these traditional human capital attributes, but may possess various faculties or resources that helped them successfully migrate and will aid in their integration into U.S. society. This misperception also fails to appreciate the nuances of

contemporary immigrants' modes of adaptation into American society. Some immigrants migrate to take jobs waiting for them in the United States; others arrive via family reunification and draw on potentially valuable social networks to aid in re-settlement. In short, because of the great diversity within the contemporary immigration stream to the United States, it is important to carefully examine just how immigrants transition into U.S. society and how their various ascribed and achieved characteristics affect their well-being.

Immigrant Integration

Immigrants integrate into U.S. society along a variety of dimensions. One way to assess how contemporary immigrants incorporate into American society is to examine immigrants' economic integration or their financial well-being. For many immigrants, the opportunity to improve their financial well-being serves as the necessary motivation to migrate to the United States (Portes and Rumbaut 2006). In this dissertation, I join with a handful of scholars who have moved beyond using income as an indicator of economic integration and have begun to examine wealth accumulation. Scholars typically focus on income to assess immigrant economic integration, but wealth has several theoretical advantages over income. Wealth better represents the traditional idea of financial well-being (Oliver and Shapiro 1995) because it signifies more permanent notions of prosperity and security (Keister 2000b). Wealth also reflects the result of numerous economic activities (Hao 2007). For instance, savings behavior, portfolio allocation, risk aversion, consumption patterns, and retirement expectations, among others, affect savings rates, asset acquisition, and financial goals. Additionally, wealth attainment allows better

insight into the financial resources available to immigrants above and beyond their wages and earnings (e.g. Amuedo-Dorantes and Pozo 2002; Cobb-Clark and Hildebrand 2006b; Hao 2007). In sum, a focus on wealth attainment as an indicator of economic integration adheres more closely to the meaning and theoretical significance of financial well-being (Oliver and Shapiro 1995). Moreover, wealth attainment allows scholars to assess not only the financial benefits of asset ownership, but also the social processes that contribute to immigrant wealth accumulation.

Dimensions of Stratification

The Intersections of Race/Ethnicity, Nativity, and Class

Many factors affect immigrants' economic integration in the United States. This dissertation focuses on three dimensions of the U.S. social stratification system that may affect these patterns of integration: race/ethnicity, nativity, and class. First, race/ethnicity is a powerful stratifying factor that affects how immigrants are received into the U.S. social stratification system. The concept of racial formation (Omi and Winant 1994) provides a conceptual framework that shows how race structures U.S. society. Immigrants are assigned a racial status within that structure that affects their life chances in similar ways as their native-born same-race/co-ethnic counterparts. Race/ethnicity may never have mattered prior to migration, but upon arrival immigrants' perceived racial/ethnic status plays an important role in shaping opportunities to improve life chances. This dissertation also draws on dominance-differentiation and segmented assimilation theory. Both of these theories emphasize the importance of race/ethnicity as a primary stratifying factor that affects immigrants' life chances. Indeed, segmented

assimilation theory emphasizes that race/ethnicity is the key characteristic that determines immigrant assimilation patterns (Portes and Zhou 1993).

For nativity, dominance-differentiation theory posits that nativity status acts as a secondary stratifying process, one that sorts members of society within racial/ethnic groups by nativity status. In this way, it is nativity status that divides the life chances of immigrants from those of the native-born. Importantly, this dissertation makes a theoretical and methodological contribution to dominance-differentiation theory by moving beyond the nativity dichotomy specified by Hao (2007) to consider how age at migration conditions the relationship between immigrants and the native-born. Next, as an indicator of class, this dissertation uses education because of its important stratifying role in U.S. society. I expand on this aspect of the dissertation below.

Last, both dominance-differentiation (Hao 2007) and segmented assimilation theory (Portes and Zhou 1993) emphasize the intersections of race/ethnicity with nativity and race/ethnicity with class (i.e. education). These intersections produce potentially divergent patterns of integration and provide unique insight into how various dimensions of the U.S. social stratification system affect immigrants' financial well-being. This is the major contribution of this dissertation: a focus on the nuanced integration patterns that stem from considering the intersections of race/ethnicity with both nativity and class. For racial/ethnic minority immigrants, these intersections may result in a double disadvantage relative to native-born whites. White immigrants may be disadvantaged relative to native-born whites due to their nativity status and/or education, but they are only singly disadvantaged due to their shared racial status. In contrast, racial/ethnic minority

immigrants experience a layer of disadvantage associated with their racial/ethnic status, which may result in life chances that resemble those of their same-race/co-ethnic native-born peers. Then they may also experience a second layer of disadvantage – from their nativity status or education – which further harms their life chances in comparison to both their same-race/co-ethnic native-born peers and native-born whites.

More Insight into Class

Immigrants bring a number of skills and resources with them to the United States, but one particularly valuable resource – and an important indicator of class – is immigrants' educational attainment. Overall educational attainment will be closely related to immigrants' job opportunities – as well as their life chances – in the United States. Portes and Rumbaut (2006) present four vignettes that illustrate the diversity of contemporary immigrants' educational attainment and job training. These vignettes draw attention to the importance of educational attainment for immigrants' integration into U.S. society. Two of the vignettes highlight highly educated immigrants, focusing on a doctor from India and a Cuban refugee who continues her education in the United States to become an architect. The other two vignettes focus on less formally educated – though still highly skilled – immigrants: a mechanic from Mexico and an electronics technician from Vietnam. Notably, three of the immigrants continue to work in either the same (doctor, mechanic) or similar occupation (electronics) both before and after migration. While these immigrant exemplars all attain success in the United States, Portes and Rumbaut argue that these are not isolated cases and that many immigrants improve their life chances while living in the United States.

Yet, not all contemporary immigrants would experience such successful transitions from their respective source countries to the United States. Indeed, immigrants' education – especially higher education – is typically devalued upon migration (e.g. Chiswick 1978, 1999; Zeng and Xie 2004). This devaluation generally prevents immigrants from finding jobs commensurate with either their overall educational attainment and/or the job they had prior to migration. Therefore, despite their claims to the contrary, Portes and Rumbaut's immigrant exemplars might be the exception rather than the rule as they all somewhat seamlessly transitioned – at least in terms of educational attainment and occupation – into U.S. society. This is not to say that immigrants' educational attainment does not matter; rather, the devaluation of immigrants' education suggests that the relationship between education and wealth accumulation for immigrants may differ from that for the native-born.

This dissertation examines two ways in which education may produce differential patterns of integration for contemporary immigrants. First, this dissertation focuses on place of education. Many adult immigrants continue their education upon arrival to the United States, but other immigrants do not pursue any additional education. These latter immigrants are considered foreign educated since they completed their education abroad. Immigrants who attain additional schooling in the United States are considered U.S. educated, such as the architectural student in the Portes and Rumbaut vignettes. U.S. educated immigrants may be advantaged over their foreign educated counterparts for a variety of reasons, which may result in integration patterns that bring their wealth attainment closer to that of their same-race/co-ethnic native-born peers or even native-

born whites. Indeed, relative to their U.S. educated counterparts – whether native- or foreign-born – previous research finds that foreign education is associated with earnings disadvantage for Asian (Zeng and Xie 2004) and black immigrants (Dodoo 1997). This dissertation extends this seminal work by examining the effects of foreign education for Latino immigrants. It also argues that the effects of place of education may extend beyond the labor market to affect wealth accumulation.

Second, the devaluation of immigrants' educational attainment may produce mismatch between immigrants' educational attainment and their occupation after arrival. For example, Portes and Rumbaut's doctor benefited from a shortage of doctors in the United States in 1972 and he was able to begin practicing immediately after migration without re-certifying according to U.S. standards. At another time, this doctor may have had to pursue additional schooling, examinations, or re-certification to obtain a U.S. medical license. While completing the requirements, the doctor may work in another occupation that requires far less education than he had. This is an example of overqualification because the doctor's educational attainment exceeds that required by the job.[1] In contrast, the mechanic vignette perhaps provides an example of underqualification. If Portes and Rumbaut's mechanic did not complete a high school degree and the usual educational attainment for mechanics in the United States is 12 or 14 years, then the mechanic is underqualified for his current position. What compensates for this educational-occupational mismatch is his extensive experience as a mechanic in

[1] I follow Vaisey (2006) and use the term "overqualification" as it is interchangeable with "overeducation", "overschooling", "overtraining", and/or "underemployment", but is the least normatively charged.

Mexico, which readily transferred to the United States. In short, the goal of Portes and Rumbaut's vignettes is to showcase the diversity of the contemporary immigrant stream; however, extending their examples provides insight into the relationship between immigrants' educational attainment and job opportunities in the United States.

Preview of Substantive Results

This dissertation draws on two datasets that correspond to the particular measure of class: place of education or educational-occupational mismatch. To examine place of education, this dissertation uses the Survey of Income and Program Participation. For educational-occupational mismatch, this dissertation uses the New Immigrant Survey. These data contain extensive batteries of education, employment, and asset questions. Both data sets also have large samples of immigrants that allow for examination of different racial/ethnic groups. Yet each data set is unique, which strengthens the significance of this dissertation. For instance, SIPP is a nationally representative sample. Thus, it contains both native- and foreign-born respondents, which allows for the isolation of race/ethnicity and nativity effects. In contrast, NIS was specifically designed to study a cohort of immigrants with legal permanent residency status. It contains richer data on several important aspects of immigration including migration patterns and class of admission. NIS allows for racial/ethnic comparisons among immigrants with equivalent legal status. The next two sections preview the particular measure of education, data, and results of the substantive chapters

Preview of Chapter 5

In this chapter, I argue that racial/ethnic and educational (place of education) stratification differentially affect patterns of immigrant wealth accumulation. I use data from the 2001 and 2004 panels of the Survey of Income and Program Participation as these data are nationally representative of the U.S. population and are well-suited for the study of immigrant wealth accumulation because they contain detailed migration and financial information. They also contain a relatively large sample of immigrants, which allows for comparison with both immigrants' U.S.-born same-race/co-ethnic peers and U.S.-born whites. Results demonstrate strong racial/ethnic and educational stratification. For the native-born and U.S. educated immigrants, race/ethnicity is the primary stratifying factor and racial/ethnic wealth inequality conforms to expectations. For the foreign educated, Asian immigrants are particularly disadvantaged by foreign educational attainment. This disadvantage is so great that it alters the racial/ethnic hierarchy among the foreign educated. Latino immigrants represent a contradictory pattern: Neither nativity status nor place of education distinguishes wealth accumulation patterns among this group. This dissertation discusses this exception and why foreign educated Asian immigrants are associated with the largest wealth disadvantage. It concludes with a discussion of the implications of both racial/ethnic and educational stratification for immigrant integration.

Preview of Chapter 6

This chapter focuses on a particular type of immigrant – legal permanent residents (LPR). Immigrants in the data used in this dissertation all received their LPR status in

2003, though many had been living in the United States with another nonimmigrant (e.g. temporary worker, student, tourist) or illegal status for some time. Chapter 2 discusses the prevalence of LPR immigrants in the United States and provides more descriptive detail about who these immigrants are as well as the process that leads to legal and (potentially) permanent residence in the United States. Information on immigrants' financial resources is gathered shortly after receipt of LPR status and reflects wealth accumulation or loss within this brief time period. As such, chapter 6 provides a snapshot of LPR immigrants' financial well-being immediately after receipt of this new status.

This chapter examines how race/ethnicity and educational-occupational mismatch affect immigrants' abilities to accumulate wealth in the United States. Beginning with a descriptive exploration of legal permanent residents and the process leading to LPR status, this chapter next establishes that a racial/ethnic hierarchy in the United States structures immigrants' opportunities for wealth accumulation. This chapter then explores educational-occupational mismatch. Previous research documents changes in social outcomes such as job satisfaction, liberal attitudes, and adherence to an achievement ideology in response to educational-occupational mismatches (Berg 1971; Burris 1983; Tsang et al. 1991; Vaisey 2006). Yet, this chapter argues that educational-occupational mismatch within specific occupations also affects immigrants' financial well-being in the United States. To examine how race/ethnicity, educational attainment, and educational-occupational mismatch affect immigrant wealth accumulation, this chapter uses the New Immigrant Survey (Jasso et al. 2006). Results suggest that race/ethnicity affects the wealth accumulation of LPR immigrants in much the same way as for native-born

Americans and that the relationship between educational-occupational mismatch and wealth accumulation depends on whether immigrants have more or less education than their same-occupation coworkers. This relationship also differs by race/ethnicity. In closing, this chapter discusses the implications of these findings for immigrants' wealth accumulation and for the growing population of LPR immigrants living in the United States.

Chapter 2: Immigrants and Financial Well-Being

The Importance of Wealth Accumulation

Income has a long history of being used as an indicator of immigrants' economic integration (e.g. Chiswick 1977, 1978), but recently scholars have turned their attention to other aspects of financial well-being such as wealth attainment. This shift has several advantages. For one, some scholars argue that wealth better captures the traditional notion of financial well-being (Oliver and Shapiro 1995). In this view, financial well-being is a stock of resources, constituting various assets such as homes, vehicles, investments, and retirement accounts. These specific assets – and wealth more generally – represent a more permanent concept of well-being, one that can meet both short- and long-term needs (Keister 2000b). For example, in hard times, wealth can be liquidated, perhaps to meet expenses associated with job loss or a medical emergency. In contrast, income is a flow of financial resources and an indicator of short-term well-being (Keister 2000b), one that can disappear when faced with the aforementioned hardships.

Wealth is also an outcome of many unique financial activities (Hao 2007). Higher income certainly has the potential to increase wealth, but wealth attainment is indicative of savings, spending, and investment as well as financial priorities, goals, and values. For instance, home equity is a large portion of most Americans' wealth, but homes also provide security, safety, and access to neighborhoods with desirable amenities such as strong schools, excellent public services, and other attractive characteristics. Financial

investments such as 401ks and Individual Retirement Accounts (IRAs) likewise contain asset value, but also represent savings behaviors such as retirement planning and expectations. Beyond the benefits of particular assets, wealth itself confers advantage. Wealth generates more wealth through return on investment, but also may serve as collateral for other investments (Keister 2005). Wealth may purchase luxury, free time, and/or political or social influence. Related, wealth increases educational and occupational opportunities, paying for tuition or providing the financial backing for a career change. Last, perhaps the greatest advantage of wealth is its transferability. Financial transfers during (*inter vivo*) or at the end (inheritance) of life allow wealth's advantages and benefits to be passed on to the next generation or other beneficiaries. In sum, wealth broadly encompasses the advantages associated with particular assets, but also reflects financial behaviors such as savings goals, consumption, and other financial activities that affect financial well-being.

Because it is multifaceted (e.g. financial assets and debts) and broadly encompassing (e.g. financial behaviors), wealth captures economic integration better than income (Hao 2007). When compared to the native-born, immigrant wealth accumulation patterns may differ according to a number of individual- and contextual-level factors, independent of income, education, and/or other socioeconomic influences. At the individual-level, wealth accumulation reflects financial behaviors such as propensities to save, consumption patterns, and portfolio allocation. For instance, if immigrants continue their financial behaviors from their home country and realize higher earnings in the United States, their home country savings behavior may allow them to more quickly

build financial resources. Additionally, wealth accumulation reflects cultural values and lifestyles such as the number of desired children, expectations for children's educational attainment, and preparations for old age (Hao 2007). Consideration of contextual-level factors – such as race/ethnicity, nativity, and their intersections – accounts for the disparate social circumstances facing some groups. Racial/ethnic minorities face barriers in educational attainment, job skills, and other work opportunities that put them in a disadvantaged position. Immigrants are also likely to experience the same difficulties as their native-born same-race/co-ethnic peers and may be further disadvantaged due to their nativity status. In this way, some immigrant groups may be doubly disadvantaged relative to native-born whites, which will affect both their ability to accumulate wealth and to economically integrate into mainstream society.

Given the importance of race/ethnicity for immigrant life chances, it is necessary to briefly comment on racial/ethnic wealth inequality and its implications for immigrants. Importantly, immigrants are likely to face the same challenges for wealth accumulation as their same-race/co-ethnic counterparts and they may also experience an additional wealth penalty associated with their nativity status (Hao 2007). This disadvantages immigrants relative to their same-race/co-ethnic native-born peers, but also creates a "double disadvantage" relative to native-born whites. Among broader racial/ethnic groups, black and Latino families attain lower net worth than whites (Campbell and Kaufmann 2006; Cobb-Clark and Hildebrand 2006a, 2006b; Conley 1999; Oliver and Shapiro 2006). They also receive less financial assistance from their families and suffer discrimination that limits educational, occupational, and financial opportunities (Oliver

and Shapiro 2006; Shapiro 2004). Homes are a particular source of wealth disadvantage for nonwhites. Discriminatory practices such as redlining, differential mortgage rates, and real estate agent steering prevent racial/ethnic minorities from buying homes in more affluent areas (Conley 1999; Krivo and Kaufman 2004; Long and Caudill 1992; Oliver and Shapiro 2006; Wilson 1996). Furthermore, blacks and Latinos are more likely than whites to have their applications for home mortgages rejected, even when accounting for other factors (Schafer and Ladd 1981; Fix and Struyk 1993). As a result of the above inequalities, racial/ethnic minorities take longer to become homeowners (Boehm and Schlottman 2004), purchase less valuable homes that appreciate at slower rates over time (Conley 1999; Long and Caudill 1992), and are less likely to remain homeowners (Boehm and Schlottman 2004). Additionally, racial/ethnic inequality in financial wealth is evident. Blacks accumulate less financial wealth than whites (Oliver and Shapiro 2006) and both blacks and Latinos are less likely than whites to have checking and savings accounts and to own stocks and bonds (Keister 2000a, 2004). In sum, racial/ethnic minorities face constraints in acquiring not only the same *quantity* of assets as whites, but also the same *quality*. This impedes their ability to accumulate wealth at similar levels as whites.

Legal Permanent Residents

This section focuses on immigrants with legal permanent resident status because all of the immigrants in the NIS sample attain LPR status in 2003. Therefore, it is important to briefly describe the legal permanent resident population in the United States. As of January 1, 2006, there were approximately 12 million LPR immigrants living in the

United States (Rytina 2009). This population reflects an increasing number of LPR admissions in recent years. An average of only 425,000 and 625,000 immigrants received LPR status per year in the 1970s and 1980s, but this number increased to approximately 1 million per year in the last two decades (Yearbook of Immigration Statistics 2008). There is also considerable variation by country of origin. Table 1 reproduces the leading countries of origin of the LPR population in the United States (see Rytina 2009). Immigrants from the first 5 countries contribute 43 percent of the LPR population with immigrants from Mexico constituting the largest share. The Philippines, India, and China each contribute approximately 500,000 LPR immigrants, which together represent roughly 12.5 percent of the total LPR population.

Despite the increases in the number of immigrants admitted to LPR status over time, the population of LPR immigrants living in the United States remains relatively stable. Two noteworthy processes contribute to this stability. For one, a certain number of LPR immigrants return to their countries of origin (for estimates of return migration, see Ahmed and Robinson 1994). More importantly, LPR immigrants are eligible for naturalization – among other requirements – after five consecutive years of living in the United States and three if an LPR immigrant marries a U.S. citizen. As of January 1, 2006, 8.2 million or 68 percent of the LPR immigrant population were eligible for naturalization (Rytina 2009). The proportion of LPR immigrants who naturalize within 10 years of receiving LPR status has also increased over time from approximately one-third of those eligible in the 1970s and 1980s to one-half for the 1995 cohort (Baker 2007). In this way, naturalization helps offset the increase in the LPR immigrant

population: As more immigrants attain LPR status, more immigrants will also be eligible to naturalize. Indeed, 20.6 million immigrants obtained LPR status between 1980 and 2005 with 73 percent eventually gaining citizenship (Rytina 2009). Thus, while the number of LPR immigrants is substantial, many immigrants have transitioned from LPR status to citizenship over time.

Legal permanent residents are a select group of foreign born individuals. Immigration to the United States is a lengthy and expensive process that requires navigation of complex application requirements and rewards those with social networks (U.S. citizen family members, employment contacts) that are favored by U.S. immigration law. For other potential immigrants, refugee and asylee status are subject to political forces that determine their eligibility for LPR status and could change their visa status (and LPR application) without notice. Even with the diversity lottery – which includes a random element by definition – potential immigrants must first meet educational and work requirements, in addition to paying fees and satisfying application requirements. In short, these challenges – among others – ensure that only a select group of individuals apply for LPR status and then receive a green card in the United States.

Immigrants apply for LPR status in one of two ways: adjustment of status or new arrival. "Adjustment of status" is the process by which nonimmigrants or parolees who are currently living in the United States apply for LPR status. The "new arrival" distinction is for individuals currently living abroad; however, there is some evidence that a substantial proportion of immigrants qualifying for LPR status through the new arrival application have spent extensive time in the United States (Jasso et al. 2000). Within

these two separate application processes, immigrants qualify for LPR status through several broad classes of admission. First, immigrants may qualify through family relations. There are several tiers of family relations that promote family unity while clearly privileging U.S. citizens. For instance, there are no visa restrictions for immediate relatives (i.e. spouse, unmarried child under age 21, parent) of U.S. citizens. The next category of family relations is called "family preference". A limited number of visas are allocated for family members based on their tier of preference: first preference – unmarried adult children (over age 21) of U.S. citizens; second preference – spouses and unmarried children (any age) of LPR immigrants; third preference – married children of U.S. citizens and their spouses and children; and fourth preference – siblings of U.S. citizens and their spouses and children. Individuals may also qualify under the family preference through special visas, which include – among others – battered children or spouses, fiancées (K visa), widow(er), or LIFE nonimmigrant (V visa).[2]

Second, potential immigrants may qualify through the employment option. Immigrants qualify for the employment option in a variety of ways that include having a job offer in the United States, making a substantial investment that creates jobs, self-petitioning, or pursuing one of the special categories based on past or current employment (e.g. Afghan/Iraqi translator, broadcaster, religious worker). Third, nonimmigrants with refugee status are required to apply for LPR status after one year of living in the United States while asylees are encouraged to apply one year after receiving asylum. Last, immigrants may qualify under a myriad of other options. These include the

[2] The Legal Immigration Family Equity (LIFE) Act of 2000 created the V (nonimmigrant) visa category.

aforementioned diversity lottery and LIFE nonimmigrant visa, but also programs specifically designed to grant LPR status, among others, to Haitian refugees, Cuban citizens, and victims of criminal activity or trafficking.

In sum, LPR immigrants constitute a sizeable subpopulation in the United States, one that is even larger when considering the number of naturalized citizens who initially entered the United States with LPR status. Diversity also characterizes the LPR population both in the large number of source countries and for the multiple paths to LPR status. Potential immigrants qualify for LPR status in a variety of ways with the family reunification and employment preferences advantaging some immigrants over others. Yet, there are a number of other opportunities to attain LPR status such as the diversity lottery and specific categories designed to aid refugees, asylees, and other potential immigrants. These various forms of diversity provide insight into the selection processes that narrow the number of potential, qualified, and ultimately successful LPR applicants.

Chapter 3: Conceptual Framework

Dimensions of the U.S. Social Stratification System

This chapter explores how three dimensions of the U.S. social stratification system affect immigrants' economic integration. I begin with race/ethnicity, drawing upon the concept of racial formation to show how the racial/ethnic hierarchy in the United States affects immigrants' life chances. I then move to nativity status and discuss how it divides immigrants from the native-born within racial/ethnic categories. I build upon dominance-differentiation theory by going beyond nativity status to consider how age at migration may differentially affect integration patterns. Next, education affects integration. Total educational attainment is certainly important, but immigrants' place of education as well as the (in)congruence between their education and their occupation in the United States may also affect integration patterns. Last, segmented assimilation theory emphasizes the intersection of race/ethnicity with class. Therefore, this dissertation examines how the racial/ethnic hierarchy in the United States and immigrants' educational attainment interact to produce differential patterns of integration.

Race/Ethnicity

Race is an important component of the U.S. social stratification system, affecting the structure and representation of U.S. society (Omi and Winant 1994). Contemporary racial formation reflects a sociohistorical dynamic process with racial categories being created, adopted, transformed, and dissolved over time (Omi and Winant 1994). Since

racial formation is socially and historically defined, both racial statuses and racial meanings constantly change. Immigrants are inserted into a cross-section of this dynamic process; therefore, their U.S. racial status derives from a temporally-specific intersection of the current social structure and cultural representation of race. Prior to migration, race may not have played any role in the lives of immigrants, but upon migration immigrants encounter a "comprehensive racialized social structure" that organizes and redistributes resources along racial lines (Omi and Winant 1994:60). Thus, many immigrants must manage a racial/ethnic status that may never have been salient in their home country, but may now permeate their lives.

This racialized U.S. social structure has implications for contemporary immigrant integration. Since the ordering of U.S. society and the allocation of resources depends on race, immigrants' integration depends on how well their native-born racial/ethnic counterparts fare in American society. In this way, black and Latino immigrants may face some of the same challenges and blocked opportunities as black and Latino Americans that restrict upward mobility into the middle class and contribute to social inequality. In contrast, Asian Americans and Asian immigrants may both suffer from covert forms of discrimination (Kim and Lewis 1994) and Asian immigrants may experience disadvantage associated with their nativity status; however, the greater human capital (i.e. educational attainment) of Asians contributes to socioeconomic parity with whites (Hirschman and Wong 1981, 1984; Zeng and Xie 2004; but see Segal, Kilty, and Kim 2003; Zhou and Kamo 1994). In this way, Asians may not encounter the same extent of disadvantage (relative to whites) as that experienced by blacks and Latinos. In short, the

ability of immigrants to integrate into U.S. society is primarily and powerfully affected by their racial/ethnic status.

The importance of racial/ethnic status for immigrant life chances is not new. Immigrants from the first part of the 20th century were predominantly of European origin, but "old" immigrants (e.g. British, French, German, Norwegian, Swedish) considered "new" immigrants (e.g. Irish, Jewish, Italian, Polish, Greek) to be a different and nonwhite race (Hirschman 2005). Over time, ethnic distinctions among European immigrants faded (Alba 1990) and descendents are grouped – and generally group themselves – into a white racial category (Alba 1990; Perlmann and Waldinger 1997). Several events and social processes contributed to this amalgamation. For one, legislation in the 1920s severely restricted (i.e. nearly closed) European immigration (Bernard 1981; Hirschman 2005). Other factors included rising educational attainment, expanding occupational opportunities, declining residential segregation, unionization, two world wars, and an increase in the population of African Americans in industrial cities (Alba and Nee 2003; Hirschman 2005; Lieberson 1980). Intermarriage also contributed to the assimilation of old and new European immigrants over time (Alba 1990; Hirschman 2005; Perlmann and Waldinger 1997). Last, new immigrants attained "whiteness" by socially distancing themselves from blacks (Allen 1994, Brodkin 1998, Ignatiev 1995, Jacobson 1998, Roediger 1991).

Contemporary immigrants face a comparable racial situation as their predecessors did one hundred years ago: The ease or difficulty of their American experience depends on the lightness or darkness of their skin. Due to deeply rooted and highly

institutionalized racial/ethnic inequality in the United States (Omi and Winant 1994), immigrants of various racial/ethnic backgrounds will follow different assimilation paths. Indeed, segmented assimilation theory emphasizes that race/ethnicity is the key characteristic that determines immigrant assimilation patterns (Portes and Zhou 1993). These patterns reflect the numerous barriers to – or opportunities for – education, employment, occupational mobility, residential location, and asset acquisition, among others. Immigrants' incorporation patterns depend on their racial/ethnic status in the United States and how well their native-born racial/ethnic counterparts fare in American society. Indeed, nonwhite immigrants may experience the greatest challenges for integration into the white middle class mainstream (Portes and Rumbaut 2001). Unlike their historic predecessors; however, it is unclear whether contemporary immigrants may be able to employ the same strategies for incorporation. For example, there is currently no indication of a drastic break from current immigration policy as there was in the 1920s. Also, recent research reports decreased intermarriage rates in the 1990s between native-born whites and racial/ethnic minority immigrants, which suggests that marital assimilation may be more muted than it was for European immigrants in the early part of the twentieth century (Qian and Lichter 2007; see also Sassler 2005). In so far as intermarriage reflects greater or lesser social distance between racial/ethnic groups, it appears that – in the 1990s – social distance increased between whites and both foreign-born Latinos and Asians, remained rigidly unchanged between whites and black immigrants, and decreased between the native-born and foreign-born within racial/ethnic groups (Qian and Lichter 2007).

Racial formation provides a useful conceptual framework for understanding how racial/ethnic statuses have changed over time and the implications of racial/ethnic hierarchy for contemporary immigrants, but how race/ethnicity affects life chances *among* immigrants – particularly LPR immigrants – merits further discussion. Recent work offers a new perspective for understanding how race/ethnicity and nativity status affect the U.S. social structure (Hao 2007). This dominance-differentiation theory argues that race/ethnicity is a primary stratifying process, one that sorts members of society into groups along racial/ethnic lines. Nativity, however, operates as a secondary stratifying process that divides the life chances of immigrants from natives within racial/ethnic groups. It is this second sorting process that has implications for racial/ethnic stratification among contemporary LPR immigrants in the United States.

For immigrants, processes of self-selection that bring immigrants to the United States and heterogeneity in skills, education, life experiences, culture, etc. within the immigrant population contribute to vertical differentiation within racial/ethnic groups (Hao 2007). If there is enough vertical differentiation *within* racial/ethnic groups, it may contribute to the blurring, blending, or breaking of racial/ethnic boundaries *between* groups. In addition to self-selection and immigrant heterogeneity, immigrants' recent arrival to the United States has implications for within-racial/ethnic group variation. By virtue of their more recent arrival, immigrants avoid the legacy of historical racialized state policies (Oliver and Shapiro 2006) as well as the "intergenerational consequences of historical slavery, Jim Crow laws, redlining, and overt personal and institutional discrimination" [Waters 1999] (Hao 2007:44). Moreover, ethnic enclaves – which can be

viewed as voluntary segregation – may benefit immigrants after arrival (Bean, Van Hook, and Fossett 1999). This spatial autonomy insulates immigrants from discrimination and/or other disadvantages associated with either their racial/ethnic or nativity status while they familiarize themselves with U.S. society, improve their English language proficiency, and/or gain work skills before moving – in spatial, labor market, etc. terms – outside of the enclave. In sum, immigrants are a unique population; therefore, while the racial/ethnic hierarchy in the United States will certainly affect immigrant life chances, boundaries between racial/ethnic groups may be more permeable than those between the native-born.

Age at Migration

In addition to race/ethnicity, nativity status affects the structure of the U.S. social stratification system. Dominance-differentiation theory views nativity as a secondary factor (race/ethnicity is primary); therefore, it differentiates patterns of wealth accumulation *within* racial/ethnic groups (Hao 2007). In this perspective, nativity status is what separates the life chances of immigrants from those of the native-born. Yet, nativity status alone may be too broad and mask considerable heterogeneity *among* immigrants. Indeed, immigrants arrive to the United States across a wide range of ages. Considering the variation of immigrants' age at arrival builds on the dominance-differentiation perspective by acknowledging that immigrants may experience different outcomes depending on whether they migrate as children, adolescents, or adults. Comparisons of native-born Americans to first generation immigrants who arrive to the United States as children (i.e. immigrant children), adolescents (i.e. immigrant adolescents), or adults (i.e.

immigrant adults) is essential for the assessment of immigrant incorporation within assimilation theory and its variants. All else being equal, younger ages at migration are far more conducive for integration. This is due to younger immigrants attending and completing their education in the U.S. school system and learning English at a young age, which improve English language proficiency and increase familiarity with U.S. culture.

In light of the above, immigrant children may exhibit similar patterns of wealth accumulation as the native-born. Research supports this idea by finding that a younger age at migration contributes to socioeconomic advantage (as adults) for immigrant children when compared to immigrant adults and even adolescents (Myers, Gao, and Emeka 2009). Due to a younger age at migration, immigrant children and children of immigrants (second generation) are associated with similar educational outcomes, including: academic achievement (Cortes 2006; Kalogrides 2009; Kao and Tienda 1995), high school enrollment (Hirschman 2001) and completion (White and Kaufman 1997), college attendance (Keller and Tillman 2008), and overall educational attainment (Allensworth 1997; Chiswick and DebBurman 2004; Gonzalez 2003; Schultz 1984) as well as English language proficiency (Bleakley and Chin 2004; Stevens 1999). This research provides evidence that immigrant children and their native-born peers attain similar socioeconomic outcomes later in life and suggests that immigrant children may achieve comparable levels of wealth as the native-born. Immigrant adolescents may also experience socioeconomic outcomes, specifically wealth accumulation, that are more in line with the native-born since they will also complete their education in the United States and learn English at relatively young ages. Thus, when considering age at

migration, it may be immigrant adults – rather than immigrants in general – who may experience wealth inequality relative to the native-born due to their older ages at migration.

Educational Attainment: Place of Education

Since immigrant children and adolescents arrive to the United States at young ages, they are likely to complete their education in the United States. Among adult immigrants, therefore, it is important to consider where they complete their education – in the United States or abroad – as this may have implications for immigrant integration. Indeed, one of the many challenges immigrants face upon arrival to the United States is the lack of transferability of their foreign human capital (Chiswick 1978). Foreign educational attainment and foreign work experience are generally not valued in the U.S. labor market in the same way as education and work experience acquired in the United States. Numerous studies, beginning with Chiswick (1978), document that immigrants receive a lower return to their total educational attainment (acquired abroad) than for the (U.S.-educated) native-born. This finding has proven to be remarkably robust over time with subsequent U.S. Census data (e.g. Chiswick and Miller 2008) and has also been replicated in other countries, including Australia (Beggs and Chapman 1988), Canada (Baker and Benjamin 1994), Israel (Chiswick 1979; Friedberg 2000), Germany (Dustmann 1994), and the United Kingdom (Shields and Wheatley Price 1998).

The preponderance of research suggests that foreign education serves as a barrier to socioeconomic mobility in the United States (e.g. Bratsberg and Ragan 2002; Chiswick 1978; Chiswick and DebBurman 2004; Zeng and Xie 2004); however, some educational

systems in some source countries such as certain Western European countries may be perceived to be a close substitute for U.S. education. Immigrants from these countries may experience little or no devaluation of their educational attainment within the U.S. labor force and may display similar economic integration patterns as their U.S. educated immigrant peers. Yet, among similarly educated individuals, most immigrants experience devaluation of their foreign degrees. In this way, more highly foreign educated immigrants may earn higher wages than less educated immigrants, but their financial well-being may not be commensurate with either similarly educated immigrants who complete their education in the United States (i.e. U.S. educated immigrants) or the U.S. educated native-born. Factors contributing to this devaluation include the following.

Compositional Differences

Foreign educated immigrants, on average, will be older at migration than immigrants who complete their education in the United States. This has several implications. For one, older immigrants face a different incentive structure for retirement investment than younger immigrants. Older immigrants will have fewer years of employment to build savings and acquire investments. This will affect contributions to Social Security and/or company pensions by lowering future benefits. Older immigrants will also, all else being equal, spend less time in the United States. Less time in the United States means that immigrants will have less exposure to U.S. culture and less time to integrate into U.S. society. Less time in the United States has also been shown to affect command of the English language (e.g. Carliner 2000; Espenshade and Fu 1997; Hwang and Xi 2008). In short, these challenges associated with an older age at migration may

lead to savings and investing trajectories that differ from younger, U.S. educated immigrants.

Foreign educated immigrants may also have lower levels of English language proficiency, independent of their older age at migration (Zeng and Xie 2004). English language proficiency is indirectly related to wealth accumulation through income (e.g. Chiswick and Miller 2002; Hall and Farkas 2008; Tainer 1988) and directly related through participation in formal U.S. financial institutions. Since English is part of the culture of U.S. financial institutions (Paulson et al. 2006), greater command of the English language may allow immigrants to more easily interact with banks and government agencies. Experience with the banking, real estate, and/or investment sectors may encourage immigrants to open accounts and/or invest in financial instruments, though there is some evidence that nativity limits participation in financial institutions for some time after migration (Guiso, Sapienza, and Zingales 2008; Osili and Paulson 2008a, 2008b). A lack of English proficiency may harm immigrants' abilities to accumulate wealth by limiting or preventing pursuit of a variety of financial instruments such as savings accounts, home mortgages, or stock ownership. Immigrants may further restrict their wealth accumulation by turning to commercial or informal financial institutions, which provide equivalent services as formal institutions for a fee (Caskey, Duran, and Solo 2006).

Human Capital

Educational quality varies both within- and between-source countries. As in the United States, within-country variation in educational quality certainly affects

individuals' life chances; however, a focus on between-country variation provides insight into general trends that may affect immigrant integration in the United States. For one, educational quality is generally lower in developing nations, especially in higher education (Zeng and Xie 2004). These countries may not possess and/or allocate adequate financial resources to the educational system, resulting in a lower quality of education. The quality of source country schooling is particularly harmful for immigrants who do not continue their education in the United States (i.e. the foreign educated). This is because the effect of school quality operates primarily through the return to education in the United States (Butcher 1994; Sweetman 2004), which varies by country of origin (Bratsberg and Ragan 2002; Bratsberg and Terrell 2002). Indeed, higher school quality increases the wages of immigrants *without* any U.S. education (i.e. the foreign educated), but there is no effect of source country school quality on U.S. wages for U.S. educated immigrants (Bratsberg and Ragan 2002; see also Zeng and Xie 2004).[3] Importantly, source countries are closely related to race/ethnicity in the United States, which will be discussed below.

Highly (foreign) educated immigrants may be disproportionately affected by the devaluation of their educational attainment, which will prevent them from obtaining employment commensurate with their educational attainment. Since employers may not be familiar with educational institutions, standards, and/or practices in foreign countries, they may favor U.S. educated applicants (Chiswick 1978; Butcher 1994). This preference for U.S. educated employees represents a form of demand-side discrimination, which

[3] The same pattern is observable in Canada (Sweetman 2004).

may increase with immigrants' educational attainment (Greeley 1976). In this way, foreign educated immigrants may be blocked from jobs in which (greater) educational credentials are required. This type of discrimination may be more prevalent among highly educated immigrants as less educated and/or low-skilled immigrants may be employed in positions where the quantity or quality of their education may have little or no importance (Butcher 1994).

The transferability of an educational credential depends particularly on the type of immigrants' education (Friedberg 2000). While foreign education may be generally de-valued in the United States, specific degrees may be further disadvantaged. For instance, immigrants with professional training, such as doctors and lawyers, must re-certify according to U.S. standards. Research on immigrants in Canada provides some insight into the challenges facing foreign educated immigrants in the United States. Many highly educated immigrants to Canada cannot find employment that is equivalent to what they had prior to migration (Basran and Zong 1998; Grant and Nadin 2007; Krahn et al. 2000), leading to lower wages than the Canadian-educated with similar professional degrees (Anisef, Sweet, and Frempong 2003). Additionally, doctors, engineers, and teachers (Basran and Zong 1998) and broader fields such as the natural sciences and health professions (Grant and Nadin 2007) encounter particular difficulty attaining positions in Canada commensurate with their origin country occupations or fields. In sum, the difficulty in transferring certain types of educational credentials to the United States may result in foreign educated immigrants taking jobs outside of their areas of specialization and/or taking jobs for which they are overqualified.

Last, it is important to note that the devaluation of immigrants' foreign education may be temporary. If immigrants obtain additional education in the United States, they may not experience permanent labor market disadvantage. For instance, in Israel, attaining additional education in the host country boosts the value of immigrants' home country education (Friedberg 2000). Indeed, immigrants who continued their education in their new host country received similar returns to pre- and post-migration education in Canada (Baker and Benjamin 1994; Schaafsma and Sweetman 2001) and the United States (Stewart and Hyclak 1984; Bratsberg and Ragan 2002), but slightly less so in Australia (Chiswick and Miller 1985).

Place of Education and Race/Ethnicity

While most immigrants will experience devaluation associated with their educational attainment, there may also be an additional wealth penalty associated with immigrants' perceived racial/ethnic status. Part of this devaluation may be due to the close relationship between source country and perceived racial/ethnic status in the United States. In this way, observed racial/ethnic differences may reflect both the educational quality of immigrants' source country and the American racial/ethnic experience. Yet, racial/ethnic realities in the United States suggest that the overall quality of the educational system in the source country may have less influence for between-racial/ethnic group inequality. For instance, racial formation theory emphasizes a racial/ethnic hierarchy that structures access to resources and affects life chances; this racial/ethnic hierarchy will affect both the native-born population and immigrants alike. For racial/ethnic minorities, these two sources of inequality (race/ethnicity and place of

education) intersect to produce a double disadvantage relative to U.S. educated native-born whites: a financial penalty due to both their race/ethnicity and their foreign education.

To provide some insight into educational inequalities *between*-racial/ethnic groups, I briefly address *within*-racial/ethnic group variation in the returns to educational attainment in the United States. Beginning with Asian immigrants, there is substantial polarization in the return to education. Japanese immigrants are the only nonwhite ethnic group to receive returns to their foreign education in the U.S. labor market that exceed those received by U.S. educated native-born Americans (Bratsberg and Terrell 2002; Zeng and Xie 2004). This could reflect the quality of the Japanese educational system, but may be due to the large number of employees sent to work in the United States by Japanese corporations. In contrast, immigrants from China, the Philippines, and Thailand experience substantial devaluation of their educational attainment (Bratsberg and Terrell 2002; Zeng and Xie 2004). Immigrants from Singapore experience far less devaluation of their education, which is likely due to greater English language proficiency.

African and Caribbean black immigrants receive lower returns to their foreign education in the U.S. labor market than native-born Americans (Bratsberg and Terrell 2002; Butcher 1994). Among all black immigrants, the college educated are especially hard hit by the devaluation of their foreign educational attainment. Compared to their similarly educated African American peers, both African and Caribbean black immigrants do not receive wages commensurate with their educational attainment (Dodoo 1997). Indeed, black immigrants' foreign education is devalued so much that

Africans *with* a foreign college degree receive the same earnings as African Americans *without* a college degree, while college educated black Caribbean immigrants receive approximately half the earnings of U.S. college educated African Americans (Dodoo 1997).

No research to date has examined the role of place of education for Latinos; however, there is considerable variation in the distribution of education by nationality. Among Latino immigrants, foreign-born Mexicans attain the lowest levels of education (Bean and Tienda 1987; Chiswick and DebBurman 2004; Everett et al. 2007; Izyumov et al. 2002) and are the only Latino ethnic group that is less likely to graduate from high school than U.S.-born non-Latino whites (Wojtkiewicz and Donato 1995). Returns to education among Latino immigrants are all below the U.S. average with Costa Rican immigrants receiving the highest return to their education in the U.S. labor market, while Mexican immigrants receive the lowest (Bratsberg and Terrell 2002).

Educational Attainment: Educational–Occupational Mismatch

One implication of the devaluation of foreign education is that immigrants may take jobs that are not commensurate with either their total educational attainment or the job they had prior to migration. This may lead to immigrants' taking jobs for which they have either more (overqualified) or less (underqualified) education than the typical or average employee within the same occupation. Notably, total educational attainment is closely tied to immigrants' status as over/underqualified; an issue that will be discussed in more detail below and will be analyzed in-depth in chapter 6. Before going into detail about the social implications of educational-occupational mismatch, it is important to

briefly address how scholars conceptualize and operationalize over- and underqualification.

Defining Over/Underqualification

The conceptualization and operationalization of educational-occupational mismatch or over/underqualification has been the subject of much debate since the inception of the literature. Despite this lack of consensus, results for the effects of over/underqualification for wages and income as well as a wide spectrum of social outcomes are relatively robust (see Hartog 2000). In general, there are three methods for analyzing educational-occupational mismatch: job analysis (Rumberger 1981), self-assessment (Duncan and Hoffman 1981), and realized matches (Verdugo and Verdugo 1989). This latter method has also been called the "statistical approach" and is appropriate when there is only educational attainment and occupational information available for individuals. This is the method used in this dissertation.

The first step in the realized matches approach is to establish an occupation-specific reference level of education. Within any occupation, there are individuals with an equivalent amount of education to the reference level (adequately qualified) as well as those with more (overqualified) and those with less (underequalified). Within the realized matches approach, scholars use a summary measure to create occupation-specific reference levels of educational attainment. These summary measures include the mean (e.g. Groot 1996; Verdugo and Verdugo 1989), mode (e.g. Cohn and Kahn 1995; Kiker et al. 1997), and more recently the median (Slonimczyk 2008). In using the mean and median, the referent amount of education is expanded – typically plus/minus one standard

deviation – to increase the size of this group. This technique has met with substantial criticism (e.g. Cohn and Khan 1995; Hartog 2000), criticism that is avoided by using modal education (the technique used in this dissertation). Individuals with educational attainment that matches the occupation-specific modal value are considered "adequately" educated/qualified while individuals with more (less) education than the modal value are overqualified (underqualified). Since these measures are occupation-specific, comparisons are then made between these groups *within* occupations.

Whether individuals are over/underqualified is strongly related to their total educational attainment. Highly educated individuals are likely to be overqualified because there are relatively few jobs that require more education than they have. The specialization required by advanced degrees further contributes to the likelihood of overqualification. For instance, lawyers in the United States typically complete three additional years of training beyond a bachelors degree. There is a much greater chance that lawyers are working in jobs below their educational attainment (overqualified) than working in jobs that require more education than they completed (underqualified). In contrast, individuals with less educational attainment may be more likely to be underqualified – rather than overqualified – for their occupation. This is because there would be comparatively fewer opportunities for individuals with lower education attainment to work in occupations that require less education than they possess, especially below the level of a high school degree. For example, individuals without high school degrees may be working in occupations where a high school degree is the predominant amount of educational attainment. Surprisingly, no research examines the

close relationship between total educational attainment and the likelihood of over- and underqualification. Addressing this relationship is important, even more so for a population like LPR immigrants that may have a unique distribution of educational attainment. I return to this issue below.

The Social Implications of Educational–Occupational Mismatch

Economics has been the dominant disciplinary perspective within the study of over/underqualification since the inception of the literature. This has several ramifications, most important of which has been the concentration in the literature on wages and income. Yet, there is reason to believe that the implications of over/underqualification are not confined to traditional economic outcomes. Previous sociological work focuses on job satisfaction (Berg 1971; Burris 1983; Kalleberg and Sorensen 1973; Quinn and Mandilovitch 1975; Tsang et al. 1991), achievement ideology (Burris 1983; Vaisey 2006), liberal political attitudes (Burris 1983; Vaisey 2006), and the measurement of over/underqualification (Verdugo and Verdugo 1989). In short, the limited sociological research suggests that there is much fertile ground for sociological inquiry into the implications of over/underqualification in the social world.

How over/underqualification affects wages and income is relatively straightforward. An exact educational-occupational match or adequate qualification reflects the best match between workers' human capital (educational attainment) and the human capital required to properly do a job. This results in the greatest returns (i.e. wages, income) in the labor force. Indeed, the rate of return for an exact education-occupational match is substantially higher than the rate of return for total educational

attainment when over/underqualification is not taken into account (e.g. Sicherman 1991; Chiswick and Miller 2008). Overqualified workers are similarly rewarded for their educational attainment that matches the adequate amount for that occupation, but education *beyond* that required for a given occupation is discounted (e.g. Cohn and Kahn 1995; Sicherman 1991; Chiswick and Miller 2008). In this way, overqualified workers earn more than their peers with an educational-occupational match, but their additional education is not rewarded at the same rate (Sicherman 1991; Chiswick and Miller 2008). In contrast, underqualified workers receive a lower wage than their adequately educated coworkers.

How over/underqualification affects social outcomes is less straightforward. Though sociologists made several important early contributions to the educational-occupational mismatch literature, a theoretical framework for understanding how over/underqualification contributes to social outcomes has only recently been put forth (Vaisey 2006). This framework is grounded in Pierre Bourdieu's concept of habitus (Bourdieu 1990) and draws on research in the sociology of education literature that operationalizes habitus as occupational aspirations (Dumais 2002; McClelland 1990). Occupational aspirations are developed from individuals' current actions and observations, but are also influenced by past experiences (McClelland 1990). One important past experience that contributes to individuals' current occupational aspirations is educational attainment. Individuals may develop a set of expectations about their future job throughout their time in school as they cultivate their interests, take classes, choose majors, and work toward completion of educational degrees. Indeed, this may be

particularly relevant for more highly educated individuals as more time in the educational system may condition individuals to expect greater rewards from employment (Mortimer 1979). These occupational expectations may include a number of dimensions of employment beyond expected salary, work hours, prestige, and perks to include relationships with colleagues, level of challenge, and most importantly, a work identity (Vaisey 2006; see Akerlof and Kranton 2005; also Sayer 2005, chapter 2).

A mismatch between educational and occupational attainment may have implications for occupational expectations. Individuals who are over/underqualified in their occupations may be failing to meet – or exceeding – their occupational aspirations, which may result in "subjective problems for actors" (Vaisey 2006:837; see also Bourdieu 1990, chapter 3; Sayer 2005, chapter 2). In short, if workers' job realities fall short of their expectations, they may experience cognitive dissonance and dissatisfaction (Burris 1983; Festinger 1967; Vaisey 2006). This highlights the importance of status consistency. Individuals seek agreement between their various social statuses; therefore, any inequality between educational and occupational attainment may lead to social and cognitive discomfort (Festinger 1957; Vaisey 2006). This is particularly salient for overqualified individuals: Advanced education may contribute to feelings of frustration and dissatisfaction if workers have heightened expectations stemming from their greater educational attainment. In contrast, if individuals are underqualified for their occupation, they have overachieved occupationally and may not experience any negative ramifications from their status inconsistency.

As with the other social outcomes discussed above, how educational-occupational mismatch affects wealth accumulation is less clear than it is for income. For income, over/underqualification directly affects the return to education (i.e. wages). Since income is strongly related to wealth accumulation, over/underqualification will affect wealth attainment through this path. Yet, wealth attainment is more than just what individuals earn from their jobs, but also what they do with their income after earning it. As such, wealth accumulation offers a broader and more complicated perspective on financial resources as it reflects saving and expenditure patterns. Just as individuals alter their job satisfaction or achievement ideology to reflect the match between their educational and occupational attainment, status inconsistency may shape how individuals save or spend their money. Wealth accumulation may reflect attempts to compensate for overqualification as individuals seeks equilibrium between their various statuses. That is, overqualified individuals may seek to bring their financial behaviors in line with their educational attainment since their occupational attainment is introducing status inconsistency. Likewise, underqualified individuals may adjust their financial behaviors to their occupational success and their financial well-being will improve as a result. In short, a focus on wealth accumulation reveals potential indirect ramifications from educational-occupational mismatch that extend beyond the labor market and affect individuals' interaction with the social world. Below, after discussing how immigrants' educational attainment may contribute to their over/underqualification status, I discuss in more detail below the implications of these status inconsistencies for immigrant wealth accumulation.

Immigrants and Over/Underqualification

Immigrants and the native-born alike may experience status inconsistency stemming from over/underqualification; however, two unique processes that contribute to *how* immigrants become either over- or underqualified in the United States merit closer attention.

Overqualification

Immigrant overqualification likely results from the lack of internationally transferability of job skills and educational credentials (Chiswick 1978), which mainly affects the higher educated (Chiswick and Miller 2008; Friedberg 2000). Therefore, more highly educated immigrants may be disproportionately located in occupations that require *less* education than they have attained. As with the native-born, the inequality between educational and occupational attainment results in status inconsistency and immigrants may attempt to compensate for this inequality by adjusting their attitudes and behaviors. For example, that overqualification is associated with decreased job satisfaction is well-documented (e.g. Berg 1971; Burris 1983; Tsang et al. 1991), but overqualification also contributes to a lower likelihood of subscribing to an achievement ideology (Burris 1983; Vaisey 2006). Most research examines educational-occupational mismatch for the entire U.S. population, but a recent update of Burris (1983) finds that the effects of overqualification differ by key demographic subpopulations (Vaisey 2006). In this work, Vaisey finds that relationship between educational-occupational mismatch and both job satisfaction and achievement ideology differs by gender. This suggests that outcomes

related to overqualification should be explored in more detail, perhaps in terms of race, class, gender and/or nativity.

Underqualification

For underqualified immigrants, it is important to ask why they are employed in an occupation for which they are underqualified. Because underqualified immigrants have less education to begin with, they may be less susceptible to the downgrading of their educational credentials upon migration as experienced by their overqualified immigrant peers. They may also find employment in occupations where the quantity or quality of their education may have little or no importance (Butcher 1994). Rather, a different process contributes to immigrant underqualification. Attainment of a job for which immigrants possess less education than their coworkers suggests a process of self-selection (Chiswick and Miller 2008). Unmeasured attributes such as motivation, work ethic, or ability compensate for a lack of formal schooling and enable underqualified immigrants to work in occupations for which they lack the formal educational credentials. Indeed, these unobserved traits and the process of self-selection explain why immigrants experience a smaller income penalty due to underqualification than the native-born (Chiswick and Miller 2008). Here, status inconsistency appears to be a *positive* outcome as underqualified immigrants have overachieved relative to their adequately educated coworkers within the same occupation. This is evident in the smaller income penalty for immigrants (Chiswick and Miller 2008), but also for some social outcomes. For instance, underqualified male workers are associated with greater job satisfaction than adequately- and overqualified male workers (Vaisey 2006). In sum, this

limited research suggests that underqualified individuals overachieve occupationally (given their education), which appears to lead to other positive outcomes.

An Integrated Framework

Figure 1 presents a conceptual diagram that describes how the immigration process leads to educational-occupational mismatch, which then contributes to status inconsistency. First, two caveats. One, there are many types of occupational mismatch including inconsistency regarding geographical or spatial location, amount and/or intensity (i.e. over/underwork), time preference, inadequate earnings, and conflict in the work/family balance (Kalleberg 2007, 2008). And two, this dissertation highlights only one path by which the immigration process can contribute to status inconsistency in the United States. With these two caveats in mind, Figure 1 integrates recent work on immigration and educational-occupational mismatch (Chiswick and Miller 2008) with work that addresses how this mismatch contributes to status inconsistency (Vaisey 2006). Beginning on the left of Figure 1, the lack of international transferability for immigrants' human capital is a factor leading to overqualification in the United States while self-selection contributes to immigrants attaining jobs for which they lack the formal educational credentials (Chiswick and Miller 2008). These two unique processes associated with immigration create educational-occupational mismatch in terms of the inconsistency between immigrants' educational attainment and that required – or typically found – within a given occupation. This mismatch, then, between immigrants' educational and occupational attainment results in status inconsistency. In sum, the integrated framework depicted in Figure 1 conceptualizes the argument in this

dissertation for how the immigration process contributes to status inconsistency in the United States.

Immigrants, Over/Underqualification, and Wealth Accumulation

Previous sociological research documents that individuals attempt to compensate for status inconsistency by adjusting their attitudes and behaviors. This research focuses on work-related outcomes, but individuals may seek status consistency outside of the work place as well, perhaps by placing more value on status-conferring characteristics that are external to their working lives, such as family, leisure and nonwork activities (Burris 1983). In addition, individuals may engage in financial behaviors that reflect their over/underqualified status, which results in distinct patterns of wealth accumulation. In this way, wealth accumulation provides unique insight into potential repercussions of educational-occupational status inconsistency outside of the labor force.

Overqualification and Immigrant Wealth Accumulation

Overqualified immigrants may be engaging in financial behaviors that attempt to bridge the status inconsistency between their educational attainment and their occupational achievement. This effort to create status equilibrium may take one of two (not mutually exclusive) forms. For one, immigrants may be taking on school-related debt as they pursue additional education, training, or professional accreditation in the United States. These immigrants may be working and attending school concurrently to mitigate some of their expenses, but they may also be sacrificing wages or hours to achieve additional schooling. Immigrants may not be eligible for certain federal loans and/or grants; therefore, they may use private school loans or credit card debt to pay for

any unmet schooling needs. In this scenario, overqualified immigrants are taking on debt and devoting finite financial resources toward schooling, which limits opportunities to purchase assets that improve financial well-being and contribute to wealth accumulation. While school-related expenses certainly lower immigrants' net worth in the short-term, educational investment will hopefully result in greater wealth accumulation over time.

Alternatively, overqualified immigrants may be using consumption to compensate for their status inconsistency. This may be an attempt to purchase status consistency, but it may also reflect efforts to maintain a lifestyle consistent with their educational attainment and/or pre-migration occupation. This idea is not new as Veblen ([1899] 1994:102) argued that it is more difficult to reduce expenditures below an accustomed level when confronted with fewer financial resources than it is to increase consumption to correspond with an improved financial situation. He also characterized the challenge of changing one's standard of living as akin to the difficulty in breaking a habit (Veblen [1899] 1994:106). In this way, despite working in another (less lucrative) occupation, foreign immigrants may pursue the lifestyle and engage in consumption habits commensurate with their previous occupation in their source country or, perhaps, with that of an equivalent position in the United States. Consumption patterns may be funded with current income, which may allow immigrants to live within their means; however, credit cards and other debt instruments – such as lines of credit attached to mortgages – may also provide the financial resources to purchase status consistency. Debt accumulated in this way harms wealth accumulation just as schooling-related expenses

do, but whereas the latter can be viewed as an investment, the former may simply be conspicuous consumption.

In sum, overqualified immigrants may be engaged in a variety of financial behaviors that increase their debt, prevent asset acquisition and investment, and ultimately, decrease their wealth. Some overqualified immigrants may be using school-related expenses and debt in an attempt to solve their status inconsistency with more (U.S.) education, but other overqualified immigrants may be damaging their financial future by engaging in financial behaviors that may provide short-term satisfaction of status inconsistency, but will also contribute to long-term financial harm.

Underqualification and Immigrant Wealth Accumulation

In contrast, underqualified immigrants may have surpassed their occupational expectations. In this way, status inconsistency may be a positive outcome. This achievement stems from skills and abilities that compensate for immigrants' lack of formal educational attainment. But these characteristics that are so valuable in the labor force may also affect financial behaviors and improve wealth accumulation. For example, underqualified immigrants may work harder, be more committed, and go to greater lengths to economically succeed in the United States. Underqualified immigrants may also engage in a variety of financial behaviors that uniquely distinguish their wealth accumulation from that of other immigrants. These immigrants may save for and make a larger downpayment on a house, which will reduce the mortgage and may reduce the interest rate. Underqualified immigrants may also open – and aggressively save in – a savings or checking account soon after arrival in the United States. Furthermore,

underqualified immigrants may continue consumption patterns from their home country: If they spend money in similar ways as they did prior to migration and earn higher wages in the United States, they will realize substantial savings. The ability to save and invest in this way is certainly a function of higher income earned in the United States, but the financial discipline to save and invest the additional income perhaps reflects some of the same traits that are associated with their occupational success.

Yet, why would this occupational success not translate into increased spending and other harmful financial behaviors? Indeed, Veblen argues that increasing conspicuous consumption is relatively easy – especially when compared to reducing it ([1899] 1994:103). As mentioned above; however, a standard of living becomes habitual. Moreover, Veblen offers that if there is *not* an increase in consumption following an increase in financial resources, then this may suggest that the rate of increase may be outpacing that of expenditures and/or individuals may be postponing consumption (i.e. saving) in order to make larger, "spectacular" purchase at a later date (Veblen [1899] 1994:110). Both of these situations lend themselves to underqualified immigrants accumulating wealth. As an example, saving for a downpayment on a home (a relatively spectacular purchase) may represent a form of delayed conspicuous consumption of which Veblen speaks, especially if home ownership is rarer in immigrants' home countries.[4] In sum, the same traits immigrants use to overcome their lack of educational credentials in the labor force may also be used to financially succeed in U.S. society, resulting in wealth advantage for underqualified immigrants.

[4] And perhaps not just home ownership, but the type (e.g. single family) of housing or associated amenities (e.g. safety, security, school districts, desirable neighborhoods) in the United States.

Hypotheses

This conceptual framework suggests several hypotheses that will guide the analyses. These hypotheses set expectations for how race/ethnicity structures U.S. society and then how age at migration, place of education, and over/underqualification produces divergent patterns of immigrant wealth accumulation.

First, since race/ethnicity plays such an important role in determining access to resources and opportunities in the United States, race/ethnicity will differentially affect immigrants' life chances and influence wealth accumulation. Racial formation establishes that there is a racial/ethnic hierarchy in the United States with whites at the top and racial/ethnic minorities below. This stratification is evident in the wealth literature where the importance of race/ethnicity for wealth inequality is well documented. The largest wealth inequality is in the black/white contrast (Conley 1999; Oliver and Shapiro 2006) followed by the Latino/white and Asian/white contrasts (Campbell and Kaufman 2006). Therefore, I offer the following hypothesis that captures racial/ethnic stratification in wealth accumulation:

Hypothesis 1: Racial/ethnic minorities will accumulate less wealth than whites.

Corollary 1a: Wealth inequality will be largest between whites and blacks.

Corollary 1b: There will be less wealth inequality between whites and Latinos.

Corollary 1c: The smallest wealth inequality will be between whites and Asians.

Dominance-differentiation theory suggests that nativity acts as a second-tier sorting factor within racial/ethnic groups; I extend this idea to consider age at migration. Since immigrants who migrate at younger ages are likely to grow up and complete their

education in the United States, there is reason to expect that their wealth accumulation patterns will more closely resemble those of the native-born. Thus, any negative effects associated with nativity should only affect immigrants who arrive to the United States as adults. This effect, however, may differ by racial/ethnic group. Since white and Asian immigrants occupy a relatively advantaged position within the racialized U.S. social structure, the effect of immigrant adult status will be greater for these groups than for blacks and Latinos. I offer the following hypotheses that capture the effect of age at migration and its intersection with race/ethnicity:

Hypothesis 2: Immigrants who arrive to the United States as adults will be associated with less wealth than native-born whites and their same-race/co-ethnic native-born peers.

Corollary 2a: Relative to their same-race native-born peers, the effect of arriving to the United States as an adult will be larger for Asian and white immigrants.

The next hypotheses parse out any effects due to education from those due to nativity status; specifically for those immigrants who arrive to the United States as adults. The preponderance of evidence suggests that foreign education will harm immigrant wealth accumulation. This will disadvantage foreign educated immigrants relative to both native-born whites and their U.S. educated same-race/co-ethnic immigrant peers. However, the effect of foreign education may vary by race/ethnicity. Asian and white immigrants are disproportionately highly educated. This, combined with their relatively privileged position in the U.S. social structure, suggests that the effect of place of education will be greater for these groups than for blacks and Latinos. Therefore, when

considering place of education and its intersection with race/ethnicity, I offer the following hypotheses:

Hypothesis 3: Foreign educated immigrants will be associated with less wealth than native-born whites and their U.S. educated same-race/co-ethnic peers.

Corollary 3a: Relative to their same-race native-born peers, the effect of place of education will be larger for Asian and white immigrants.

Last, overqualified immigrants experience status inconsistency from a lack of skill transferability as their educational attainment and work experience from their countries of origin generally do not directly transfer to the U.S. labor market. This devaluation creates status inconsistency between immigrants' educational attainment and their actual U.S. occupation and/or future occupational aspirations. Part of this failure to meet expectations may result from the disjuncture between immigrants' last occupation abroad and their current U.S. occupation, which may reflect a substantial loss of job status. Overqualified immigrants may attempt to compensate for their educational and occupational status inconsistency through financial behaviors. This may include taking on debt from going back to school and/or engaging in consumption behaviors. Both actions will lead overqualified immigrants to accumulate lower levels of wealth than their adequately qualified same-occupation coworkers, though the former action at least has the potential for greater future financial gains. Therefore, I expect that:

Hypothesis 4: Compared to adequately qualified immigrants within the same occupation, overqualified immigrants will be negatively associated with wealth accumulation.

Corollary 4a: Racial/ethnic variation will conform to Hypothesis 1.

A different process affects the wealth attainment of underqualified immigrants. These immigrants are likely self-selected on unobservable traits like work ethic, motivation, and other abilities that offset the lack of occupation-specific educational attainment. Underqualified immigrants use these skills to bridge the gap between jobs' formal educational requirements and their personal educational attainment. These immigrants also experience status inconsistency, but are in a situation where they have occupationally overachieved. Unlike their overqualified immigrant peers, these immigrants have experienced occupational success. Underqualified immigrants may also use these same unobserved skills to financially succeed in U.S. society by engaging in a variety of financial behaviors that lead to a positive wealth accumulation trajectory. Therefore, I expect that:

Hypothesis 5: Compared to adequately qualified immigrants within the same occupation, underqualified immigrants will be positively associated with wealth accumulation.

Corollary 5a: Racial/ethnic variation will conform to Hypothesis 1.

Table 1. Country of Birth of Legal Permanent Resident Population – 2006

Country of birth	Number	Percent
Mexico	3,310,000	27.3
Philippines	540,000	4.5
India	510,000	4.2
China	460,000	3.8
Domincan Republic	430,000	3.6
Vietnam	340,000	2.8
Canada	330,000	2.7
El Salvador	320,000	2.6
Cuba	310,000	2.6
United Kingdom	290,000	2.4
Korea	270,000	2.2
Jamaica	220,000	1.8
Haiti	220,000	1.8
Colombia	190,000	1.6
Germany	190,000	1.6
Guatemala	170,000	1.4
Poland	160,000	1.3
Japan	130,000	1.1
Russia	130,000	1.1
Ukraine	120,000	1.0
Other	3,480,000	28.7
Total	12,110,000	100.0

Note: Detail may not sum to total because of rounding.
Source: Rytina (2009)

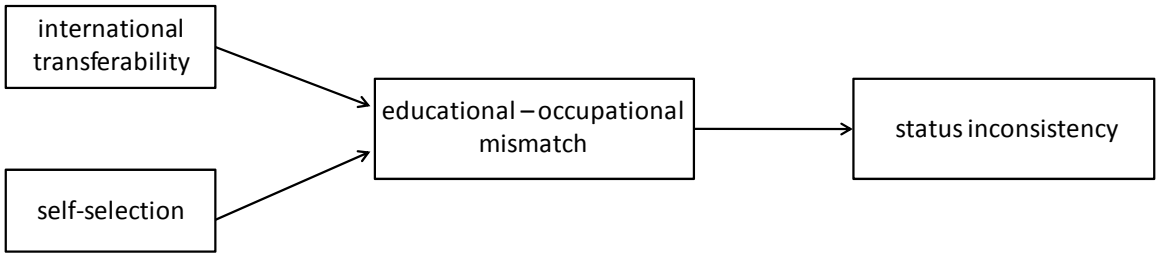

Figure 1. Conceptual Model of Immigration Process, Occupational Mismatch, and Status Inconsistency

Chapter 4: Data and Methods

Data

This dissertation draws on two data sources that first allow a comparison between immigrants and the native-born and then allow for examination of LPR immigrants in more detail. First, this research uses two waves from the 2001 and 2004 panels of the Survey of Income and Program Participation (SIPP). SIPP is a continuous series of national multistage-stratified panels of the U.S. civilian noninstitutionalized population that interviews all household members 15 years old and over. Interviews are designed around a core set of questions with rotating topical modules. I combine information from the core questions with the migration module and financial module from both the 2001 and 2004 panels. SIPP data are especially valuable for immigration studies because the large sample size yields a relatively large sample of immigrants, particularly racial/ethnic minority immigrants. SIPP has also been previously used to analyze immigrant wealth attainment (Cobb-Clark and Hildebrand 2006a, 2006b, 2006c; Hao 2004, 2007) because of its extensive financial and migration information. There are no missing data in the SIPP data as missing data are imputed with a sequential hot deck procedure. This procedure matches a respondent with missing information to a donor respondent according to multiple categories including sex, race, age, and marital status. The missing information for the respondent are then replaced with the donor's valid data.

I follow Hao (2007) in the construction of my analytical sample. The sample is restricted to individuals age 25 to 64 years old and I exclude those with net worth in the top 0.5 percent of the sample distribution.[5] I exclude Native Americans, respondents from U.S. territories, and immigrants who do not report migration history information.[6] After these restrictions, my final sample contains 44,349 individuals: 39,744 native-born and 4,605 immigrant.

Second, this dissertation uses I use a relatively new dataset, the New Immigrant Survey (NIS). The NIS is a multi-cohort prospective-retrospective panel that is nationally representative of immigrants gaining legal permanent resident (LPR) status in 2003. The data contain 8,573 new immigrants in the adult sample, who were at least eighteen years of age at LPR receipt. The NIS sample is stratified by four visa classes of admission: spouses of US citizens (20% of sample), employment (20%), diversity lottery (17%), and a residual category that includes refugees and asylees, spouses of legal permanent residents, and adult children (43%).[7] For the purposes of this study, the data are very valuable as they contain detailed information on immigrants' demographic and economic attributes including educational attainment, occupation, and assets and debts.

The analytical sample includes immigrants currently living in the United States who are participating in the labor force. Immigrants reporting a racial/ethnic status of

[5] SIPP data under-represent the very wealthy and some components of net worth are top-coded. Hao (2007) recommends excluding the very wealthy to bring the distribution of net worth more in line with that of the Survey of Consumer Finances, the benchmark data for the wealth distribution of the U.S. population.
[6] Native Americans include American Indians, Aleutians, and Eskimos. U.S. Territories include American Samoa, Guam, Puerto Rico, and the Virgin Islands.
[7] The diversity lottery is designed to create possibilities for immigration from countries where less than 50,000 individuals have immigrated to the United States in the past 5 years. Importantly, there are eligibility requirements for the diversity lottery as recipients must have the equivalent of a high school degree or two years work experience in an occupation requiring at least two years of training (Jasso et al. 2005).

Native American or Pacific Islander are excluded. With these restrictions, the analytical sample size is 6,608.

Comparison of Two Datasets

The SIPP and NIS datasets provide a complementary and comprehensive examination of immigrant incorporation into American society. The uniqueness of these datasets strengthens the significance of this dissertation in several ways. SIPP is a nationally representative sample. This enables valuable comparisons between native-born Americans and immigrants and allows for the isolation of race/ethnicity and nativity effects. The SIPP wealth data have also been benchmarked against other national surveys. Hao (2007) compares the SIPP wealth data to both the Survey of Consumer Finances and Current Population Survey and makes recommendations (see above) to bring the SIPP wealth data in line with these surveys. For the NIS, since it is a cohort of LPR immigrants, this provides a baseline measurement of well-being among immigrants with the same legal status. NIS also contains rich information on many important immigrant characteristics that SIPP lacks such as class of admission, migration history, and remittance information. Like SIPP, NIS uses Census classifications for racial/ethnic status. Therefore, the NIS data also allows for the examination of racial/ethnic differences.

Along with these strengths, these datasets possess notable weaknesses. For the SIPP data, immigrant status is determined by asking respondents' place of birth and there is no information on visa class of admission and legal status must be indirectly derived. Migration information is limited since immigrants are only asked their age at first arrival.

SIPP also lacks remittance information; a substantial source of financial transfer for most immigrants, particularly among the working poor (Suro et al. 2002). Surprisingly, of all the recent scholarly work that uses SIPP data to examine immigrant wealth accumulation, only two address the lack of remittance data (Cobb-Clark and Hildebrand 2006c; Osili and Paulson 2008a) and only the former acknowledges the problem this poses for their analysis. For the NIS, its greatest strength – a detailed examination of a cohort of legal permanent residents – is also its weakness. This prevents comparisons with native-born Americans.

Due to the uniqueness of the NIS sample, it is important to briefly address how these immigrants differ from the immigrants in the SIPP sample. As mentioned above in the detailed portrait of LPR immigrants, these immigrants are likely to attain LPR status via valuable social connections (i.e. family reunification, employment sponsorship) that facilitate both the navigation of the LPR bureaucracy and integration into U.S. society. Moreover, LPR immigrants with employment sponsorship are likely to be highly skilled and educated, which contribute to integration. Even diversity lottery winners – who are from countries sending relatively few immigrants to the United States – must meet work and education eligibility requirements to qualify for the lottery. In contrast to the LPR immigrants in the NIS data, immigrants in the SIPP data are likely to possess more diverse statuses. For instance, some immigrants in the SIPP data will have naturalized to U.S. citizenship status while others continue to live with illegal status. There may also be nonimmigrants in the SIPP data, which may include those with temporary employment or

student visas. Immigrants in the NIS data may have initially held a nonimmigrant visa; however, at the time of the survey, everyone in the data has attained LPR status.

In sum, the SIPP and NIS datasets together provide a broader perspective on immigrant well-being in the United States. The relative strengths of each dataset balance out the relative weaknesses, which allows insight into a native-born and immigrant contrast and a more in-depth look at an important immigrant group living in the United States. In this way, this dissertation explores contemporary immigrant integration by examining potential differences in wealth accumulation *between* immigrants and the native-born – in terms of race/ethnicity and place of education – while also examining how race/ethnicity and educational-occupational mismatch affect wealth accumulation *among* a unique group of contemporary immigrants.

Outcome Variable

The outcome variable is net worth (standardized and logged), measured as the value of assets less debts. With the SIPP data, net worth is adjusted to US$2004 using the Consumer Price Index.[8] Net worth remains in US$2003 with the NIS. Notably, the NIS contains detailed information on immigrants' asset and debt holdings, both in the United States and abroad. Assets include the value of financial investments, such as checking and savings accounts, retirement accounts, and stocks. Also included are the value of non-financial holdings, such as homes, automobiles, real estate, and other valuable possessions. The value of these assets is weighed against total debts, such as those from credit cards, hospital bills, mortgages, and liens.

[8] To correct skew in both data sets, I add a constant to the net worth variable to eliminate negative values and then take the natural log.

Explanatory Variables

SIPP Data

The primary explanatory variables are race/ethnicity, age at migration, and place of education. First, I measure race/ethnicity by including dichotomous variables for nonLatino white (reference category), nonLatino black, nonLatino Asian, and Latino.[9] Second, I account for age at migration by creating two dichotomous variables: adult immigrants (1=age at migration 18 years or greater) and immigrant children/adolescents (1=age at migration less than 18 years).[10] The reference category is the native-born. Next, immigrants' place of education is determined by examining the year of receipt of the terminal educational degree and the year of migration. Immigrants with a date of completion for their terminal educational degree that precedes their migration date are assumed to have completed their education abroad (1= foreign terminal degree). Last, I include interactions between race/ethnicity and both age at migration and immigrant foreign terminal education.

NIS Data

The NIS data include measures of race/ethnicity that mirror the operationalization in the SIPP data. Turning to the measure of class, the construction of the over/underqualification variables has been a source of considerable debate in the literature. The measures are occupation-specific; therefore, the first step is to calculate a

[9] Throughout the paper, I simplify the racial categories by using white, black, and Asian.
[10] In supplemental analyses, I followed both Rumbaut (2004) and Myers et al. (2009) and looked at expanded categories of immigrant children and adolescents. There was no relationship between these more nuanced age divisions of immigrant children and adolescents and adult wealth accumulation.

summary measure of educational attainment within immigrants' occupations.[11] I calculate the modal value of educational attainment for each occupational category (Cohn and Kahn 1995; Kiker et al. 1997).[12] The advantage of the mode, as opposed to the mean or median, is that it provides a measure of the typical amount of education for each occupation. It also eliminates the need to impose arbitrary thresholds – such as plus/minus 1 standard deviation (Verdugo and Verdugo 1989) – that are needed when using the mean or median to divide the adequately qualified from the over/underqualified. With the modal specification, immigrants with an exact match between their educational attainment (in years) and the occupation-specific modal value of education are considered adequately educated/qualified for that occupation. For over/underqualified immigrants, I include two continuous variables that measure the number of years that an immigrant is over- or underqualified relative to the modal amount of education for their particular occupation.[13] For example, if the modal occupation-specific education value in a given occupation is 12, immigrants with 12 years of educational attainment (i.e. an exact educational-occupational match) are adequately qualified. Immigrants with 16 years of education are overqualified by 4 years while immigrants with 8 years of education are underqualified by 4 years. Last, I include a measure of total educational attainment, in years.[14]

[11] The NIS uses the 2003 Census 4-digit occupational codes. If respondents do not report current occupation information, I use the occupational code from their first job after arrival.
[12] Table 14 in Appendix B contains the 2003 Census 4-digit occupational categories and the modal educational attainment value.
[13] Adequately qualified immigrants have a value of zero for both the over- and underqualified variables.
[14] In supplemental analyses, I experimented with breaking total educational attainment into years of foreign and U.S. education. Results were equivalent to those presented in chapter 4.

Controls

SIPP Data

I include several controls from the life cycle. These include age, gender (1=female), number of children currently living in the household, and dichotomous variables to capture marital status – never married (reference category), married, separated, divorced, and widowed. I include five variables that assess English language proficiency: native-speaker (reference), very well, well, not well, and not at all.[15] Educational attainment consists of five dichotomous variables: no high school degree (reference category), high school degree, some college, college degree, and advanced degree. For income, I use a log transformation to correct for skew. I include a variable for urban/rural residency (rural is the reference category) and a series of four regional dichotomous variables capture the U.S. Census regions: Northeast (reference category), Midwest, South, and West. Since immigrants often settle in states with a large population of immigrants, I construct a dichotomous variable representing the eight states with at least 15 percent of the population foreign-born [1=resident] (Census 2007).[16] Last, I include a dichotomous variable to control for period effects (1=2004 panel).

In additional analyses, (discussed below) I include a variable that identifies Mexican-origin Latino immigrants since they are the largest source of Latino immigration. This variable is interacted with the age at migration and foreign education

[15] With the NIS data, I collapse these measures and use three variables: native-speaker, very well/well, and not well/not at all (reference). I also experimented with alternative measures of English language proficiency in the NIS data. I examined immigrants' self-assessment of how well they understand spoken English and an assessment of respondents' English language ability by the interviewer. Results were similar to those presented in this dissertation.

[16] Table 10 in Appendix A details the states used to construct this variable.

variables. I also include a variable for refugee status (1=refugee) and interactions with race/ethnicity. Table 11 in Appendix A illustrates the construction of the refugee variable.

NIS Data

Many control variables are similarly operationalized with both the SIPP and NIS data. In this section, I describe the variables that are unique to the NIS data. Unless noted, variables are measured at the time of the interview. I include several variables that capture the process through which immigrants' qualify for LPR status. First, I use a dichotomous variable to control for how immigrants applied for LPR status: adjustment of status or new arrival (reference category). Second, I include a series of dichotomous variables that account for LPR recipients' class of admission: employment preference (reference category), family preference, students, refugees, and a residual category of asylees and legalization immigrants.[17] Next, I include a series of dichotomous variables that account for immigrant's current employment status: employed (reference category), unemployed, on leave, and a residual category. Last, I include three dichotomous variables that capture immigrants' remittance behaviors during the past calendar year: no remittances (reference category), less than $500, and more than $500.

The amount of time spent in the United States is an important factor for immigrants' well-being. The NIS contains detailed migration history that allows for the creation of an accurate measure of immigrants' U.S. duration. Traditionally, immigrant scholars calculate U.S. duration by subtracting immigrants' current age from their age at arrival. This yields a measure of U.S. duration that is subject to measurement error if

[17] These variables also account for the stratified sample design in the NIS.

immigrants leave the United States for extended periods of time or if they spent time in the United States prior to LPR receipt. The NIS solves this measurement problem by recording immigrants' destination country and the date of arrival for all movements beginning with the first time immigrants leave their country of birth.[18] This is valuable in two ways. First, it allows for an accurate count of the time immigrants spent in the United States. Second, it identifies "fake" new arrivals. These are immigrants who have lived in the United States, but apply for LPR status as new arrivals. With the traditional method, the sometimes substantial U.S. experience of these immigrants would have not been observed. The measure of U.S. duration used in this dissertation is a sum of the total number of months (adjusted to years) immigrants have spent in the United States.

Analytical Method

This dissertation uses median regression – a specific type of quantile regression – to analyze net worth (Koenker and Bassett 1978). Since its introduction by Koenker and Bassett (1978), quantile regression has become more commonplace with increasing computer power and, particularly in economics, has become widespread. Quantile regression provides a more complete assessment of the effects of covariates across the distribution of net worth (at specified quantiles), which may reveal unique features of the data. The principle advantages of quantile regression include the absence of a distributional assumption and robustness to outliers (Hao and Naiman 2007; Koenker 2005). This latter strength is particularly important when analyzing net worth, since it is heavily right-skewed. Logging net worth helps make the skewed distribution more

[18] Immigrants must live in a given destination country for at least 90 days to be recorded in the migration history module.

symmetrical, but even with this transformation, logged net worth may still have a number of outliers and residuals may still not be normally distributed. These OLS assumption violations may lead to distorted and inefficient estimates, even with a large dataset like SIPP. In contrast to OLS, the resistance of quantile regression to outliers ensures that estimates from median regression are unbiased and efficient, even in the presence of unusual observations.

Specification

SIPP data

In chapter 5, I estimate three models using SIPP data to explore the effects of race/ethnicity, age at migration, and place of education. In Table 3, Model 1 additively includes the explanatory variables and controls. Model 2 adds interactions between race/ethnicity and age at migration. Model 3 includes interactions between race/ethnicity and place of education. In Table 4, two additional models examine the robustness of the results in Model 3. Model 4 examines Mexican-origin Latino immigrants as a robustness test for the Latino results. Last, Model 5 tests for refugee effects. All analyses are weighted using the SIPP-generated person-weights.[19] Results for logged wealth are interpreted in terms of percent change.

NIS data

In chapter 6, I estimate two sets of models with NIS data: an additive and multiplicative model that analyze the relationship between the education variables and wealth accumulation as well as how this relationship differs by race/ethnicity. I then

[19] I create a new weight variable that averages the person-weights (SIPP variable name: WPFINWGT) from the core and topical files in each SIPP panel.

estimate separate models by race/ethnicity. The general equation used to estimate the over/underqualification coefficients has been used to examine financial (Sicherman 1991; Cohn and Kahn 1995) and nonfinancial (Tsang et al. 1991; Vaisey 2006) outcomes and is as follows:

$$Y_i = \beta X_i + \alpha E_i^a + \tau E_i^o + \delta E_i^u + \varepsilon_i$$

where logged wealth (Y) is regressed on a vector of explanatory and control variables (X) and a series of education variables. E^a represents an estimate of an immigrants' total educational attainment, in years. E^o represents the number of years of education above the occupation-specific modal education; this value is zero if immigrants' education is equal to or less than the mode. E^u is the number of years of education below the occupation-specific mode; likewise, this value is zero for adequately- or overqualified immigrants. When accounting for both over- and underqualification, the coefficient for total educational attainment (α) reflects immigrants' education that is actually used by the job (Chiswick and Miller 2008; Vaisey 2006). That is, an immigrant with 14 years of educational attainment working in an occupation where the modal value of educational attainment is 14. For the other parameters in the equation, τ is the coefficient for overqualification (additional years of education beyond adequate qualification) and δ is the coefficient for the number of years of underqualification. For example, immigrants with 14 years of education who work in occupations with a modal value of 12 are considered overqualified; however, if they worked in occupations with a modal value of 16, they are underqualified.

The interpretation of over- and underqualification depends on the sign and magnitude of the three education coefficients. The conceptual framework in this dissertation suggests that – relative to adequately educated immigrants *in the same occupation* – overqualification would harm wealth accumulation (τ is negative) while underqualification may be beneficial (δ is positive). This is because an overqualified (underqualified) immigrant would accumulate less (more) wealth than an adequately educated immigrant. Adequate qualification provides evidence of a match between educational and occupational attainment, which leads to social consonance (Vaisey 2006) and status consistency. Overqualified immigrants have educational attainments in excess of occupation-specific norms, which leads to dissonance and discontent (Vaisey 2006) as reflected in lower wealth accumulation. In contrast, surpassing expectations (greater occupational attainment than educational attainment) corresponds with a positive reaction, leading to higher levels of wealth accumulation.

Sensitivity Tests for Educational–Occupational Mismatch

With this specification, the model assumes immigrants' education matches that which is adequate for their specific occupation, when $E^o = E^u = 0$. Some readers may view this requirement as too restrictive. Indeed, other research has used arbitrary cutoffs to relax the assumption of an exact match. Some of these cutoffs include plus/minus one standard deviation around the occupation-specific mean educational attainment (e.g. Verdugo and Verdugo 1989) while others have used one or two years of education in either direction as a buffer (e.g. Tsang et al. 1991; Vaisey 2006). Results are largely robust to these varying specification (see Hartog 2000). In this dissertation, I use the

modal value of occupation-specific educational attainment, which provides a conservative estimate of the effect of over- and underqualification as it is the most common educational value within an occupation. Other values – such as the mean or median – more narrowly define adequate qualification.

Nevertheless, I conducted several sensitivity tests with multiple specifications of adequate and over/underqualification. For all supplemental analyses, I used the above equation and control variables are the same as those described in the text. I first used deviations from the mean (e.g. Chiswick and Miller 2008; Quinn and Rubb 2005) and the median (Slonimczyk 2008). Then I expanded the definition of adequate qualification – an exact educational-occupational match – by 0.5, 1.0, and 1.5 standard deviations (median absolute deviation for the median).[20] For the mode, I used a buffer for mismatch of more than plus/minus 2 years of over/underqualification (Tsang et al. 1991; Vaisey 2006). These specifications drastically change the size of the adequate qualification category. For instance, the supplemental specification for modal education increases the percent of the sample that is adequately qualified by 150 percent, from 20 to 50 percent of sample (see Table 6 in chapter 6). Consistent with previous research (e.g. Chiswick and Miller 2008; Hartog 2000), results are largely robust to these alternative specifications. While coefficients were slightly different across the various specifications, the patterns presented in this dissertation were unchanged with two exceptions. Estimates for over/underqualification – for both the mean and median specifications – were not significant when the definition of adequate qualification spanned plus/minus 1.5 standard

[20] Note that beginning with Verdugo and Verdugo (1989) the standard in the literature for defining adequate education with the mean value is plus/minus 1.0 standard deviations.

deviations. This is perhaps to be expected since the relative size of the over/underqualified groups would be drastically reduced by this expansive specification. On the whole, these supplemental analyses suggest that the results presented in this dissertation are largely robust to the various specifications of the over/underqualification variables.

Chapter 5: Race/Ethnicity, Age at Migration, and Place of Education

Descriptives

Table 2 presents descriptive results for the explanatory variables and net worth (Table 12 in Appendix A contains descriptives for the controls). Several patterns are noteworthy in the distribution of educational attainment by race/ethnicity and place of education. Looking to foreign educated immigrants (i.e. foreign terminal degree), a greater proportion of Latinos complete their education abroad with relative similarity across white, Asian, and black immigrants. Among the foreign educated, there are substantial differences in the amount of foreign education by race/ethnicity. For the college educated, a larger proportion of Asians – and a slightly smaller proportion of white immigrants – complete their education abroad. With the exception of black immigrants, a similar proportion of college educated immigrants complete their education abroad versus in the United States. Black immigrants present a different pattern: more black immigrants complete their college education in the United States and a substantially smaller proportion arrive to the United States with their education completed abroad. In addition to the pattern depicted for the college educated, strong racial/ethnic differences characterize the educational attainment of less educated immigrants. For immigrants with a high school degree or less, a greater proportion are foreign educated blacks and Latinos. In sum, descriptive examination of the distribution of foreign educational attainment reveals stark patterns by racial/ethnic group. Among the

foreign educated, white and Asian immigrants are mostly college educated while black and Latino immigrants tend to have only completed, at most, a high school education.

Figure 2 highlights the importance of separately examining race/ethnicity, age at migration, and place of education for wealth accumulation. Graph 1 provides insight into the racial/ethnic hierarchy of wealth inequality in the United States. Whites and Asians accumulate similar levels of wealth, but a substantial gap divides the average wealth of these two groups from that of Latinos and blacks. Graph 2 introduces age at migration. In this graph, immigrant adults are associated with the lowest average wealth, with the exception of blacks. For blacks and whites, immigrant children/adolescents average the highest wealth, while the native-born accumulate the highest average wealth for Asian and Latino Americans. Graph 3 shows the importance of place of education. With the exception of foreign educated black immigrants, foreign educated immigrants accumulate less average wealth than the native-born or U.S. educated immigrants. For other immigrants, U.S. educated Asian and Latino immigrants attain average levels of wealth that are very similar to those of Asian and Latino Americans. In contrast, among blacks and whites, U.S. educated immigrants average substantially more wealth than the native-born or their foreign educated immigrant peers.

Regression Results: Median Regression

Model 1 – Additive Specification

Table 3 presents results from median regression analyses. To conserve space, Table 3 presents the explanatory variables (results are from the full model, controls are presented in Table 13 in Appendix A). Model 1 provides support for Hypothesis 1 by

confirming well-documented racial/ethnic wealth inequality. Racial/ethnic minorities accumulate less wealth than whites and the amount of wealth inequality conforms to the expectation set forth in the corollary hypotheses. Blacks experience the largest racial/ethnic wealth inequality relative to whites, possessing 2.3 percent less wealth than whites [$=e^{-.023} - 1$]. Latinos and Asians are associated with 1.3 percent [$=e^{-0.013} - 1$] and almost 1 percent [$=e^{-0.008} - 1$] less wealth than whites, respectively.[21] Though the difference between these groups and whites is smaller than the black/white contrast, there is still significant wealth inequality.

Turning to other results, immigrants' financial well-being differs by their age at migration. Immigrants who arrive to the United States as children/adolescents attain a slight advantage over the native-born: these immigrant children/adolescents are associated with almost 1 percent [$=e^{0.009} - 1$] more wealth. In contrast, immigrant adults experience a financial setback. They are associated with wealth disadvantage of approximately the same magnitude as the wealth advantage of immigrant children/adolescents. Last, place of education is negatively related to wealth accumulation, though this relationship does not achieve statistical significance at conventional levels. Therefore, this result must be interpreted with caution: Immigrants completing their education abroad are associated with less wealth than immigrants finishing their education in the United States.

[21] These coefficient are not significantly different. Both the Asian and Latino coefficients are significantly different from the black coefficient.

Model 2 – Race/Ethnicity and Age at Migration Interactions

Hypothesis 2 specifies that immigrant adults accumulate less wealth than both native-born whites and their same-race/co-ethnic peers. Model 2 tests this hypothesis by including interactions between race/ethnicity and age at migration. With the inclusion of these interaction terms, the race/ethnicity coefficients now represent the native-born. Among the native-born, the inequality between both blacks and Latinos and whites observed in Model 1 holds. For Asians, however, accounting for nativity changes the relationship between Asian American and white American wealth inequality. In Model 2, the lack of a significant difference between these two groups suggests that Asian Americans attain wealth equality with white Americans.

Turning to the interaction terms, consistent with Hypothesis 2, neither the coefficient for child/adolescent immigrant (representing white immigrants) nor the interactions between race/ethnicity and child/adolescent immigrant attain significance. This suggests that immigrants who arrive to the United States as children or adolescents attain wealth equality with their same-race/co-ethnic native-born peers. Joint tests of significance indicate that Asian child/adolescent immigrants [Asian, interaction term] attain wealth equality with native-born whites while both black [black, interaction term] and Latino [Latino, interaction term] child/adolescent immigrants are associated with significantly less wealth than native-born whites.

For immigrants who arrive to the United States as adults, results generally support Hypothesis 2. The coefficients for white (adult immigrant) and Asian (interaction between Asian and adult immigrant) immigrants are significant and negative, suggesting

that these groups are associated with lower levels of wealth accumulation than white and Asian Americans, respectfully. To properly interpret the interaction term, the coefficient for Asian adult immigrants must be added to the coefficient for white adult immigrants [–0.012 + –0.019]. This reveals that Asian adult immigrants experience a second layer of disadvantage when compared to white adult immigrants, one associated with their racial status. These results also provide support for corollary 2a: the effect of arriving to the United States as an adult is largest for Asian and white immigrants.

Turning to the other racial/ethnic groups, results for black and Latino immigrants differ from the pattern identified above. For black immigrants, the interaction term is not significant. This suggests that there is no additional penalty associated with race for adult black immigrants: these immigrants experience the same wealth disadvantage associated with an older age at migration as white immigrants [b= –0.012]. This finding provides partial support for Hypothesis 2. Adult black immigrants are associated with less wealth than native-born whites, but nativity status does not separate the wealth attainment of black immigrants from black Americans. The equivalent wealth penalty for white and black adult immigrants also provides evidence against corollary 2a.

Results for adult Latino immigrants provide only partial support for Hypothesis 2. The interaction term between Latino and adult immigrant is significant and positive, which leads to only a trivial wealth difference between adult Latino immigrants and native-born Latinos [–0.015 + 0.011 = –0.004] and adult white immigrants [–0.012 + 0.011 = –0.001]. This provides evidence that Latino adult immigrants attain wealth equality with white adult immigrants and that nativity status does not divide the wealth

attainment of Latino Americans and Latino adult immigrants. This result suggests the primacy of ethnicity for Latinos and that nativity does not act as a further stratifying factor. A joint test of significance [Latino, interaction term; Adult immigrant, interaction term] provides some support for Hypothesis 2 by confirming that Latino adult immigrants are associated with less wealth than native-born whites.

To illustrate the patterns found in Model 2, Figure 3 presents predicted values of net worth by race/ethnicity and age at migration. I use a line graph because it has two advantages for interpretation: 1) the lines aid comparisons *within* racial/ethnic groups; and 2) the stacked columnar data points aid comparisons *between* racial/ethnic groups. Since the predicted values are in the log scale, an antilog or exponential transformation untransforms logged wealth and provides a sense of effect size. Contrasts with a particular reference group are presented in brackets.

Beginning in the middle of the graph, wealth inequality among the native-born is quite apparent. Asian and white Americans attain wealth parity, but Latino [–$24,480] and black [–$37,547] Americans are associated with substantial wealth inequality relative to these groups. Next, as reported in Model 2 – and despite the slight upward trend depicted in the graph – child/adolescent immigrants are associated with wealth equality with their same-race/co-ethnic native-born peers. Last, Figure 3 illustrates a different ordering of the racial/ethnic hierarchy among immigrant adults. Nativity status does not distinguish the wealth accumulation of Latino Americans and Latino adult immigrants; this lack of a wealth penalty leads to wealth equality between white and Latino adult immigrants. In contrast, Asian adult immigrants are associated with a substantial wealth

penalty [–$20,190] relative to white adult immigrants, which places their wealth attainment below that of Latino adult immigrants as well. Black adult immigrants are associated with the least wealth relative to white adult immigrants [–$33,139], an inequality that is relatively invariant between whites and blacks, regardless of nativity status.

Model 3 – Race/Ethnicity and Place of Education Interactions

Model 3 introduces interactions between race/ethnicity and place of education. This model builds on Model 2 by dividing immigrant adults into two groups based on where they completed their education. This allows for the isolation of any effects due to nativity or due to place of education. Results for the native-born and immigrant children/adolescents remain unchanged from Model 2. The inclusion of the interaction terms, however, changes the interpretation of results for adult immigrants. These coefficients now represent U.S. educated adult immigrants: those immigrants who migrate to the United States and complete additional education. These immigrants attain equivalent levels of wealth as their same-race/co-ethnic peers.[22] Therefore, any wealth inequality associated with immigrants is due to place of education. Thus, Model 3 provides partial support for Hypothesis 3: foreign educated immigrants are associated with wealth disadvantage relative to native-born whites.

For racial/ethnic variation, there is a nuanced pattern. First, the coefficient for foreign educated black immigrants is not significant, suggesting that the wealth

[22] Joint tests of significance indicate that U.S educated Asians [Asian, interaction term] attain wealth equality with both Asian Americans and white Americans. In contrast, U.S. educated blacks [black, interaction term] and Latinos [Latino, interaction term] attain wealth equality with their same-race/co-ethnic native-born peers, but wealth inequality remains between these groups and native-born whites.

disadvantage for these immigrants (relative to black Americans) is equivalent to that experienced by foreign educated white immigrants (relative to white Americans). This provides evidence against Hypothesis 3 and corollary 3a. For foreign educated black immigrants then, there is no additional penalty associated with race, which may be a result of a small sample size. I return to this issue later. Next, Latino immigrants again present a different pattern. The positive and significant interaction term reduces the wealth penalty associated with foreign education for Latino immigrants and brings the wealth attainment of this group much closer to that of both Latino Americans and foreign educated white immigrants. This could be due to the relatively lower levels of educational attainment for both Latino Americans and foreign educated Latino immigrants, since lower levels of foreign education may have fewer socioeconomic ramifications (Butcher 1994). Last, in support of corollary 3a, foreign educated white [–0.019] and Asian [–0.019 + –0.018] immigrants are associated with the largest wealth penalty for their foreign education.

Figure 4 presents predicted values from Model 3. In this graph, the native-born are now on the left. Following from Model 3, U.S. educated immigrants attain wealth equality with their same-race/co-ethnic native-born peers. Since foreign educated immigrants were driving the results depicted in Figure 3, the pattern displayed in Figure 4 is familiar. Relative to their same-race/co-ethnic native-born peers, foreign educated Asians and Latinos are associated with the largest [–$60,287] and smallest [–$10,823] wealth penalties, respectively. This variation in the wealth penalty associated with foreign education alters the racial hierarchy. Whereas whites and Asians attained similar

levels of wealth among the U.S. educated regardless of nativity status, foreign educated Asians are associated with a level of wealth attainment that is not only below foreign educated whites [–$19,094], but foreign educated Latinos [–$14,903] as well.

Additional Analysis: Mexican-origin Latino Immigrants and Refugees

Table 4 presents two additional models that test the robustness of the results in Model 3. Model 4 serves as a robustness check for Latinos and includes interactions between Mexican-origin immigrants and the age at migration and place of education variables.[23] Including these interaction terms reveals that Mexican-origin Latino immigrants drive the Latino results in Model 3. When accounting for Mexican-origin Latino immigrants, the interaction term between Latino and place of education is no longer significant. It remains positive, though the loss of significance could be attributable to the decrease in sample size since Mexican-origin immigrants are the largest nationality within the Latino ethnic group. Model 5 includes a variable for refugee status and interactions with race/ethnicity. These variables are not significant, suggesting that refugees do not affect the patterns observed in Model 3.

[23] In this specification, Mexican-origin only refers to immigrants. Therefore, there is no coefficient for Mexican-origin under the race/ethnic subheading in Table 4.

Table 2. Mean Values for Explanatory Variables and Wealth (SIPP)

	Full Sample			White		Asian		Black		Latino	
	Total	Native-born	Foreign-born	Native-born	Foreign-born	Native-born	Foreign-born	Native-born	Foreign-born	Native-born	Foreign-born
Education											
Foreign terminal degree	0.06	—	0.59	—	0.52	—	0.57	—	0.56	—	0.65
College and above											
U.S. educated	0.27	0.29	0.17	0.32	0.20	0.56	0.29	0.15	0.21	0.13	0.04
Foreign educated	0.02	—	0.15	—	0.22	—	0.28	—	0.09	—	0.04
Some college											
U.S. educated	0.34	0.37	0.11	0.36	0.11	0.26	0.09	0.39	0.14	0.35	0.09
Foreign educated	0.01	—	0.12	—	0.17	—	0.12	—	0.21	—	0.09
High school or below											
U.S. educated	0.33	0.35	0.14	0.32	0.18	0.18	0.05	0.46	0.09	0.52	0.23
Foreign educated	0.03	—	0.32	—	0.13	—	0.17	—	0.26	—	0.52
Age at Migration											
Adult	0.08	—	0.75	—	0.77	—	0.82	—	0.83	—	0.75
Child/adolescent	0.03	—	0.25	—	0.23	—	0.18	—	0.17	—	0.25
Wealth Measures											
Net Worth[a]	$161.41	$165.66	$124.71	$188.61	$194.11	$228.86	$172.23	$55.25	$68.97	$83.84	$55.27
	($260.07)	($262.97)	($230.31)	($277.05)	($297.47)	($326.57)	($256.30)	($127.08)	($141.07)	($189.60)	($130.17)
Log of Net Worth[a]	$7.43	$7.43	$7.41	$7.44	$7.45	$7.46	$7.44	$7.37	$7.38	$7.39	$7.37
	($0.14)	($0.14)	($0.12)	($0.15)	($0.15)	($0.16)	($0.13)	($0.07)	($0.08)	($0.10)	($0.07)
N	44349	39744	4605	32176	1418	250	1060	5456	380	1862	1747

Note: Some columns may not total 100 due to rounding. Standard deviations in parentheses.

[a] U.S.$2004 (in thousands).

Table 3. Median Regression Estimates of Race/Ethnicity, Age at Migration, and Place of Education on Logged Net Worth (SIPP)

	Model 1		Model 2		Model 3	
Race/Ethnicity (ref=white)						
Asian	-0.008	*	0.006		0.006	
	(0.003)		(0.006)		(0.006)	
Black	-0.023	***	-0.023	***	-0.023	***
	(0.001)		(0.001)		(0.001)	
Latino	-0.013	***	-0.015	***	-0.015	***
	(0.001)		(0.002)		(0.002)	
Age at Migration (ref=native-born)						
Child/adolescent immigrant	0.008	**	0.004		0.004	
	(0.003)		(0.004)		(0.005)	
Adult immigrant	-0.007	*	-0.012	**	-0.008	
	(0.003)		(0.004)		(0.008)	
Interaction with Age at Migration						
Child/adolescent immigrant						
Asian	—		0.012		0.011	
			(0.014)		(0.013)	
Black	—		0.004		0.004	
			(0.010)		(0.011)	
Latino	—		0.008		0.007	
			(0.005)		(0.005)	
Adult immigrant						
Asian	—		-0.019	*	-0.014	
			(0.008)		(0.013)	
Black	—		0.003		0.004	
			(0.005)		(0.012)	
Latino	—		0.011	**	0.003	
			(0.004)		(0.008)	
Place of Education (ref=U.S. educated)						
Foreign educated	-0.006	†	-0.006	†	-0.019	***
	(0.003)		(0.003)		(0.004)	
Interaction with Place of Education						
Asian	—		—		-0.018	*
					(0.009)	
Black	—		—		0.002	
					(0.005)	
Latino	—		—		0.012	**
					(0.004)	

† p < .1; * p < .05; ** p < .01; *** p < .001, two-tailed

Note: Standard errors in parentheses. Models control for all variables discussed in the text and displayed in Appendix Table D.

Table 4. Additional Analyses for Mexican-Origin and Refugee Status Immigrants – Median Regression Estimates (SIPP)

	Model 4		SE	Model 5		SE
Race/Ethnicity (ref=white)						
Asian	0.007		0.007	0.006		0.007
Black	-0.023	***	0.001	-0.023	***	0.001
Latino	-0.015	***	0.002	-0.015	***	0.002
Age at Migration (ref=native-born)						
Child/Adolescent	0.004		0.004	0.006		0.005
Adult	-0.008		0.007	-0.003		0.009
Interaction with Age at Migration						
Child/adolescent immigrant						
Asian	0.010		0.013	0.008		0.014
Black	0.004		0.011	0.002		0.012
Latino	0.007		0.007	0.004		0.006
Mexican-origin	0.000		0.006	—		
Adult immigrant						
Asian	-0.015		0.015	-0.021		0.016
Black	0.003		0.010	-0.001		0.012
Latino	0.000		0.010	-0.002		0.009
Mexican-origin	0.005		0.008	—		
Place of Education (ref=U.S. educated)						
Foreign educated	-0.020	***	0.003	-0.017	***	0.004
Interaction with Place of Education						
Asian	-0.017	*	0.008	-0.021	*	0.008
Black	0.003		0.005	0.000		0.005
Latino	0.005		0.004	0.010	*	0.004
Mexican-origin	0.013	***	0.003	—		
Refugee Status (ref=nonrefugee)						
Refugee	—			-0.011		0.007
Interaction with Refugee Status						
Asian	—			0.013		0.010
Black	—			0.007		0.019
Latino	—			0.015		0.010

* $p < .05$; ** $p < .01$; *** $p < .001$, two-tailed

Note : SE signifies standard error. Models control for all variables discussed in the text.

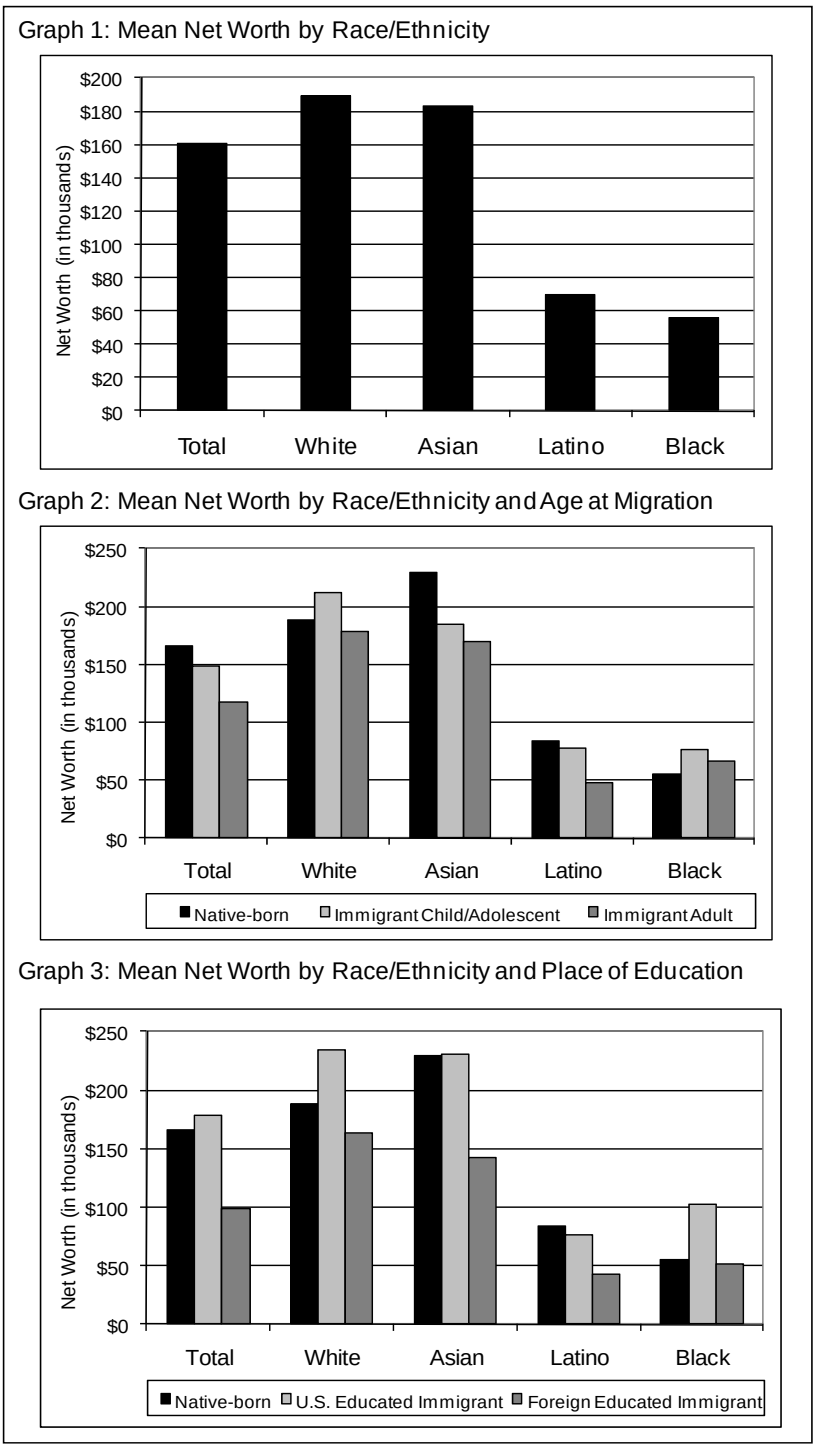

Figure 2. Descriptive Graphs for Net Worth by Race/Ethnicity, Age at Migration, and Place of Education (SIPP)

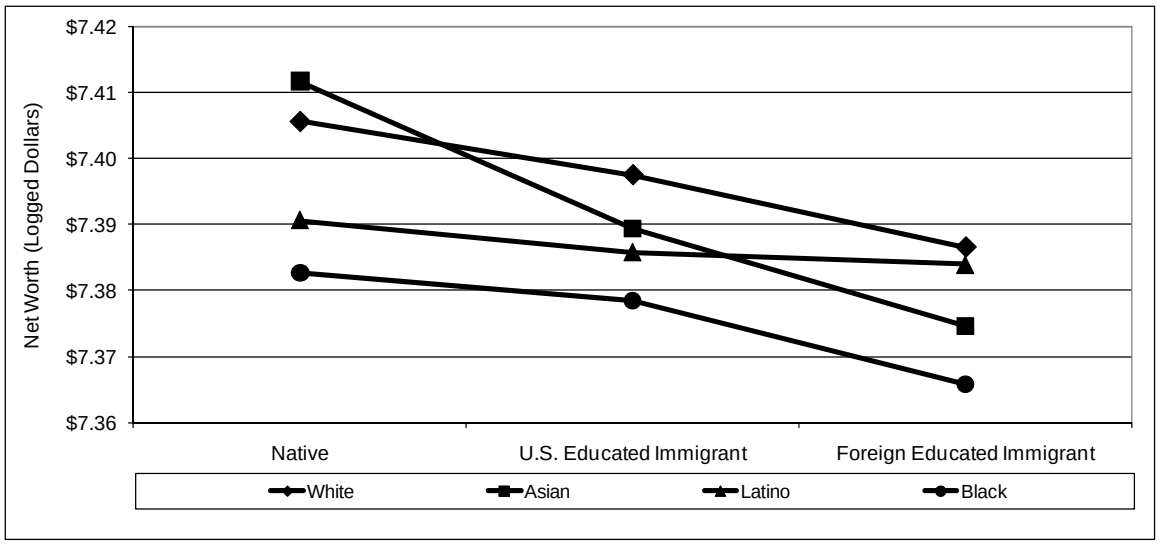

Figure 3. Predicted Values of Logged Net Worth by Race/Ethnicity and Age at Migration (SIPP)

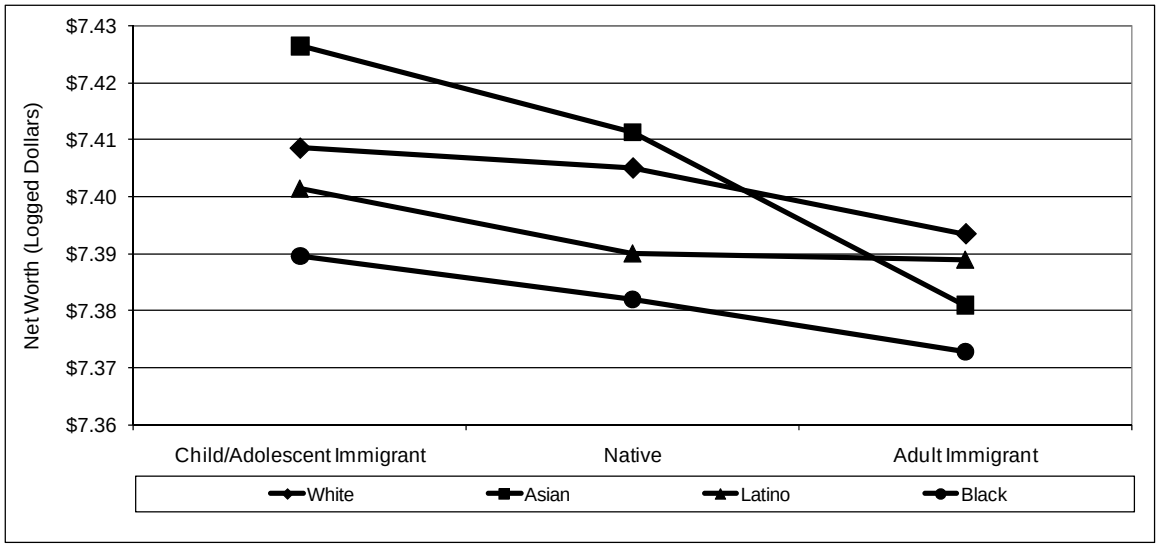

Figure 4. Predicted Values of Logged Net Worth by Race/Ethnicity and Place of Education (SIPP)

Chapter 6: Race/Ethnicity and Educational–Occupational Mismatch

Descriptive Results

Summary Measures

Table 5 reports means and standard deviations for the explanatory and outcome variables. Beginning with years of educational attainment, LPR immigrants average slightly more than 13 years of education, but there is substantial variation by race/ethnicity. White and Asian LPR immigrants are the most highly educated while Latino LPR immigrants attain the lowest amount of education, on average. For years of over- and underqualification, there is also interesting variation by race/ethnicity with Latinos meriting particular attention. Latino LPR immigrants are highly underqualified when compared to other racial/ethnic groups. At an average of 2.61 years of underqualification, Latinos are more underqualified than white immigrants (highest average number of years of overqualification) are overqualified.

To provide more insight into the distribution of over/underqualification, Table 5 breaks years of over/underqualification into categorical variables. The first set looks at immigrants with at least one year of educational attainment more/less than the occupation-specific mode. Those immigrants with an exact match between their personal education and that required by their occupation are labeled “adequate”. For the total sample and nonLatino LPR immigrants, most immigrants are overqualified and there is relative similarity between the proportion adequately qualified and underqualified.

Overqualification is most prevalent among white immigrants. Latinos present the opposite pattern: underqualification is most common and the prevalence is almost twice as high as among Asian LPR immigrants, the racial/ethnic group with the next highest proportion of underqualification. These patterns for whites and Latinos reflect their relatively larger mean values for years of over- and underqualification, respectively, presented in the top part of Table 5.

Table 5 also explores a more conservative measure of over/underqualification by using a deviation of 3 or more years of immigrants' educational attainment around the occupation-specific modal value. This "highly over/underqualified" categorization substantially shifts the distribution of over/underqualification, so much so that most immigrants – even within racial/ethnic groups – are adequately educated. This stands in sharp contrast to the +/- 1 year operationalization and suggests that a substantial number of immigrants are working in occupations where the normative value of education is similar to their educational attainment. Racial/ethnic variation remains; however, the pattern still falls along a Latino/nonLatino divide. A virtually equivalent proportion of nonLatino LPR immigrants are adequately qualified with overqualification again being slightly more – and underqualification slightly less – prevalent among white LPR immigrants. For Latinos, a smaller – but still substantial – proportion continues to be labeled as underqualified, suggesting that Latino immigrants are located in jobs for which they have considerably less education than their coworkers. The relatively large increase among Latino LPR immigrants who are adequately qualified with the more conservative

measure also suggests educational-occupational similarity for a large number of these immigrants.

Turning briefly to the other variables in Table 5, racial/ethnic wealth inequality is apparent among LPR immigrants. Asians and whites have the highest average wealth attainment and a substantial wealth gap divides the financial resources of these groups from those of black and Latino LPR immigrants. Table 5 also presents the median values of net worth.[24] These values illustrate that many LPR immigrants have little or no net worth, which places them in a precarious financial position. Since the median values are so low, there is little variation by racial/ethnic group. Yet, even among these low median values, the values are ordered according to the racial/ethnic hierarchy in the United States. Last, descriptive statistics for the remaining control variables are displayed in Table 15 in Appendix B.

To gain more insight into the prevalence of over/underqualification, Figure 5 presents the distribution of over/underqualification among LPR immigrants. Adequately qualified immigrants are represented in the middle of the graph, possessing zero years of both over- and underqualification. As indicated by Table 5, 20 percent of LPR immigrants are adequately qualified with 47 percent possessing more education than the modal value in their occupation and 33 percent having less. In the NIS sample, approximately 29 percent of LPR immigrants have education that deviates from the modal amount by plus/minus 2 years of education. These immigrants are likely to not experience outcomes that drastically differ from those of the adequately qualified.

[24] The median value of logged net worth is invariant by race/ethnicity at 6.90.

Overqualification is relatively consistently distributed among LPR immigrants, even among the highly overqualified (those with 3 or more years of mismatch). Most remarkable in the distribution of underqualified LPR immigrants is the substantial number of LPR immigrants experiencing a drastic educational and occupational mismatch, as indicated by those with more than a 5 year disparity between their educational attainment and the modal value for their occupation. This likely reflects the large number of underqualified Latino LPR immigrants.

Stratifying by Educational Attainment

Table 6 illustrates that adequate/over/underqualification status depends on total educational attainment. Previous research ignores this relationship, but Table 6 clearly shows that the distribution of adequate/over/underqualification is not uniform within meaningful categories of educational attainment. Beginning in the top panel, very few LPR immigrants are underqualified among those with at least a college education with the narrow definition of adequate qualification and none are with the more conservative definition. Regardless of operationalization, adequate qualification is more predominant among Asian LPR immigrants than among nonAsians, suggesting that a substantial proportion of the former find an educational-occupational match. In the middle panel, no immigrants are adequately qualified with the narrow definition. This reflects the operationalization of these measures using modal education. Indeed, Table 14 in Appendix B in the Appendix shows that no occupations have a modal education value between 12 and 16 years. Using the broader definition shows that most immigrants with some college education are employed in occupations where the normative (i.e. modal)

amount of education is quite close to their personal attainment. With the more narrow definition of qualification status, Asians again stand out; however, the broader definition reveals relative racial/ethnic parity. Last, in the bottom panel, almost no immigrants are overqualified among those possessing a high school degree or less education. This provides further evidence of the close relationship between total educational attainment and over/underqualification status. With both definitions, underqualification is most prevalent among Latinos. This suggests that if Latinos are concentrated in occupations where the modal amount of education is 12, for example, then 58 percent attain a 9th grade education or less. In sum, Table 6 provides further insight into the distribution of over/underqualification among LPR immigrants and highlights how these statuses depend on total educational attainment.

Occupational Exemplars

To fix the above ideas, Table 7 further illustrates the distribution of adequate/over/underqualification for the total sample and by race/ethnicity with two occupations and an aggregation of occupations based on modal educational attainment values. These occupations were chosen to represent more highly and less educated occupations from among those where the modal educational attainment value is 16 and 12 years, respectively. In the top panel, there are too few black and Latino math and computer scientists to present any descriptive statistics. This provides further insight into racial/ethnic composition of LPR immigrants by educational attainment and occupation. Among whites and Asians, the two operationalizations of adequate/over/underqualification suggest that if these immigrants are overqualified

relative to other same-race math and computer scientists, their over qualification is only by one or two years. In the second panel, larger proportions of Latinos are underqualified among food preparation workers and servers. In contrast, among white LPR immigrants, there is a pattern of overqualification. Notably, the proportion of black immigrants that are underqualified is relatively stable regardless of the definition of adequate/over/underqualification used. This signals substantial underqualification among black LPR immigrants working as food preparation workers and servers.

The bottom two panels of Table 7 aggregate occupations into two groups: those with a occupation-specific modal education value greater or equal to 16 and those with 12 or less years of education. These cut-points are based off of the distribution of occupation-specific modal education in Table 14 in Appendix B. Within the more highly educated occupations, relatively few Asians and whites are underqualified, especially under the more conservative definition. The large jump in the proportion of adequately qualified LPR immigrants by race/ethnicity suggests that most immigrants have levels of educational attainment that are concentrated around the occupation-specific modal value. In the last panel, there is a larger number of Latino LPR immigrants than in the panel above; however, the pattern of adequate/over/underqualification remains quite similar. Underqualified immigrants appear to have substantially less education than the occupation-specific amount as indicated by the relative lack of difference in the underqualification category between the narrow and broader definitions of adequate qualification. There is also relative similarity among Asians, blacks, and whites in the distribution of adequate/over/underqualification regardless of the definition.

In sum, the above tables, figure, and discussion describe the distribution of adequate-, over-, and underqualification among LPR immigrants. Importantly, they also link this distribution to the distribution of total educational attainment. This link has been omitted in previous research exploring overqualification in the United States, but it is essential for understanding *which* immigrants are likely to be over- or underqualified. Indeed, Table 7 illustrates that underqualification (overqualification) is quite rare among immigrants with at least a college degree (a high school degree or less). There is also substantial variation by race/ethnicity, which contributes to patterns of over/underqualification that differ by LPR immigrants' educational attainment.

Median Regression Results – Additive and Multiplicative Models

Table 8 presents results from median regression (Table 16 in Appendix B contains results for the control variables).[25] Model 1 provides some evidence for Hypothesis 1 by confirming the well-documented racial/ethnic wealth inequality in the United States: racial/ethnic minority LPR immigrants are associated with less wealth than white LPR immigrants.[26] Black immigrants are associated with the largest wealth inequality [–$1,995] and Latino immigrants [–$1,197] the smallest relative to white immigrants.[27] Asian immigrants [–$1,596] fall in between these groups. The coefficients in Model 1 are quite small; however, the racial/ethnic hierarchy among LPR immigrants generally

[25] In supplemental analyses, I experimented with disaggregating net worth into its component parts. I separately explored financial and nonfinancial wealth as well as the gross value of financial and nonfinancial assets and debts. Results for nonfinancial gross assets mirror the substantive findings below, but estimates for the other components of wealth were unobtainable due to a lack of convergence. This is not surprising as descriptive analyses indicate that the number of immigrants in the NIS without financial assets is quite high and among those who do own financial assets, the total value is relatively low. Furthermore, few hold (U.S.-based) debts, particularly financial debts (i.e. nonhousing).

[26] Tests for the equality of coefficients confirm that the coefficients for the racial/ethnic groups are significantly different from each other.

[27] I use an antilog or exponential transformation to express logged wealth values as whole dollars.

reflects the larger racial/ethnic structure in the United States. Moreover, as Table 5 identified, the median wealth value for LPR immigrants is almost zero. In this way, even small racial/ethnic inequalities in wealth could have substantial repercussions for immigrants' financial resources and overall well-being.

Next, the education variables are occupation-specific measures. Therefore, coefficients represent the change in wealth for each year of adequate-, over-, or underqualification within a particular occupation. More specifically, the coefficient for years of educational attainment represents the change in wealth for each year of education up to the occupation-specific modal value of education. In this way, immigrants who are exactly matched in terms of education to their job (e.g. possess 12 years of education and work in an occupation with a modal value of 12 years of education) are associated with an increase in wealth of $1,099 [b=0.001] per year of education. This result suggests that – relative to immigrants within the same occupation – adequate qualification is positively rewarded in terms of wealth accumulation. Similarly, overqualified immigrants are also associated with an increase to their wealth for each year of education up to the occupation-specific modal value of education, but education *beyond* that value has a different relationship with wealth accumulation. Indeed, overqualification is negatively associated with wealth accumulation, resulting in a financial penalty of $998 [b=–0.001] per year of education above that which is adequate for the job. This provides support for Hypothesis 4 and suggests that the financial well-being of overqualified immigrants is below that of adequately qualified immigrants working in the same occupation. In contrast, each year of education below the modal

occupation-specific value is associated with an equivalent financial benefit [b=0.001] as adequate educational qualification. In this way, underqualified immigrants are associated with an identical level of financial well-being as adequately qualified immigrants within the same occupation and are not financially penalized – in terms of wealth accumulation – for possessing less formal education than their coworkers. This provides support for Hypothesis 5. In sum, immigrants' financial well-being depends on how well their educational attainment corresponds with that of their specific occupation.

One of the advantages of quantile regression is the ability to examine the effects of variables across the conditional wealth distribution. This is done by changing the quantile value and graphing the results. Figure 6 begins with the median results (as displayed in Table 8) and graphs the coefficients for total education and both over- and underqualification by deciles. This graph provides visual evidence of the wealth gains associated with educational attainment within specific occupations, but there are stark differences in the wealth accumulation trajectories of over- and underqualified immigrants. The coefficients for total educational attainment and underqualification are virtually equivalent across the conditional wealth distribution; however, for the overqualified, the wealth penalty persists until the last decile.[28] This suggests that while wealth accumulation for the underqualified matches that of the adequately qualified within specific occupations, overqualification is associated with relative financial harm. This is not to say that overqualified immigrants have more debts than assets; but rather, that these immigrants are not experiencing a wealth advantage associated with their

[28] In the 9th decile, the coefficient for years of overqualification is not statistically significant.

relatively greater educational attainment (when compared to their same-occupation peers). In short, the wealth advantage associated with occupation-specific adequate qualification and underqualification is not limited to the conditional median of the wealth distribution, but actually increases as immigrants' financial resources increase. Similarly, the wealth disadvantage of overqualification persists among wealthier immigrants (above the median), but not for the most wealthy immigrants (90^{th} percentile).

Model 2 presents interactions between the education and race/ethnicity variables, which allow the relationship between the education variables and wealth accumulation to vary by racial/ethnic group. Since the variable for total educational attainment is grand mean-centered, the coefficients for race/ethnicity in this model represent immigrants with the sample average level of educational attainment (13.33 years). With the interaction terms included, ordering of the racial/ethnic wealth inequality differs from that presented in Model 1. Among immigrants with the average level of educational attainment, there is no racial wealth inequality between white and both Asian and black LPR immigrants. These groups are also associated with equivalent values for occupation-specific adequate- [$3,203], under- [$3,203], and overqualification [–$2,994]. These null findings for both black and Asian LPR immigrants in Model 2 could reflect the relative parity with white LPR immigrants in educational attainment – as well as over- and underqualification – identified in Table 5. This conclusion must be cautiously considered for black LPR immigrants because of the comparatively small sample for this racial group in the NIS; however, the null finding is in line with other research that examines the influence of educational attainment on various socioeconomic outcomes for Asians and Asian

immigrants in particular (e.g. Hirschman and Wong 1981, 1984; Sakamoto and Furuichi 2002; Zeng and Xie 2004).

In contrast to these groups, Latinos are the only racial/ethnic group that experiences a different pattern of wealth accumulation when compared to white LPR immigrants. Among immigrants with the average level of education attainment, Latino immigrants are associated with a substantial wealth advantage [$32,810; b=0.032] over similarly-educated white LPR immigrants. For the return to occupation-specific adequate education, Latinos are associated with a positive – but lower – return [0.003 + –0.003], leading to a rate of increase for Latino LPR immigrants of only $516 per year of education.[29] The wealth advantage of same-occupation underqualification [$413] is similarly dampened for Latino LPR immigrants [0.003 + –0.003]. In contrast to these financial disadvantages, Latino LPR immigrants experience a lower wealth penalty associated with same-occupation overqualification [–$413] when compared to white LPR immigrants [–0.003 + 0.003].

Why are Latino LPR immigrants associated with a different pattern of wealth accumulation than their immigrant peers? The descriptive results provide some insight by highlighting the relatively unique distribution of educational attainment among Latino LPR immigrants. These immigrants possess lower educational attainment, on average, than other LPR immigrants (see Table 5) and are disproportionately concentrated among those with a high school or less education (see Table 6). As such, Latino LPR immigrants are more likely to be underqualified within any given occupation. Corresponding to their

[29] Coefficients appear equivalent due to rounding.

lower educational attainment, Latino LPR immigrants are also more likely to be located in occupations where the modal educational value is 12 years of education or less (see Table 7). Moreover, within these occupations, the prevalence of underqualification is higher for Latino LPR immigrants than for other racial/ethnic groups. In short, Latino LPR immigrants' relatively lower levels of educational attainment are closely related to their greater likelihood of being underqualified and concentration in occupations with a less educated workforce. Since comparisons are made within occupation, these unique educational and occupational characteristics shed some light into why Latino LPR immigrants are the only racial/ethnic minority group associated with a pattern of wealth accumulation that differs from that of white LPR immigrants.

Over- and Underqualification within Racial/Ethnic Groups

Table 9 presents separate models by racial/ethnic group (results for control variables are reported in Table 17 in Appendix B). With the exception of white LPR immigrants, the patterning of the educational coefficients within racial/ethnic groups mirrors the pattern identified in Table 8: overqualified LPR immigrants are associated with wealth disadvantage relative to adequately qualified immigrants within the same occupation, but underqualified LPR immigrants are associated with wealth advantage. Among Asians, the wealth advantage associated with same-occupation adequate education and underqualification is approximately $2,500 [b=0.003] per year while the wealth penalty associated with overqualification is $1,801 [b=–0.002]. As in the multiplicative model above, results for black immigrants must be interpreted cautiously. A relatively small fraction of black immigrants have assets and positive wealth; therefore,

there is a striking lack of variation for this group. Because of this, the coefficients for the education variables among black immigrants are almost equivalent in absolute size [+/– $4,000]. Next, Latino LPR immigrants again display a unique pattern. The wealth penalty associated with same-occupation overqualification [–$524] is larger than both the coefficients for adequate educational attainment [$487] and underqualification [$412].[30] Last, the lack of a relationship between education and wealth accumulation suggests that same-occupation educational attainment does not differentiate wealth attainment among white LPR immigrants. This could be due to their relatively higher educational attainment. Indeed, Table 5 illustrates that white immigrants have not only the highest average educational attainment, but also the smallest standard deviation. This latter statistic suggests a potential lack of variation among white LPR immigrants, which is confirmed with the regression results.

Figure 7 graphs the separate models by race/ethnicity over the deciles above the median; they mirror the pattern first identified in Figure 6. Within racial/ethnic groups, the graphs show virtually equivalent coefficient patterns for both same-occupation adequate qualification and underqualification. This suggests that underqualified immigrants experience wealth returns to their educational attainment that are on par with that of their adequately qualified peers across the conditional wealth distribution. Also, Figure 7 shows – with the exception of Asians – an increasing wealth penalty associated with same-occupation overqualification. For Asians, there is no relationship between overqualification and wealth accumulation for immigrants above the 8th decile while for

[30] The coefficients for Latino LPR immigrants in Table 6 appear equivalent due to rounding.

other immigrants the 9th decile shows no relationship. These patterns may reflect the relative lack of importance of overqualification among the wealthiest immigrants, but may also be indicative of small sample size.

Table 5. Means and Standard Deviations for Explanatory Variables and Net Worth (NIS)

	Total	Asian	Black	Latino	White
Educational Attainment					
Years	13.33	14.61	13.43	10.62	15.20
	(4.75)	(4.41)	(4.11)	(4.79)	(3.75)
Years overqualified	1.71	1.89	1.95	0.97	2.35
	(2.43)	(2.43)	(2.44)	(1.99)	(2.68)
Years underqualified	1.39	0.97	0.99	2.61	0.55
	(2.64)	(2.08)	(2.48)	(3.33)	(1.51)
Qualification Status					
+/- 1 year[a]					
Adequate	0.20	0.20	0.25	0.19	0.18
Over	0.47	0.52	0.53	0.28	0.61
Under	0.33	0.28	0.23	0.53	0.21
+/- 3 years[b]					
Adequate	0.50	0.54	0.53	0.43	0.52
Over	0.30	0.32	0.34	0.17	0.41
Under	0.21	0.14	0.13	0.41	0.07
Race/ethnicity					
Asian	0.31	—	—	—	—
Black	0.14	—	—	—	—
Latino	0.32	—	—	—	—
White	0.24	—	—	—	—
Wealth[c]					
Net worth	66.32	93.54	35.70	39.01	85.06
	(356.92)	(474.59)	(227.73)	(158.48)	(421.20)
Median value	0.70	1.00	0.00	1.00	2.14
Log net worth	6.94	6.96	6.92	6.93	6.96
	(0.17)	(0.24)	(0.12)	(0.10)	(0.18)
N	6608	2050	905	2094	1558

[a] Over/underqualified have at least one more/less year of education.

[b] Over/underqualified have at least three more/less years of education.

[c] US$2003, in thousands.

Note: Standard deviations in parentheses. Some columns do not add to 1.00 due to rounding. One respondent has missing information for race/ethnicity.

Table 6. Distribution of Adequate/Over/Underqualification by Educational Attainment and Race/Ethnicity (NIS)

	Total	Asian	Black	Latino	White
College or above					
+/- 1 year[a]					
Adequate	0.14	0.21	0.06	0.08	0.11
Over	0.81	0.75	0.91	0.85	0.83
Under	0.05	0.04	0.02	0.07	0.06
+/- 3 years[b]					
Adequate	0.36	0.47	0.17	0.24	0.33
Over	0.64	0.53	0.83	0.76	0.67
Under	0.00	0.00	0.00	0.00	0.00
N	2386	1005	286	335	759
Some college					
+/- 1 year[a]					
Adequate	0.00	0.00	0.00	0.00	0.00
Over	0.82	0.73	0.92	0.88	0.81
Under	0.18	0.27	0.08	0.12	0.19
+/- 3 years[b]					
Adequate	0.66	0.68	0.68	0.69	0.60
Over	0.29	0.27	0.30	0.26	0.32
Under	0.05	0.05	0.03	0.05	0.08
N	1366	429	233	319	385
High school or below					
+/- 1 year[a]					
Adequate	0.34	0.31	0.53	0.26	0.48
Over	0.01	0.00	0.01	0.01	0.01
Under	0.65	0.68	0.46	0.73	0.51
+/- 3 years[b]					
Adequate	0.54	0.55	0.71	0.41	0.79
Over	0.01	0.00	0.00	0.01	0.00
Under	0.46	0.44	0.29	0.58	0.20
N	2856	616	386	1440	414

[a] Over/underqualified have at least one more/less year of education.

[b] Over/underqualified have at least three more/less years of education.

Note: Some columns do not add to 1.00 due to rounding.

Table 7. Occupational Exemplars by Adequate/Over/Underqualification and Race/Ethnicity (NIS)

	Total	Asian	Black	Latino	White
Math and computer scientists[1]					
+/- 1 year[a]					
Adequate	0.27	0.31	—	—	0.17
Over	0.64	0.64	—	—	0.63
Under	0.09	0.05	—	—	0.20
+/- 3 years[b]					
Adequate	0.76	0.77	—	—	0.68
Over	0.23	0.23	—	—	0.25
Under	0.02	0.00	—	—	0.06
N	439	318	13	13	95
Food preparation and servers[2]					
+/- 1 year[a]					
Adequate	0.20	0.19	0.32	0.17	0.24
Over	0.37	0.35	0.44	0.25	0.61
Under	0.43	0.46	0.25	0.58	0.15
+/- 3 years[b]					
Adequate	0.44	0.46	0.49	0.40	0.46
Over	0.24	0.22	0.28	0.14	0.46
Under	0.32	0.32	0.23	0.46	0.07
N	523	159	57	212	95
Occupations with modal education >= 16 years[3]					
+/- 1 year[a]					
Adequate	0.22	0.27	0.19	0.15	0.18
Over	0.48	0.51	0.38	0.31	0.51
Under	0.30	0.22	0.43	0.55	0.31
+/- 3 years[b]					
Adequate	0.67	0.72	0.63	0.56	0.63
Over	0.21	0.22	0.14	0.13	0.25
Under	0.12	0.05	0.23	0.31	0.12
N	1535	786	97	186	465

continued

Table 7, continued

Occupations with modal education <= 12 years[4]					
+/- 1 year[a]					
Adequate	0.20	0.16	0.24	0.20	0.19
Over	0.44	0.55	0.57	0.26	0.63
Under	0.36	0.29	0.19	0.53	0.18
+/- 3 years[b]					
Adequate	0.45	0.44	0.51	0.42	0.51
Over	0.29	0.38	0.37	0.16	0.44
Under	0.25	0.18	0.12	0.42	0.05
N	3737	770	480	1681	806

[1] Census 4-digit occupation code=1000-1240; Modal education=16.

[2] Census 4-digit occupation code=4000-4160; Modal education=12.

[3] Census 4-digit occupation code=10-3260.

[4] Census 4-digit occupation code=3300-9750.

[a] Over/underqualified have at least one more/less year of education.

[b] Over/underqualified have at least three more/less years of education.

Note: Some columns do not add to 1.00 due to rounding.

Table 8. Median Regression Estimates of Race/Ethnicity, Educational Attainment, and Over/Underqualification on Logged Net Worth (NIS)

	Additive Model			Multiplicative Model		
Race/Ethnicity (ref=white)						
Asian	-0.002	***	(0.001)	0.005		(0.009)
Black	-0.002	*	(0.001)	-0.010		(0.016)
Latino	-0.001	***	(0.001)	0.032	***	(0.006)
Educational Attainment						
Years[a]	0.001	***	(0.000)	0.003	***	(0.001)
Years overqualified	-0.001	***	(0.000)	-0.003	***	(0.001)
Years underqualified	0.001	***	(0.000)	0.003	***	(0.001)
*Race/Ethnicity * Educational Attainment*						
Years						
Asian[a]	—			-0.001		(0.001)
Black[a]	—			0.001		(0.001)
Latino[a]	—			-0.003	***	(0.001)
Years overqualified						
Asian	—			0.001		(0.001)
Black	—			-0.001		(0.001)
Latino	—			0.003	***	(0.001)
Years underqualified						
Asian	—			-0.001		(0.001)
Black	—			0.001		(0.001)
Latino	—			-0.003	***	(0.001)

* $p < .05$; *** $p < .001$, two-tailed

[a] Grand-mean centered.

Note: Standard errors in parentheses. Models control for all variables discussed in the text and displayed in Appendix Table D.

Table 9. Median Regression Estimates of Educational Attainment and Over/Underqualification by Race/Ethnicity on Logged Net Worth (NIS)

	Asian		Black		Latino		White
Educational Attainment							
Years[a]	0.003	***	0.015	***	0.001	***	0.0021
	(0.001)		(0.001)		(0.000)		(0.001)
Years overqualified	-0.002	**	-0.015	***	-0.001	**	-0.0019
	(0.001)		(0.001)		(0.001)		(0.001)
Years underqualified	0.003	***	0.015	***	0.001	**	0.0025
	(0.001)		(0.001)		(0.000)		(0.002)

** $p < .01$; *** $p < .001$, two-tailed

[a] Group-mean centered.

Note: Standard errors in parentheses. Models control for all variables discussed in the text and displayed in Appendix Table D.

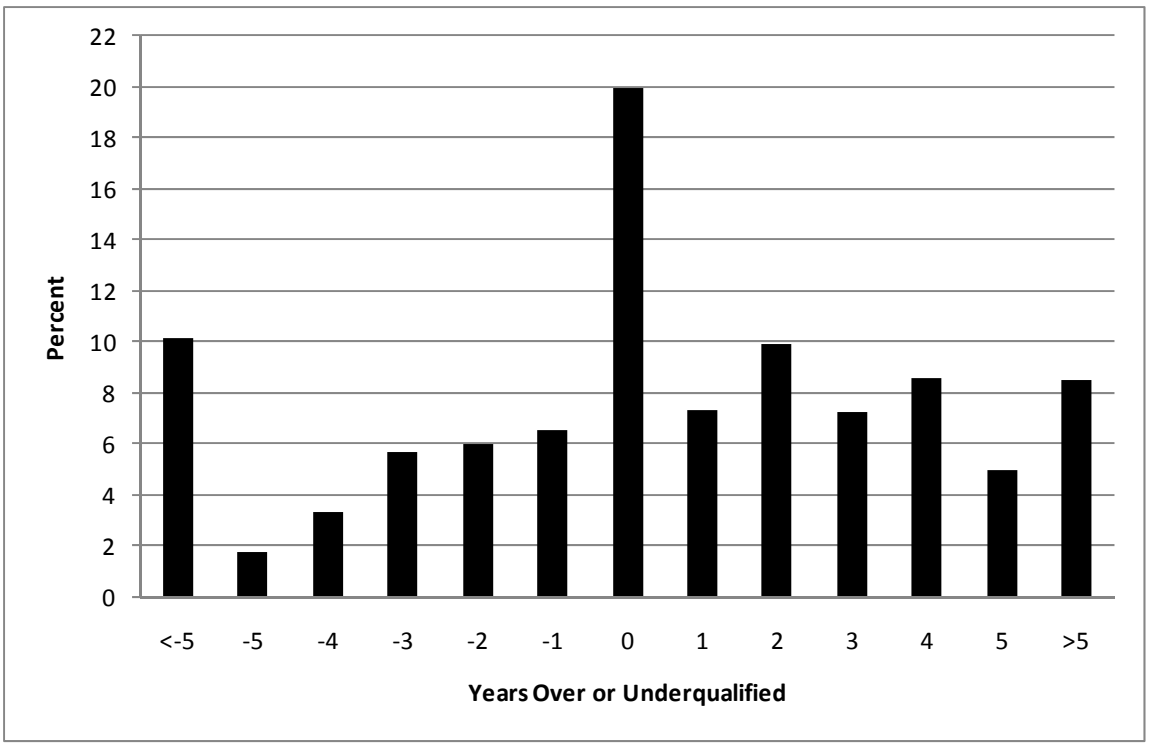

Figure 5. Distribution of Over– and Underqualification (NIS)

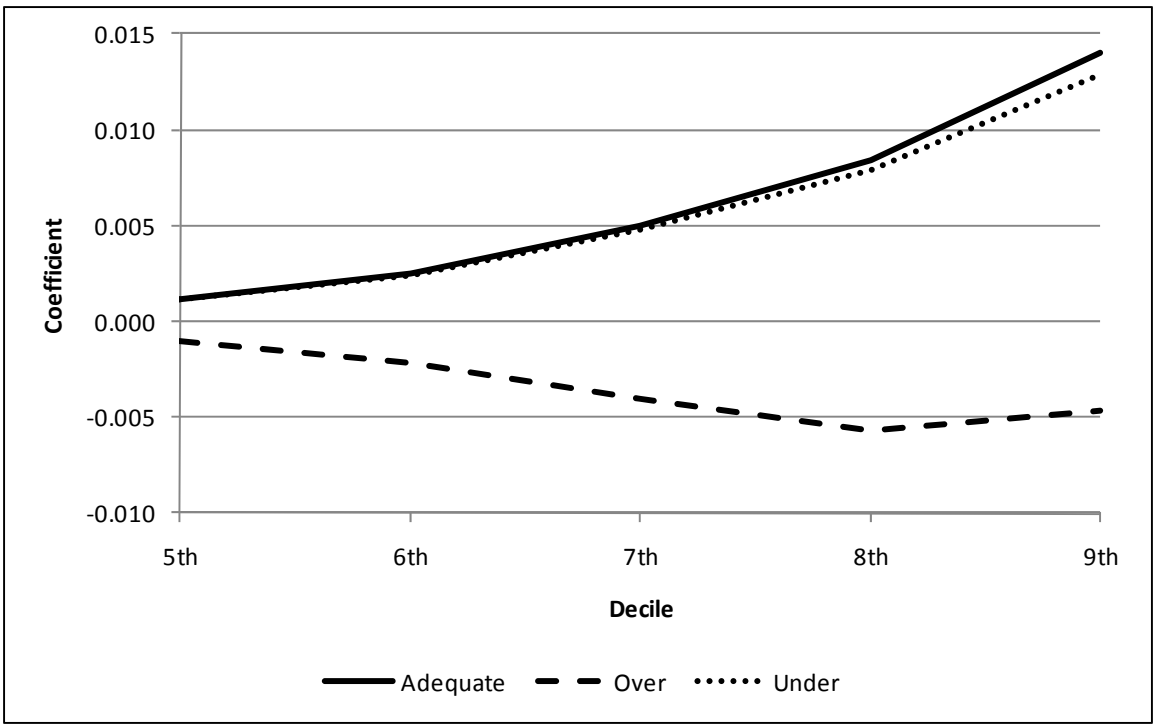

Figure 6. Quantile Regression Coefficients by Deciles for Log of Net Worth (NIS)

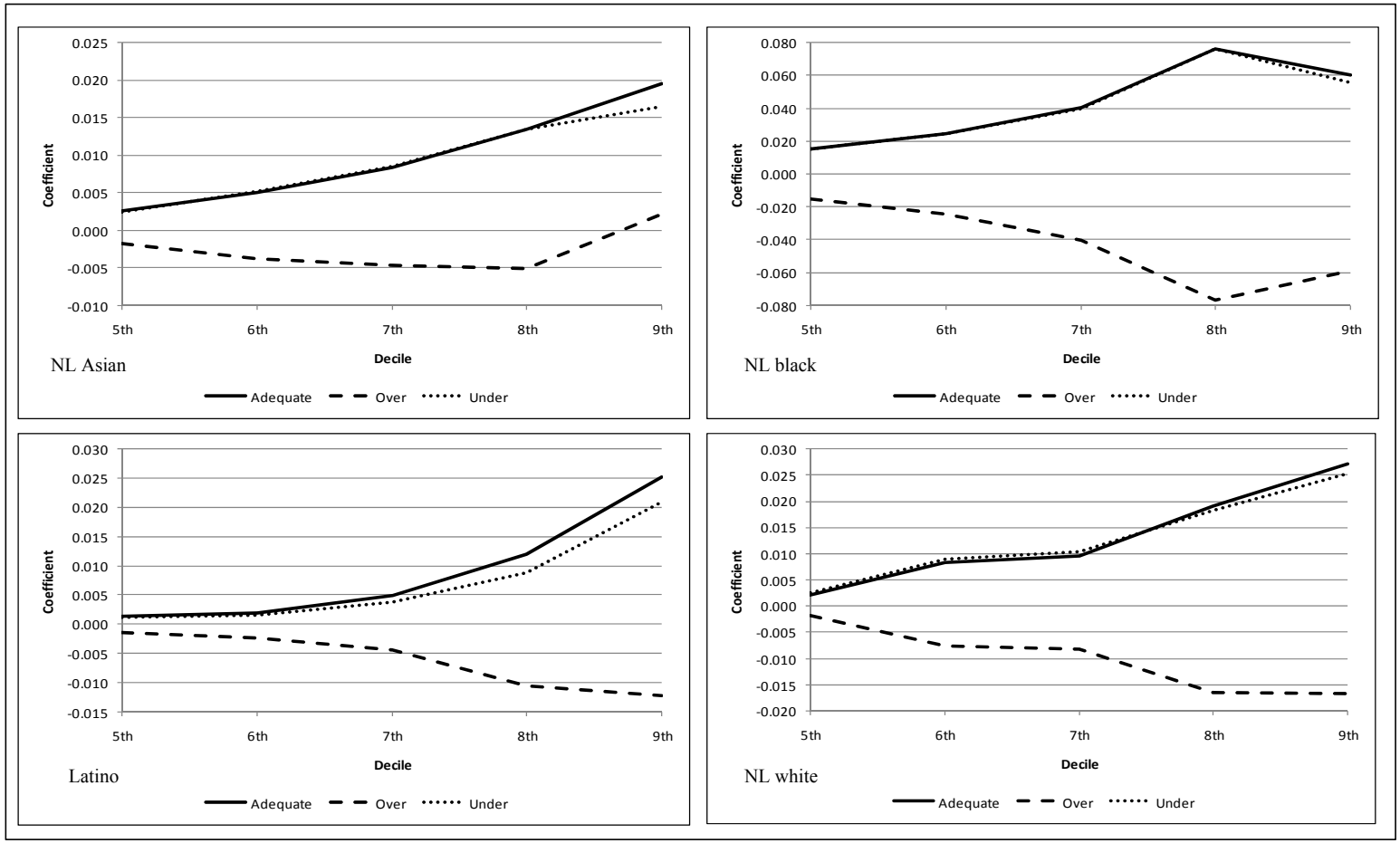

Figure 7. Quantile Regression Coefficients by Deciles and Race/Ethnicity for Log of Net Worth (NIS)

Chapter 7: Discussion and Conclusion

Contribution

This dissertation adopts a segmented assimilation framework in the tradition of Portes and Zhou (1993). This nuanced approach to understanding contemporary immigrant integration and broader social stratification moves beyond a singular focus on race/ethnicity or class and more fully considers the varied outcomes that arise from the intersections of multiple stratification processes. Four contributions support this claim. First, this dissertation establishes the importance of race/ethnicity for immigrants' life chances. Upon arrival, immigrants are assigned a racial/ethnic status and inserted into a racialized social structure, which affects their ability to integrate into society and accumulate wealth. Second, educational stratification affects immigrant integration. Immigrants' education is typically devalued upon arrival to the United States, which leads to different patterns of integration. Specifically, this dissertation examines the role of place of education (foreign versus U.S.) and educational-occupational mismatch for immigrant wealth accumulation. Third, this dissertation considers the intersections of race/ethnicity with class. A consideration of both racial/ethnic and educational stratification provides an opportunity to gain further insight into the structure of the U.S. social stratification system. The intersection of race/ethnicity with education can also alter the racial/ethnic hierarchy. Indeed, greater *within*-racial/ethnic group variation has the potential to blur, blend, and ultimately break down boundaries *between*-racial/ethnic

groups (Hao 2007). Last, this dissertation explores a new outcome that has only recently garnered attention within the immigration literature – wealth accumulation. A focus on wealth accumulation provides insight into the financial resources available to immigrants above and beyond their wages and income as well as offers a more comprehensive measure of financial well-being.

Discussion of Substantive Findings

Place of Education

Since Chiswick (1978), social scientists have been concerned with the effect of foreign educational attainment on immigrants' integration into U.S. society. More recent work considers the earnings ramifications of foreign education for specific racial groups including black (Dodoo 1997) and Asian (Zeng and Xie 2004) immigrants. This dissertation extends this seminal research by including Latinos and examining age at migration in addition to place of education. Results provide evidence for the pervasiveness of racial/ethnic stratification in the United States. Two racial patterns in wealth accumulation are unchanged even when accounting for age at migration and place of education: whites remain at the top of the racial/ethnic hierarchy and blacks remain at the bottom. Among the native-born, wealth attainment of Asian and white Americans is indistinguishable. This same pattern is also evident among U.S. educated immigrants. This places Asians in a unique position within the racialized U.S. social structure as both U.S. educated Asian immigrants and Asian Americans attain wealth equality with native-born whites. In contrast, substantial inequality divides the wealth attainment of whites from both Latinos and blacks. Indeed, race/ethnicity serves as a primary stratifying factor

for blacks and Latinos – whether native-born or immigrants. These results provide confirmatory evidence of racial/ethnic wealth inequality in the United States and suggest that immigrants' integration patterns are strongly influence by their racial/ethnic status.

Accounting for place of education also reveals that U.S. education levels wealth inequalities *within*-racial/ethnic groups: U.S. educated immigrants attain wealth equality with their same-race/co-ethnic native-born peers. This finding provides evidence that it is not whether immigrants arrive to the United States as adults that divides the wealth accumulation of immigrants from that of their same-race/co-ethnic native-born counterparts, but rather where immigrants completed their education.

Racial/ethnic stratification plays an important – but different – role for wealth accumulation among the foreign educated; this differing pattern reveals the influence of educational stratification. Among all racial/ethnic groups, foreign educated white immigrants are best positioned at the top of the racial/ethnic hierarchy and foreign educated black immigrants remain the most disadvantaged. Yet, foreign educated black immigrants do not experience additional disadvantage due to their racial status as both foreign educated white and black immigrants are associated with the same wealth penalty. This suggests that wealth inequality remains unchanged between whites and blacks, even when accounting for nativity status or place of education.

Educational stratification, however, alters the relationship between whites and both Latinos and Asians. In this way, the location of foreign educated Latinos and Asians within the racial/ethnic hierarchy differs from the pattern identified for the native-born and U.S. educated immigrants. First, foreign educated Latino immigrants experience the

smallest wealth penalty – relative to both Latino Americans and U.S. educated Latino immigrants – from their foreign education, which may reflect the generally lower levels of educational attainment among this ethnic group. Due to these relatively low levels of educational attainment, their foreign education may be somewhat immune from devaluation. Furthermore, Latinos – regardless of nativity status and place of education – may also be located in the same sectors of the labor market, where education may have little or no importance. Outside of the labor market, the invariance of wealth attainment across nativity status and place of education suggests other similarities among Latinos such as comparable social resources or financial behaviors that contribute to this wealth equality. In sum, this wealth parity among Latinos suggests that racial/ethnic stratification is the only contributing factor to wealth inequality between Latinos and native-born whites.

Second, foreign educated Asian immigrants are associated with a double disadvantage relative to native-born whites. This group experiences two forms of inequality: one associated with their racial/ethnic status and one associated with their place of education. The disadvantage associated with race/ethnicity is evident in the wealth inequality between foreign educated whites and Asians. Since both Asian Americans and U.S. educated Asian immigrants attain wealth equality with native-born whites, only foreign educated Asian immigrants experience wealth disadvantage associated with their racial/ethnic status. Educational stratification is also evident in the comparison between Asian Americans (and U.S. educated Asian immigrants) and foreign educated Asian immigrants. This inequality is largest within any racial/ethnic group.

Indeed, it is so large that – when compared to foreign educated whites – foreign educated Asians are associated with less wealth than foreign educated Latinos. This inequality reflects the substantial devaluation of foreign educated Asian immigrants' relatively higher educational attainment. In sum, foreign educated Asian immigrants experience a double disadvantage relative to native-born whites. Moreover, accounting for place of education suggests that – in terms of economic integration and wealth accumulation – the second layer of disadvantage is not due to Asian immigrants' nativity status, but rather where they completed their education.

But why would foreign educated Asian immigrants receive such a large wealth penalty relative to Asian Americans? That foreign educated Asians may be disproportionately highly educated provides some insight. For one, foreign educated Asian immigrants may have difficulty obtaining desirable jobs, especially jobs that are similar to their pre-migration career. This may lead to occupational mismatch, whereby foreign educated Asian immigrants take jobs for which they are overqualified (in terms of educational attainment). Also, foreign educated Asian immigrants may encounter discrimination – in addition to occupational mismatch – that devalues their educational attainment and prevents them from obtaining jobs that are commensurate with their education (Kim and Lewis 1994; Tang 1993, 2000). Last, foreign educated Asian immigrants may hold degrees that do not transfer to the American labor market. Research examining immigrants in Canada provides support for this idea by finding that foreign educated doctors, engineers, and teachers as well as immigrants who hold foreign degrees in the natural sciences and health professions face considerable difficulty in obtaining

positions that correspond to their origin country occupations or fields (Basran and Zong 1998; Grant and Nadin 2007).

While the labor market experience of foreign educated Asian immigrants provides insight into what is driving their relatively larger wealth penalty, other mechanisms may also uniquely factor into this inequality. For one, foreign educated Asian immigrants may exhibit different patterns of investment behavior. Immigration is certainly expensive in of itself, but foreign educated Asian immigrants may also incur additional expenses. For instance, they may take jobs that do not have health insurance, which may force them to reduce their savings and investing. These immigrants may also pursue additional schooling, which will affect their current income and personal debt. If they purchase a home, they may also face a higher mortgage payment due to a lack of credit history. Foreign educated Asian immigrants may also differ in their financial portfolio composition. They may not have certain assets – such as vehicles or retirement accounts – or may maintain assets and continue to invest outside of the United States. They may also have low levels of risk tolerance or an aversion to loans and debts as part of a conservative investment strategy. Next, cultural differences may also contribute to differential expenditure patterns. Foreign educated Asian immigrants may place a greater emphasis on educational or cultural opportunities for their children, which will reduce their ability to accumulate wealth. Remittances and/or the financing of migration for relatives or friends to the United States will also drain financial resources. Furthermore, foreign educated Asian immigrants may be more oriented to their country of origin than their peers. Their experience with financial markets in their home country could affect

their trust and participation of U.S. financial institutions. Last, foreign educated Asian immigrants may have fewer personal resources. They may have limited social networks, which will affect both job searches and other aspects of American life. Part of the value of attending a U.S. college is access to job contacts, on-campus interviews, internships, and alumni networks that may help secure employment. Foreign educated Asian immigrants will not be able to use these valuable resources. In sum, examination of specific mechanisms is beyond the scope of this paper; nevertheless, the above speculation does provide some insight into why foreign educated Asian immigrants are associated with the observed wealth inequality.

Educational–Occupational Mismatch

This dissertation also joins the renewed sociological interest in the implications of individuals' status as over- or underqualified workers. Sociologists contributed some of the initial work on educational-occupational mismatch in the examination of various social outcomes such as job satisfaction, achievement ideology, and liberal political attitudes as well as an alternative methodological approach to the measurement of over- and underqualification (Verdugo and Verdugo 1989). This early sociological research was abandoned until the revival in Vaisey (2006), leaving economists to dominate the literature with their (largely) singular focus on labor market outcomes (i.e. wages and income).

This dissertation devotes considerable attention to the descriptive exploration of the relationship between total educational attainment and adequate/over/underqualification. Previous research fails to acknowledge the low

likelihood of both underqualification among highly educated individuals and overqualification among the less educated. This close correspondence is even more important when examining how educational-occupational mismatch varies by race/ethnicity. Given racial/ethnic variation in educational attainment, some racial/ethnic groups – such as black and Latinos – may be disproportionately located among jobs requiring less education while others – such as Asians and whites – will be more likely to work in occupations that require more education. This dissertation examines adequate/over/underqualification in several ways including stratifying by educational attainment and highlighting two specific occupations. Descriptive analyses confirm that adequate/over/underqualification is closely tied to total educational attainment and this relationship is also reflected in the exemplar occupations. Furthermore, there is notable racial/ethnic variation by both total educational attainment and by occupation. These descriptive results foreshadow the regression results – in part – by highlighting the unique distribution of educational attainment among Latino LPR immigrants. They also point to the importance of careful descriptive analysis of the prevalence of adequate/over/underqualification, especially among immigrants (i.e. Chiswick and Miller 2008) or by gender (i.e. Vaisey 2006) or race/ethnicity.

Regression results provide evidence that occupation-specific over- and underqualification are associated with divergent patterns of wealth accumulation among LPR immigrants that also differ by race/ethnicity. Overqualification is associated with wealth disadvantage, which suggests that immigrants may be attempting to financially compensate for the inequality between their educational and occupational attainment.

This inequality or status inconsistency is due to the lack of transferability of immigrants' source country human capital to the United States, which primarily affects more highly educated immigrants. In contrast, underqualification is associated with wealth advantage. Immigrants with less education than required by their occupation may be positively selected on a number of traits and characteristics that offset their lack of formal educational attainment. For these immigrants, status inconsistency is a positive outcome – one that is associated with greater occupational attainment and wealth accumulation.

These patterns are largely robust within racial/ethnic groups. The patterns of wealth advantage and disadvantage associated with under- and overqualification are similar among Asian, black, Latino, and white LPR immigrants both at (see Table 9) and above (see Figure 7) the median value of the wealth distribution. Notable exceptions to these patterns include white immigrants at the median value of wealth and the wealthiest immigrants (8^{th} and 9^{th} decile of the wealth distribution) within racial/ethnic groups. The former exception suggests that over/underqualification does not affect the wealth accumulation of less wealthy white immigrants (at or below median) while the latter exception perhaps signals a lack of a sample size, the same problem affecting black immigrants in these analyses.

The story differs, however, when examining differences *between* racial/ethnic groups. Accounting for interactions between total educational attainment, over/underqualification, and race/ethnicity reveals a story of a Latino/nonLatino contrast in wealth accumulation. Latino LPR immigrants are associated with a different pattern of wealth accumulation, which perhaps reflects both their unique distribution of educational

attainment and their disproportionate concentration in occupations with less education. For other groups, there are no differences in the wealth accumulation patterns between Asian, black, and white immigrants. A small sample size cautions against drawing strong conclusions regarding black LPR immigrants, but socioeconomic equality between Asians and whites – both immigrant and native-born – when accounting for education is well-documented elsewhere (e.g. Hirschman and Wong 1981, 1984; Sakamoto and Furuichi 2002; Zeng and Xie 2004). This finding provides evidence that educational attainment is an equalizer of wealth inequality, resulting in financial parity between Asian and white LPR immigrants.

Limitations and Future Research

Several limitations must be acknowledged. One limitation is the small sample size for black immigrants in both data sets. African and Caribbean immigrants contribute fewer immigrants to the total immigration flow to the United States; therefore, the sample size in the NIS is representative of the U.S immigration stream. This provides some assurance that while the sample size for black immigrants in the SIPP data is also small, it might be reasonable in light of the flow of black immigrants to the United States. The small sample sizes in both data sets could explain why black immigrants experience similar outcomes as white immigrants. In the SIPP data, there is also a small sample size for Asian Americans; however, it is unlikely that a small sample size explains the financial parity with both white immigrants and Americans. Because there is a large number of Asian immigrants in the SIPP data and U.S. educated Asian immigrants attain

wealth equality with native-born whites, this suggests that the financial parity between white and Asian Americans is not solely a function of sample size.

A second limitation is that the findings of over/underqualification are only applicable to LPR immigrants. While this is an important subpopulation within the United States in terms of its actual size and for the number of LPR immigrants that transition into citizenship, it is still a relatively small population when compared to the native-born. Indeed, the lack of a native-born reference group is both a weakness and strength of the New Immigrant Survey. The trade-off for a lack of comparability with the native-born and insight into assimilation processes is the depth and breadth of the information on the (LPR) immigrant experience.

Last, the magnitudes of the coefficients from the median regression analyses in chapter 6 – while nontrivial – are close to zero. When untransformed from the log scale, most of the reported results – in whole dollars – range between $412 and $3,203. Coefficient size increases with higher values of quantile regression (e.g. 7^{th}, 8^{th}, or 9^{th} decile), but there is an inverse relationship between the increasing quantile values and data density. Along with this limitation, it is important to keep in mind essential characteristics of LPR immigrants including – among others – the expense of migration and/or a relatively short duration in the United States for some. Moreover, results in this dissertation reflect immigrants' financial well-being shortly after receipt of LPR status; a rather narrow time period in which to accumulate wealth. Perhaps most important to keep in mind is that even small financial inequalities may have larger implications for wealth accumulation. For example, $1,000 or even $500 could be the difference between making

a house down payment or continuing to rent (for more detail on how small financial differences can lead to larger wealth inequalities, see Conley 1999, chapter 1). Therefore, despite the relatively small size of the coefficients, these results could have important implications for immigrant wealth accumulation.

Conclusion

The opportunity to improve their financial well-being continues to draw immigrants to the United States. Immigrants constitute a large subpopulation within the United States and if present trends persist, the number of LPR immigrants and those who naturalize from LPR status will continue to grow this important subpopulation of U.S. society. Immigrants – and particularly those with LPR status – merit further scholarly attention not only because of the size of the subpopulation and growth over time, but also because of the unique traits and characteristics LPR immigrants bring with them to the United States. Yet, immigrants' transition into U.S. society is often not seamless. Upon arrival, immigrants are inserted into a racial/ethnic hierarchy, but race/ethnicity does not affect immigrant life chances independently of class. Together, these two dimensions of the U.S. social stratification system structure immigrants' access to opportunities to improve their life chances and achieve upward mobility. This dissertation encourages scholars to consider the joint influence of both race/ethnicity and class for immigrant outcomes in the United States, particularly financial well-being or wealth accumulation. Indeed, wealth stratifies society by providing differential access to neighborhoods, school districts, health care, power and influence, and leisure activities. It also provides the basis for the intergenerational transfer of financial advantage via inheritances. In this way,

wealth accumulation provides a new perspective on immigrants' overall well-being in the United States both for its broader representation of immigrants' financial resources and due to its close relation with race/ethnicity and other measures of class – such as educational attainment. It is the intersection of these powerful stratifying factors that contributes to the unique ways that racial/ethnic and educational stratification affect immigrant wealth accumulation. Scholars should continue to examine how racial/ethnic realities and other important stratifying factors shape the U.S. experience of immigrants as well as look beyond traditional indicators of well-being to provide fresh insight into the immigrant experience.

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Appendix A: Supplementary Tables for Chapter 5 (SIPP data)

Table 10. Percent Foreign Born, by State (SIPP)

State	Percent	State	Percent
California	**27.2**	Kansas	6.0
New York	**21.6**	Michigan	6.0
New Jersey	**19.7**	Idaho	5.6
Florida	**18.7**	Nebraska	5.6
Nevada	**18.5**	New Hampshire	5.4
Hawaii	**16.9**	Pennsylvania	5.2
Texas	**15.8**	Oklahoma	4.9
Arizona	**15.0**	Wisconsin	4.3
Massachusetts	14.2	South Carolina	4.2
Illinois	13.7	Indiana	4.1
District of Columbia	12.7	Tennessee	4.0
Connecticut	12.6	Arkansas	3.9
Rhode Island	12.6	Iowa	3.8
United States	12.5	Vermont	3.7
Washington	12.2	Ohio	3.6
Maryland	12.1	Missouri	3.5
Colorado	10.1	Maine	3.2
Virginia	10.1	Louisiana	3.1
Oregon	9.7	Alabama	2.9
New Mexico	9.4	Kentucky	2.7
Georgia	9.0	Wyoming	2.7
Utah	8.0	North Dakota	2.3
Delaware	7.6	South Dakota	2.1
North Carolina	6.8	Montana	1.9
Alaska	6.7	Mississippi	1.7
Minnesota	6.5	West Virginia	1.3

Source: Table GCT0501 from the U.S. Census Bureau, 2005-2007 American Community Survey.

Note: States are sorted in descending order by percent foreign born. The bold states have at least 15 percent of the population that are foreign born.

Table 11. Countries Used in Refugee Variable Construction (SIPP)

Country	N	SIPP ID #	Country	N	SIPP ID #
Afghanistan	8	200	Laos	27	221
Balkan countries			Nicaragua	29	316
Czech Republic	5	155	Poland	59	128
Czechoslovakia	4	105	Romania	17	132
Slovakia	1	156	Soviet Union	5	180
Yugoslavia	34	147	Latvia	1	183
Cambodia	27	206	Lithuania	5	184
Cuba	106	337	Ukraine	24	195
Ethiopia	19	417	Vietnam	119	242
Iran	43	212	**Total**	**533**	—

Source: Van Hook and Bean (2009)

Table 12. Means and Standard Deviations for Control and Select Explanatory Variables (SIPP)

	Mean		Mean	SD
Race/Ethnicity		Marital status		
Asian	0.03	Single	0.17	
Black	0.13	Married	0.58	
Hispanic	0.09	Seperated	0.04	
White	0.75	Divorced	0.18	
Mexican-origin (Hispanic only)	0.33	Widowed	0.04	
Educational attainment		Age	44.51	10.63
No high school degree	0.10	Household income[a] (log)	7.13	2.94
High school graduate	0.27	Number of children	0.86	1.17
Some college	0.35	Region of residence		
College graduate	0.19	Northeast	0.17	
Advanced degree	0.10	Midwest	0.26	
Age at migration (immigrant only)		South	0.37	
Adult	0.75	West	0.21	
Adolescent	0.11	Urban	0.77	
Child	0.15	Top 8 immigration state	0.30	
English language proficiency (immigrant only)		Refugee (immigrant only)		
Native speaker	0.35	Asian	0.16	
Very well	0.25	Black	0.06	
Well	0.15	Hispanic	0.07	
Not Well	0.20	White	0.16	
Not at all	0.05	Respondent in 2004 panel	0.58	

Note : SD signifies Standard Deviation. Age at migration values do not add to 1 due to rounding.

[a] US$2004 (in thousands).

Table 13. Control Variable Median Regression Estimates on Logged Net Worth (from Table 3, SIPP)

	Model 1		Model 2		Model 3	
English Language Proficiency[a]						
Very well	-0.003		-0.002		-0.002	
	(0.002)		(0.002)		(0.002)	
Well	-0.007	**	-0.008	**	-0.007	*
	(0.003)		(0.002)		(0.003)	
Not well	-0.010	***	-0.011	***	-0.010	***
	(0.002)		(0.002)		(0.003)	
Not at all	-0.012	***	-0.014	***	-0.014	***
	(0.003)		(0.003)		(0.003)	
Education[b]						
High school	0.010	***	0.010	***	0.010	***
	(0.001)		(0.001)		(0.001)	
Some college	0.018	***	0.018	***	0.018	***
	(0.001)		(0.001)		(0.001)	
College degree	0.050	***	0.051	***	0.051	***
	(0.002)		(0.002)		(0.002)	
Advanced degree	0.078	***	0.079	***	0.079	***
	(0.003)		(0.003)		(0.003)	
Household characteristics						
Female[c]	0.000		0.000		0.000	
	(0.001)		(0.001)		(0.001)	
Age[d]	0.003	***	0.003	***	0.003	***
	(0.000)		(0.000)		(0.000)	
Household income[e]	0.003	***	0.003	***	0.003	***
	(0.000)		(0.000)		(0.000)	
Number of children	0.002	***	0.002	***	0.002	***
	(0.000)		(0.000)		(0.000)	

continued

Table 13, continued

	Model 1		Model 2		Model 3	
Marital status[f]						
Married	0.025	***	0.025	***	0.025	***
	(0.001)		(0.001)		(0.001)	
Seperated	-0.008	***	-0.007	***	-0.008	***
	(0.002)		(0.002)		(0.002)	
Divorced	-0.013	***	-0.013	***	-0.013	***
	(0.001)		(0.001)		(0.001)	
Widowed	-0.007	**	-0.007	**	-0.007	**
	(0.002)		(0.003)		(0.002)	
Residence[g]						
Midwest	-0.005	***	-0.005	***	-0.005	***
	(0.001)		(0.001)		(0.001)	
South	-0.010	***	-0.010	***	-0.011	***
	(0.001)		(0.001)		(0.001)	
West	0.000		0.000		0.000	
	(0.001)		(0.001)		(0.002)	
Urban[h]	0.008	***	0.008	***	0.008	***
	(0.001)		(0.001)		(0.001)	
Top 8 immigration state[i]	-0.001		-0.001		-0.001	
	(0.001)		(0.001)		(0.001)	
2004 SIPP panel[j]	0.007	***	0.007	***	0.007	***
	(0.001)		(0.001)		(0.001)	
Intercept	7.340	***	7.340	***	7.340	***

* $p < .05$; ** $p < .01$; *** $p < .001$, two-tailed

Note: Standard errors in parentheses.

[a] Reference is native-speaker.

[b] Reference is no high school degree.

[c] Reference is male.

[d] Logged and adjusted to US$2004.

[e] Grand mean-centered.

[f] Reference is never married.

[g] Refernce is Northeast.

[h] Reference is rural.

[i] Reference is all other states.

[j] Reference is 2001 SIPP panel.

Appendix B: Supplementary Tables for Chapter 6 (NIS data)

Table 14. Census 4-digit (2003) Occupational Codes and Categories with Modal Educational Attainment for NIS Sample

4-digit Code	Occupational Category	N	Education[a]
10 - 430	Executive, administrative, and managerial	283	16
500 - 950	Management-related	118	18
1000 - 1240	Mathematical and computer scientists	439	16
1300 - 1530	Engineers, architects, and surveyors	104	18
1540 - 1560	Engineering and related technicians	13	17
1600 - 1760	Life and physical scientists	58	18
1800 - 1860	Social scientists and related workers	12	18
1900 - 1960	Life, physical, and social science technicians	8	16
2000 - 2060	Counselors; social and religious workers	81	16
2100 - 2150	Lawyers, judges, and legal support workers	11	16
2200 - 2340	Teachers	115	18
2400 - 2550	Education, training, and library workers	22	18
2600 - 2760	Entertainers and performers; sports and related workers	53	17
2800 - 2960	Media and communication workers	25	16
3000 - 3260	Health diagnosis and treating practitioners	193	16
3300 - 3650	Health care technical and support	193	12
3700 - 3950	Protective service	37	12
4000 - 4160	Food preparations and serving-related	523	12
4200 - 4250	Cleaning and building service	466	12
4300 - 4430	Entertainment attendants and related workers	12	12
4500 - 4650	Personal care and service workers	184	12
4700 - 4960	Sales and related workers	514	12
5000 - 5930	Office and administrative support workers	397	12
6000 - 6130	Farming, fishing, and forestry	62	6
6200 - 6940	Construction trades and extraction workers	337	12
7000 - 7620	Installation, maintenance, and repair workers	141	12
7700 - 7750	Production and operating workers	92	12
7800 - 7850	Food preparation	50	11
7900 - 8960	Setter, operators, and tenders	383	12
9000 - 9750	Transportation and material moving workers	346	12
	Unemployed	1336	12

[a] Modal value from New Immigrant Survey.

Table 15. Means and Standard Deviations for Control Variables (NIS)

	Mean		Mean	SD
Class of Admission		Years of U.S. residence	5.39	6.21
Employment preference	0.23	Years of U.S. residence (log)	0.57	1.78
Family preference	0.32	Employment Status		
Diversity lottery	0.19	Employed	0.74	
Refugee/asylee	0.07	Unemployed	0.23	
Student	0.10	On leave	0.01	
Legalization/other	0.09	Other	0.01	
English language proficiency		Age	36.83	10.90
Native speaker	0.05	Household income[a]	27,833	103,490
Very well/well	0.53	Household income[a] (log)	6.33	4.79
Not well/not at all	0.42	Female	0.44	
Remittances		Married	0.67	
None	0.81	Region of residence		
Less than $500	0.07	Northeast	0.33	
More than $500	0.12	Midwest	0.13	
Adjusted to LPR status	0.54	South	0.23	
		West	0.32	

[a] US$2003.

Note: SD signifies standard deviation.

Table 16. Median Regression Estimates of Control Variables Logged Net Worth (from Table 8, NIS)

	Additive Model			Multiplicative Model		
Class of Admission (ref=employment preference)						
Family preference	-0.006	***	(0.001)	-0.003	**	(0.001)
Diversity lottery	-0.008	***	(0.001)	-0.005	***	(0.001)
Refugee/asylee	-0.008	***	(0.001)	-0.005	***	(0.001)
Student	-0.007	***	(0.001)	-0.004	***	(0.001)
Legalization/other	-0.007	***	(0.001)	-0.004	***	(0.001)
English Language Proficiency (ref=not well/not at all)						
Native-speaker	0.002	**	(0.001)	0.002	**	(0.001)
Very well/well	0.001	**	(0.000)	0.001	*	(0.000)
U.S. Experience						
Adjusted to LPR status	0.001	***	(0.000)	0.001	***	(0.000)
Years of U.S. residency, logged[a]	0.000	*	(0.000)	0.000		(0.000)
Remittances (ref=none)						
Less than $500	0.000		(0.001)	0.000		(0.001)
More than $500	0.010	***	(0.002)	0.011	***	(0.003)
Employment Status (ref=employed)						
Unemployed	0.001	**	(0.000)	0.001	**	(0.000)
On leave	-0.002		(0.001)	-0.002	*	(0.001)
Other	0.001		(0.001)	0.002		(0.001)
Age[a]	0.000	**	(0.000)	0.000	**	(0.000)
Age, squared[a]	0.000	**	(0.000)	0.000	**	(0.000)
Female	-0.001	*	(0.000)	-0.001	**	(0.000)
Married	0.001	***	(0.000)	0.001	***	(0.000)
Income, logged[a]	0.001	***	(0.000)	0.001	***	(0.000)
Region of Residence (ref=Northeast)						
Midwest	0.002	*	(0.001)	0.002	**	(0.001)
South	0.001		(0.000)	0.001		(0.000)
West	0.001	***	(0.000)	0.001	**	(0.000)
Intercept	6.909	***		6.898	***	

* $p < .05$; ** $p < .01$; *** $p < .001$, two-tailed

[a] Grand-mean centered.

Note: Standard errors in parentheses.

Table 17. Median Regression Estimates of Control Variables by Race/Ethnicity on Logged Net Worth (from Table 9, NIS)

	Asian		Black		Latino		White	
Class of Admission (ref=employment preference)								
Family preference	-0.001		-0.003		-0.007		-0.044	***
	(0.002)		(0.009)		(0.005)		(0.010)	
Diversity lottery	-0.003	*	-0.003		-0.013	*	-0.050	***
	(0.002)		(0.008)		(0.005)		(0.010)	
Refugee/asylee	-0.004	*	-0.007		-0.008		-0.059	***
	(0.002)		(0.009)		(0.005)		(0.010)	
Student	-0.003	*	-0.003		-0.007		-0.051	***
	(0.002)		(0.009)		(0.005)		(0.010)	
Legalization/other	-0.003		0.018		-0.006		-0.055	**
	(0.049)		(0.050)		(0.005)		(0.018)	
English Language Proficiency (ref=not well/not at all)								
Native-speaker	0.001		0.000		0.002		0.025	
	(0.002)		(0.001)		(0.002)		(0.018)	
Very well/well	0.000		0.000		0.004	*	0.002	
	(0.001)		(0.001)		(0.002)		(0.002)	
U.S. Experience								
Adjusted to LPR status	0.002		0.004	*	0.001		0.012	**
	(0.001)		(0.002)		(0.002)		(0.004)	
Years of U.S. residency, logged[a]	0.000		0.000		0.001		0.000	
	(0.000)		(0.000)		(0.000)		(0.001)	
Remittances (ref=none)								
Less than $500	0.001		0.002		0.001		-0.004	
	(0.002)		(0.002)		(0.003)		(0.006)	
More than $500	0.011		0.015	**	0.019		0.029	
	(0.006)		(0.006)		(0.010)		(0.017)	
Employment Status (ref=employed)								
Unemployed	0.002	**	0.000		0.001		0.002	
	(0.001)		(0.001)		(0.001)		(0.003)	
On leave	-0.001		0.000		-0.006		-0.007	
	(0.003)		(0.020)		(0.007)		(0.008)	
Other	0.002		0.000		0.005		0.010	
	(0.002)		(0.002)		(0.026)		(0.049)	

continued

Table 17, continued

	Asian		Black	Latino		White	
Age[a]	0.000	***	0.000	0.000		0.002	**
	(0.000)		(0.000)	(0.000)		(0.001)	
Age, squared[a]	0.000	***	—	—		0.000	**
	(0.000)					(0.000)	
Female	0.000		0.000	-0.001		-0.005	*
	(0.001)		(0.001)	(0.001)		(0.002)	
Married	0.000		0.000	0.005	***	0.003	
	(0.001)		(0.001)	(0.001)		(0.002)	
Income, logged[a]	0.001	***	0.000	0.002	***	0.002	***
	(0.000)		(0.000)	(0.000)		(0.000)	
Region of Residence (ref=Northeast)							
Midwest	0.003		0.000	0.035	*	0.007	**
	(0.002)		(0.001)	(0.015)		(0.002)	
South	0.001		0.000	0.001		0.004	
	(0.001)		(0.001)	(0.002)		(0.004)	
West	0.001		0.000	0.002		0.004	
	(0.001)		(0.002)	(0.002)		(0.004)	
Intercept	6.908		5.609	5.921		6.274	

* $p < .05$; ** $p < .01$; *** $p < .001$, two-tailed

[a] Group-mean centered.

Note: Standard errors in parentheses.