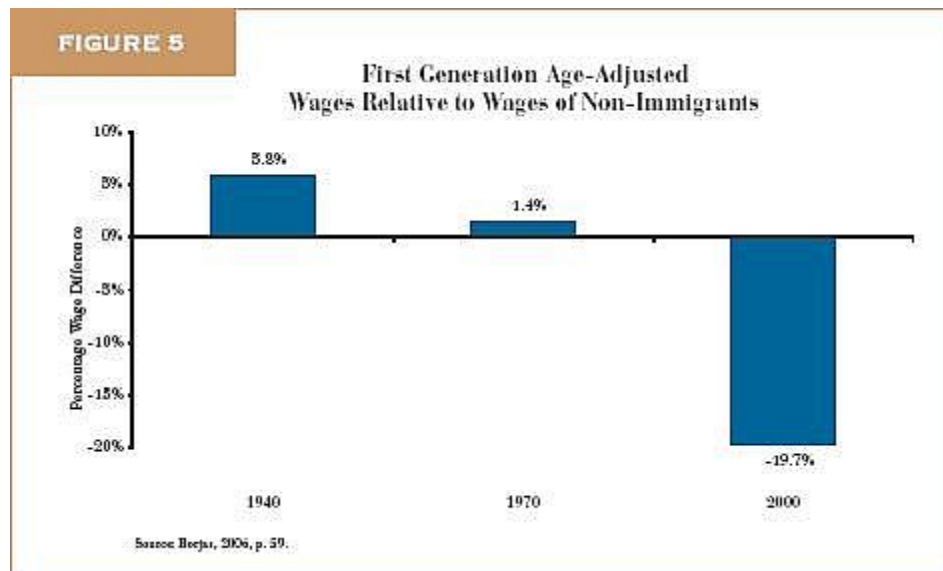


## Immigrants and Their Kids Are Losing Ground Economically

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Immigrants and their children are losing ground economically to native-born workers, contributing to increasing income inequality in the U.S., a study backed by liberal and conservative think tanks found.

The study could add to tensions over immigration, especially within the Democratic Party which has backed more liberal immigration rules this year but is also worried about increased inequality.



Source: Economic Mobility Project

Advocates often argue that immigration boosts the dynamism and mobility of the American population as the children of immigrants overcome their parents' economic disadvantages and rapidly assimilate. The new analysis finds that poor immigrants' children do earn more than their parents. But their parents are starting at a far larger disadvantage than before relative to "nonimmigrants" — Americans who are neither immigrants nor children of immigrants. Thus, even if immigrants' children continue to make strides relative to their parents, that may no longer be enough to catch up to the earnings of nonimmigrants.

If these patterns continue, it is likely that in 2030 the children of today's immigrants "will earn substantially less than nonimmigrants... Economic hardship may persist beyond the first generation and assimilation into American society may become more difficult," says the study, whose principal author is Ron Haskins, a scholar at the Brookings Institution.

“It seems likely that immigrants are contributing to widening income inequality in the United States,” he adds.

The study is part of the Economic Mobility Project, spearheaded by the Pew Charitable Trusts. Contributing think tanks include the liberal Brookings and Urban Institute and the conservative American Enterprise Institute and Heritage Foundation. The latest study, like others in the project, draws heavily on the work of other scholars, often on opposing sides, in an attempt to establish common ground issues of income inequality and mobility. For example, it notes opposing views on whether low-wage immigrants depress the incomes of low-skilled native-born workers, but doesn't take a stand.

The increased inequality the study foresees is largely an arithmetic consequence of two facts: immigrants today have much lower wages than native-born Americans; and immigrants and their children are a growing share of the population.

In 1940, the study says, the average first-generation immigrant earned 6% more than a nonimmigrant American of the same age. By 2000, he earned 20% less. The study attributes that to the low average level of education of today's immigrants. While the educational attainment of immigrants today is roughly the same as in the 1960s, the educational attainment of non-immigrant Americans has advanced. Moreover, the pay gap between less educated workers and college graduates has grown, so immigrants are entering the labor force at a greater disadvantage than in the past.

In 2004, 21% of immigrants had less than ninth grade education, compared to 4% of nonimmigrant Americans. That in turn reflects the geographic makeup of today's immigrants: the share of immigrants from Europe and Canada has fallen from half to under 20% while the share from Asia, Latin America and Caribbean countries has risen from about half to three-quarters. Immigrants from Latin America and the Caribbean are “poorly educated, largely unskilled and earn low wages when they enter the U.S.”

Mr. Haskins notes that just because immigrants contribute to inequality doesn't necessarily mean they consider themselves worse off, since they typically earn far more in the U.S. than in their native country. However, he said in an interview that the perception of their children might be different. “Things change quickly as people acculturate to America, and ... start to compare themselves to Americans. If they perceive themselves not to make the same progress and opportunity, which in many cases includes material goods, that's a problem.” –*Greg Ip*