COST OF BEING A MEXICAN IMMIGRANT AND BEING A MEXICAN NON-CITIZEN IN CALIFORNIA AND TEXAS

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ABSTRACT

We examine hourly wage differences across different groups of Mexican-origin workers. First, we assess the cost of foreign-born status by comparing the hourly wages of Mexican immigrant workers with those of native-born Mexican American workers. Second, we assess the cost of non-citizenship status by comparing the hourly wages of non-citizens with those of Mexican-born naturalized citizens. We also seek to determine if these costs are greater in California than in Texas. Data from the 2000 5% PUMS are used to conduct the analysis. The results from multiple linear regression analyses reveal that being an immigrant, particularly a non-citizen immigrant, is associated with lower hourly wages, especially in California. Thus, Mexican-origin workers, especially those in California, bear dual costs for being foreign-born and not being naturalized citizens. Furthermore, our focus on length of U.S. residence reveals that the cost associated with a foreign-born status is greater for those who arrived after 1980, especially in California.

INTRODUCTION

Due to its major growth, the Mexican-origin population has attracted much attention in labor market research (Chiswick, 1986). However, much of this research has been based on Mexican-Anglo comparisons (e.g., Bean et al., 1987; Borjas, 1983-1984, 1990, 1999; Borjas ed., 2000; Borjas and Freeman ed., 1992; Borjas and Tienda, 1987; Chiswick, 1978; Frienberg and Hunt, 1995; Huddle, 1993; Kritz and Nogle, 1994; Marshall, 1984, 1987; Melendez et al., 1991; Simon et al., 1993; Talyor et al., 1988; Winegarden and Khor, 1991; Wright et al., 1997). Yet, this research approach is based on the aggregation of the entire Mexican-origin population, suggesting that the group is homogeneous.

For the comprehensive examination of the heterogeneity of Mexican-origin workers, this study focuses on internal hourly wage differences within this group. Among a number of human capital attributes, we focus on nativity status (native- and foreign-born) and immigrants' possession of U.S. citizenship (foreign-born with citizenship and non-citizen foreign-born status) as two core factors. Specifically, this study focuses on the cost of being an immigrant (the hourly wage differences between the native-born and the foreign-born) and the cost of being an immigrant without U.S. citizenship (the wage differences between naturalized immigrants and non-naturalized immigrants).

Demographic trends point to the increasing importance of Mexican immigrants in research on labor markets, especially those involving workers of Mexican origin. Indeed, among persons of Mexican origin, the foreign-born (96%) increased nearly three times faster than did the native-born (36%) between 1990 and 2000 (Saenz, 2004). Consequently, the share of the foreign-born in the Mexican-origin population rose from 36 percent in 1990 to 40 percent in 2000 (Saenz, 2004).

Furthermore, foreign-born Mexicans have a significant attachment to the U.S. labor force. For instance, 71.4 percent of foreign-born males were in the labor force in 2000. However, they are especially likely to be in certain segments of the labor market. About 65% of the Mexican immigrant workers were employed in specific industrial niches, such as construction, farming, repair and maintenance, and manufacturing industries (Saenz, 2004). The word "Latinoization of the U.S." denotes the disproportionate presence of Mexicans and other Latinos in selected occupations and industries. The waves of Mexican immigrants also include a small but steady increasing portion that have specialized skills (Alarcon, 1999; Castells, 1996; Clark, 1998; Keely, 1974; Kritz, 1987; Martin, 2000; Roberts et al., 1999; Saxenian, 1996).

The majority of Mexican immigrants has historically been concentrated in the Southwest (Bean and Tienda, 1987; Durand et al., 2000), especially in California and Texas (Bustamante, 1997; Jargowsky, 1997; Massey, 1996; McCall, 2000a; Portes and Bach, 1980; Saenz, 1991; Stolzenberg, 1990). In these two primary destination states, large Spanish-speaking communities are well established (e.g., El Paso, Houston and San Antonio, TX and Los Angeles, San Francisco, San Ysidro and San Diego, CA) (Johnson and Oliver, 1992). Because of this large concentration, Clark (1998) points out that Los Angeles and Dallas have higher poverty rates for all immigrants than the U.S. as a whole. Kandel and Cromartie (2003) report that in the majority of southwestern counties, Latinos make up over 10 percent of the total population and continues to grow through a combination of high natural increase and net immigration.

Although both California and Texas continue to attract the majority of Mexican immigrants, these persons have encountered hasher treatment in California at least over the last decade. The Immigration Reform and Control Acr (IRCA) of 1986 caused an expansion of the labor supply in the state; while the law was not particularly successful in reducing Mexican

illegal migration to the U.S., about 2.3 million newly legalized Mexicans entered local labor markets (Durand et al., 2000). Due to a fear triggered by the massive growth of the immigrant population, mainly low-skilled undocumented Mexicans, California passed a series of anti-immigrant laws such as Proposition 198, 209, and 227 during the 1990s.

The passage of these welfare reform policies also represents social hostility that induced unfavorable treatment toward Mexican-origin workers in particular. The fiscal imperatives have directed their attention to Mexican migrant workers by unreasonably blaming them as "undeserving poor," because of their "culture of dependency," suggesting that they migrate to the U.S. to draw societal resources (Kurthen, 1997). Furthermore, as can be seen in Los Angeles riots of 1992, high population concentration of immigrants, especially undocumented immigrants, generated social unrest among the native-born who worried about rising crime rates (Sanchez, 1997).

It is likely that these harsh political and social contexts in California are translated to worse labor market outcomes for Mexican immigrants in California than in Texas. First, employer sanctions by IRCA and sentiments toward Mexicans have induced general discrimination against Mexican-origin workers in general (Davila et al., 1998). Second, after IRCA, Mexican immigrants faced wage penalties based on the absence of legal status (Donato and Massey, 1993; Philip and Massey, 1999; Sorensen and Bean, 1994). As greater concentration of immigrants is associated with lower hourly wage (Borjas, 1987, 1994, 1995; Tienda and Lii, 1987; Topel, 1994), hourly wages are expected to be lower in California than in Texas, all else equal.

The literature on anti-immigrant sentiments and laws in California remind us of the importance of considering not only nativity status and legal status of immigrants, but also non-

economic factors (e.g., social and political contexts) for a comprehensive analysis of the labor market position of Mexicans. Therefore, to closely examine the state and local labor market characteristics, this study focuses on the hourly wage differences between California and Texas, instead of examining much broader social and economic contexts, such as comparing different standard Census regions (e.g., Midwest and West) and examining the entire country. We regard the word "labor market" as geographic areas beyond occupational and industrial categories to examine the impact of regional differences on wage.

Associated with the major factors mentioned above, another central element of the analysis is immigrants' length of U.S. residence. The literature suggests important links between the social and economic outcomes of immigrants and their temporal presence in this country. This focus gives the analyses of the costs associated with foreign-born status and a lack of U.S. citizenship a time dimension in considering variations across California and Texas with respect to the timing and volume of Mexican immigrants.

The data are drawn from the 2000 5% Public Use Microdata Sample (PUMS). This study examines geographic differences in state-specific labor market contexts that are major determinants of wage (see Semyonov, 1988), comparing separate models of the two largest concentration states of Mexicans: California and Texas.

LITERATURE REVIEW, THEORETICAL PERSPECTIVES AND HYPOTHESES

As we stated above, much of the research on wage differences has been based on Mexican-Anglo comparisons. This research approach derives from labor market theories, which suggest that ethnic minorities (especially those with limited skills and limited English ability) separately exist from Anglos in the major labor market. In this section, we first introduce the

dual labor market theory and ethnic enclave economy, and point out that they do not sufficiently look at both social contexts (e.g., regional differences) and individual differences (particularly native-/foreign-born status). Second, we introduce literatures on anti-immigrant policies and sentiments in California during the last decades, to illustrate the fact that different groups of Mexican-origin workers faced variances in wage during the period. Third, immigrants' length of U.S. residence and their population distributions in California and Texas are discussed. Fourth, major individual-level attributes for economic attainment are introduced according to the human capital perspective. Based on the literature review, the second part of this section states theoretical perspectives for the analysis, and a series of hypotheses are presented.

LITERATURE REVIEW

1. Theories of Ethnic Labor Markets

Theories of ethnic labor markets emphasize economic structure associated with labor markets over human capital attributes in determining wage (Cornelius, 1981; Kalleberg and Sorensen, 1979; Portes and Bach, 1985; Portes and Truelove, 1987; Reed, 2001; Sakamoto and Chen, 1991). A major prediction of the dual labor market theory (e.g., Bustamante, 1976; Edwards et al., 1975; Espenshade, 1995; Gordon, 1972; Kossoudji, 1989; Massey and Espinosa, 1997; Massey et al., 1993; Piore, 1979; Portes, 1981; Portes and Bach, 1980) is that racial minorities and immigrants are disproportionately found in low-wage and unstable occupations identified with the secondary labor markets.[1] Guided by the dual-system explanation of the U.S. labor market, past empirical studies have a strong tendency to aggregate the Mexican-origin workers with different backgrounds as homogeneous, emphasizing their economic subordination in comparison to Anglos.

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[1] For Mexican immigrants' cases, see Bustamante (1976) and Portes and Bach (1980).

The ethnic enclave economy (e.g., the barrios of East Los Angeles, Borjas, 1999) states that immigrant and ethnic employees can earn higher human-capital adjusted economic returns as well as a range of non-monetary rewards (e.g., prospects of upward socioeconomic mobility) *within* mono-ethnic segmented labor markets (e.g., Bayer, 1968; Bonacich, 1972, 1973; Espenshade and King, 1994; Kossoudji, 1989; Massey, 2001; Model, 1992; Nee and Sanders, 1987; Portes and Jensen, 1989, 1992; Sanders and Nee, 1987, 1992; Wilson and Martin, 1982; Zhou and Logan, 1989). For instance, a number of research report the relative strength of Mexican social networks for their employment to those of other minority groups (e.g., Bailey and Waldinger, 1991; Donato et al., 1992a; Enchautegui, 1998; Gurak and Caces, 1992; Holzer, 1998; Neuman and Massey, 1994; Roberts et al., 1999).

However, these two theoretical approaches are questionable in terms of their functions. Researchers claim that the potential benefits of the enclave effect from participation are ambiguous because they do not consider their relations to the major labor market, and those who work in the general sector of the local economy are ignored (Massey et al., 1994; Reitz et al., 1981, cited in Roos and Hennessy, 1987; Tienda and Lii, 1987; Waldinger, 1986). Portes and Zhou (1993) concern segmented assimilation (see Waters, 1999) offered by such enclaves because they typically lead to permanent subordination and disadvantage of minority workers.[2]

Issues of labor market perspectives can also be found in their concepts. In their *The Latin Journey*, Portes and Bach (1985) assert that there is no enclave economy for Mexican immigrants; instead they take their chances as low wage labor in the open economy. Borjas (1999), on the contrary, claims the existence of Mexican ethnic enclaves with his empirical findings. Wilson and Portes (1980) explain that the development of enclaves requires two

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[2] Featherman and Hauser (1978) point out that their slow structural assimilation of Mexican Americans is a surprising deviation from the general pattern of other national groups.

conditions: first, the presence of immigrants with sufficient capital and initial entrepreneurial skills, and second, the renewal of the enclave labor force through a steady stream of new arrivals (also see Massey, 2001).[3] The continuing influx of newcomers (Lien, 1994) due to the interconnectedness of the U.S. and Mexican economies (Massey and Espinosa, 1997) explains the latter point. However, as the immigrant segment has relatively low social capital (Bean and Stevens, 2003; Cohen, 1989; Madhavan, 1985; Morales and Ong, 1993; Saenz, 1999; Tienda, 2002), the former point would be questionable regarding the Mexican case.

More specifically, ethnic labor market perspectives often ignore the following two important factors. First, these perspectives do not much highlight the differences between native-born and foreign-born in their ethnic communities. Rather, labor market studies of Latinos/as focus on their collectivity, assuming that native-born and foreign-born are connected in some way. Second, these perspectives do not necessarily consider the effect of broad social contexts (e.g., regional differences) on wages encompassing different types of labor markets (see Zucker and Rosenstein, 1981). Instead, their empirical evidence is limited to minority labor market concentration in metropolitan areas and specific occupations, assuming that their status attainment is low.

Thus, much research has been conducted within a relatively limited scope of empirical questions, which inhibit the capturing of a large portrait of the diversity of the Mexican labor force. Accordingly, within-group wage differences between native- and foreign-born Mexican-origin workers have not yet been comprehensively analyzed (Bean et al., 1988; Bradshaw and Frisbie, 1983; Saenz, 2004; Semyonov, 1988).

As Light et al. (1994: 77) note, concepts of the ethnic enclave economy have been constantly modified:

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[3] For further discussions of the ethnic enclave economy, see Bailey and Waldinger (1991) and Logan et al. (1994).

The concept of ethnic enclave economy requires a territorially-clustered business core. This restriction touched off debate about whether enclave membership should be defined by place of residence or place of work. The clustering debate overlooks the numerous ethnic firms that locate outside a core. Moreover, the restriction of clustering in a core is often unnecessary because many ethnic economies lack such a core.

In sum, the main point to be noted here is not the ongoing discussions of concepts and definitions themselves, but the fact that these two theoretical approaches of ethnic labor markets have given researchers a common viewpoint concerning how labor market structures keep Mexicans (and other minority groups as well) at a competitive disadvantage in the U.S. economy, by comparing to Anglos.

2. Regional Differences between California and Texas

Kalleberg and Sorensen (1979) argue that "labor markets" can be used to denote geographic areas instead of occupational and industrial groups. Indeed, the description of the literature on the impact of regional differences on wage reminds us of the importance of considering the state and local labor market characteristics where people reside. This perspective enables us to better understand the different labor market situations of Mexican-origin workers because such perspective also takes into account non-economic factors (e.g., social issues and politics) that often influence economic outcomes of minority workers.

To closely examine the state and local labor market characteristics, this study focuses on hourly wage deterioration in California in contract to Texas. In spite of the fact that both states continue to attract the majority of Mexican immigrants (Bean and Tienda, 1987; Bustamante, 1997; Clark, 1998; Durand et al., 2000; Jargowsky, 1997; Johnson and Oliver, 1992; Kandel and Cromartie, 2003; Massey, 1996; McCall, 2000a; Portes and Bach, 1980; Saenz, 1991; Stolzenberg, 1990), it is likely that anti-immigrant policies and sentiments in California during

the past decades illustrate the fact that different groups of Mexican-origin workers faced

variances in wage, and that those in California have experienced much more severe labor market

positions than those in Texas.

Anti-Immigrant Policies and Sentiments

The Immigration Reform and Control Act (IRCA) of 1986 is a law that directly affected

the economic situations of different groups of Mexican-origin workers (see Baker, 1997; Davila

et al., 1998; Donato and Massey, 1993).[4] IRCA for the first time made it illegal for employers to

knowingly hire undocumented workers, imposing both civil and criminal penalties against those

who did (Durand et al., 2000). In 1996, Congress passed and President Clinton signed both the

Illegal Immigration Reform and Immigrant Responsibility Act and the Personal Responsibility

and Work Opportunity Reconciliation Act (PRWORA) to deny federal welfare benefits to

noncitizens (legal as well as illegal immigrants) (see Espenshade et al., 1997; Fragomen, 1997;

Kurthen, 1997; Lofstrom and Bean, 2000). Although they are federal laws, their socioeconomic

impacts toward Mexicans appear to be stronger in the Southwest, considering their heavy

population concentration in this region.

Although IRCA was intended to reduce the number of undocumented migrants, the

literature points out that it affected the entire Mexican-origin workers in the following ways.

First, as a result of IRCA's special legalization program, about 2.3 million Mexicans acquired

legal documents, which resulted in a surplus of labor (Donato et al., 1992a; Durand et al., 2000;

Philip and Massey, 1999; Valdes, 1995). Second, research suggests that IRCA was not

particularly successful in reducing Mexican illegal migration to the United States (Baker, 1997;

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[4] Philip and Massey (1999) explain that IRCA sought to control undocumented immigration from Mexico by (1) sanction against employers who knowingly hired undocumented migrants; (2) additional resources for the U.S. border patrol; and (3) authorizing an amnesty for undocumented migrants who could prove continuous residence in the United States after January 1, 1982.

Donato and Massey, 1993; Donato et al., 1992b); most employers mainly continued to hire

undocumented migrants and lowered their wages (an increase in subcontracting arrangements).[5]

Third, and most important, employer sanctions have induced general discrimination against

undocumented-appearing Mexican-origin workers in general, particularly Mexican Americans

(Davila et al., 1998). This is in line with Tienda (1983), when she says that market conditions

and public views about the acceptability of immigrant labor influence immigrant workers' labor

market outcomes beyond individual nativity differences.

Since 1986, many studies have examined IRCA's effects on the economic outcomes of

Mexican-origin workers, mostly the immigrant population (Davila et al., 1998; Philip and

Massey, 1999; Sorensen and Bean, 1994). Such research has indicated that IRCA resulted in

wage penalties against undocumented status (Davila et al., 1998; Donato and Massey, 1993;

Donato et al., 1992a; Philip and Massey, 1999).[6] Moreover, IRCA has adversely affected the

wages of legal immigrants (Philip and Massey, 1999; Sorensen and Bean, 1994).

In the post-IRCA period, the effect of human capital (e.g., occupation and the duration of

trips to the U.S.) fell in determining wages of both legal and undocumented migrants (Philip and

Massey, 1999), and the primary determinant of wage rates is legal status (Donato and Massey,

1993). More specifically, Massey (1987) found that before IRCA, legal status had no effect on

wage rates among Mexican migrants once selectivity and background differences between

documented and undocumented migrants were controlled. Among both legal and undocumented

migrants, wage rates tended to increase with rising age, education, labor force experience, U.S.

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[5] Although the number arrested by the Immigration and Naturalization Service (INS) declined between 1986 and 1989, it surpassed pre-IRCA figures in 1990 (Williams, 1991; cited in Valdes, 1995).
[6] After IRCA, undocumented migrants working in the nonagricultural sector earned wages that were 22% lower than those earned by documented migrants with similar characteristics, and those working in the agricultural sector earned an additional 33% less (Philip and Massey, 1999).

migrant experience, and length of stay, and they were higher for urban origin migrants and nonagricultural workers (Massey, 1987).

As greater concentration of immigrants is associated with lower hourly wage (Borjas, 1987, 1994, 1995; Tienda and Lii, 1987; Topel, 1994), hourly wages are expected to be lower in California than in Texas. In other words, although IRCA is a federal law, Mexican immigrant workers in California might have faced more disadvantaged labor market conditions than those in Texas, as a result of their high population concentration in the state. Indeed, California initiatives such as Proposition 187, 209 and 227[7] are exactly the reactions against the fear and social cost triggered by the massive influx of immigrant population, mainly low-skilled undocumented Mexicans (Kurthen, 1997; Martin, 1995; Tolbert and Hero, 1996).

The passage of these welfare reform policies also represents social hostility that induced unfavorable economic situations of Mexican immigrant workers.[8] Governor Wilson notes, "the U.S. Border Patrol has a "mission impossible" task trying to keep people from entering the United States illegally, but the federal government guarantees services and benefits "to everyone who succeeds in evading the Border Patrol"" (Martin, 1995: 260). The fiscal imperatives have directed their attention to Mexican migrant workers by unreasonably blaming them as the "undeserving poor," because of their "culture of dependency" (Kurthen, 1997). Moreover, as can be seen in the Los Angeles riots of 1992, a number of newcomers caused a social unrest worrying about rising crime rates (Sanchez, 1997).

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[7] Proposition 187 in 1994 blocked the access of illegal immigrants to public education (from kindergarten through university), welfare, and non-emergency health care services. Proposition 209 in 1996 eliminated affirmative action programs. Proposition 227 in 1998 officially abolished bilingual education programs in public schools, as public education is the most costly service used by illegal aliens in California (Martin, 1995). For detailed explanations of these propositions, see Purcell (1997) and Tolbert and Hero (1996).

[8] Borjas (1999) argues that more recent immigrant waves are also more likely to use welfare than earlier waves. Borjas (1999: 12) notes, for example, that "a comprehensive study by the National Academy of Sciences concluded that immigration raised the annual taxes of the typical native household in California by about $1,200 a year."

Compared to California, Mexican immigrants in Texas had played an important role in the labor market much earlier period, peaked when the bracero program between 1942 and 1964 legally provided for Mexican workers to serve in the U.S. industry and agriculture (Sandos and Cross, 1983). The migration flow from Mexico was traced to institutional changes deriving from economic development in Mexico, especially to Mexican governmental policies fostering private agricultural development and discouraging peasant agriculture (Jenkins, 1977; cited in Valdes, 1995).

Although the rapid mechanization of the cotton harvest in the late 1950s and early 1960s caused disinterest in Mexican labor supply (Valdes, 1995), in the 1960s agricultural growers were compelled to seek a different group of workers. The most readily available were U.S. naturalized Mexican Americans. Farm workers in Texas were employed mostly in the region's onion harvest and in lettuce, cotton, and the rapidly expanding chili pepper industry (Valdes, 1995).

Despite these relatively stable agricultural demands, Mexican-origin workers in Texas faced a severe internal labor market competition based on nativity status and legal status. Since WWII the struggle over the legal status of farm workers has been an important factor in labor organizing efforts in the Southwest. Workers' distinct legal statuses as U.S. citizens, braceros, legal resident aliens, and undocumented residents have separated them and limited their opportunities to organize labor unions (Valdes, 1995). Mexican Americans had a higher legal status than either contract braceros or undocumented workers and a stronger negotiating position with employers (Valdes, 1995).

IRCA caused deterioration of wages and working conditions in Texas as well (Valdes, 1995). The IRCA had a contradictory effect on the legal status and organizing efforts of farm

workers (Valdes, 1995). Undocumented workers soon became the dominant group in Texas agriculture (Valdes, 1995), and increasing the number of undocumented Mexican farm workers in the U.S., displacing amnestied workers and intensifying the struggle over legal status (Valdes, 1995).

These literatures remind us of the importance of considering not only nativity status and legal status of immigrants, but also non-economic factors (e.g., social and political contexts) for a comprehensive analysis of the different labor market positions of Mexicans.

3. Length of U.S. Residence

The literature on immigrant policies suggests important social and economic destination of immigrants with respect to the period in which immigrants come to the U.S. In turn, length of time in the U.S. diminishes cultural and socioeconomic differences between natives and immigrants, and thereby promotes their overall integration into the society and economy (Tienda, 1983). Thus, in addition to the costs associated with foreign-born status and the lack of naturalized status, the time when a Mexican worker came to the U.S. have to be taken into account. This section first overviews population distributions of Mexican-origin workers in California and Texas. Second, recent changes in economic and industrial structures are shortly discussed to explain shifts in population distributions in the two states. Frequency distributions of the foreign-born population (citizens by naturalization and non-U.S. citizens) are presented in Table 1.

First, California has a much larger foreign-born share both in U.S. naturalized citizens and non-citizens than Texas. In California, foreign-born Mexican immigrants outnumber native-born Mexican Americans, while there is an opposite trend in Texas. Second, as Dominguez and Fernandez de Castro (2001) note, California contains many more recent immigrants who arrived

after 1980 (naturalized citizens as well as non-citizens) than Texas. Although the number of foreign-born who arrived between 1990 and 2000 decreased compared to the previous period, the number itself is still much larger than that of Texas.

As the literature shows, those who arrived California after 1980, especially non-citizens, might have faced deterioration of wages due to labor market competition caused by the large concentration of immigrants. At the same time, a steady growing concentration of immigrants in Texas after 1980 appears to represent those who avoided severe labor market conditions in California.

Regarding the non-U.S. citizen segment, although California contains a much larger number than Texas, the proportions of non-citizens in California remain same during the two periods of 1980-1989 and 1990-2000. Instead, many more non-citizens are found in Texas during the period of 1990-2000 compared to 1980-1989.

In addition to the anti-immigrant policies and hostilities, these population shifts appear to be motivated by a combination of broad restructuring in California (a decline in effective labor demand) and rural industrialization in Texas. California experienced a severe economic recession as a result of cutbacks in defense industries stemming from the end of the Cold War (Durand et al., 2000). During the early 1990s, California faced declining net wages for immigrants, a severe recession and high unemployment, and greater wage competition triggered by a flood of newly legalized immigrants entering local labor markets (Durand et al., 2000). Although Los Angeles continues to dominate as a pole of attraction for Mexican immigrants,[9] its importance appears to be slipping and newer metropolitan areas are coming to the fore (Durand et al., 2000). As a result of labor market saturation and weak economies in traditional urban destinations, such as Los

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[9] Wallace (1986) finds the existence of large and well-established Mexican communities and extensive family networks in California.

Angeles, some Mexicans are encouraged to seek employment and corporate recruitment in other states (Krissman, 2000; Suro and Singer, 2002). At the same time, Mexico entered a profound economic crisis in December 1994, when a bungled peso devaluation led to a recession. As new migrants entered the binational labor market, they naturally sought to avoid the difficult and radically changed circumstances in California (Durand et al., 2000).

The industrial restructuring resulted in two major changes in the structure of economic opportunities. First, workers in the U.S. have faced great variation in wages, or polarization of wages from middle-wage to low- or high-wage jobs (Bean and Stevens, 2003; Levy and Murnane, 1992; McCall, 2000a). A large portion of this earning inequality has actually occurred within different racial and ethnic groups (e.g., within Mexicans), which is becoming as serious as inequality between non-Hispanic whites and minorities (McCall, 2000a, 2000b; Melendez et al. eds., 1991; Wilson, 1987). Persons of Mexican origin are not an exception of these economic trends. Greater degrees of social and economic differentiation within this group are reported (Saenz and Torres, 2003).

Second, the restructuring caused labor market insecurity, such as the growth of alternative work arrangements (e.g., greater reliance on part-time, part-year and temporary work, independent contracting, and informal self-employment) (see Blau and Kahn, 1996; Hamnett, 1994; Massey, 1999; Morales and Ong, 1993; Waldinger, 1989) and the decline in the value of the minimum wage and the decrease in the strength of unions (Reed, 2001). This new form of economic structure has a significant impact on immigrants as well. Borjas (1999) reports that wages of immigrants lagged far behind by the 1990s, compared to the 1960s when immigrant workers, on average, earned more than native workers. His arguments suggest a serious wage

gap among recent Mexican immigrants due to different educational levels and occupational skills.

4. Human Capital Theory

Unlike the structural explanations of the labor market segmentation, there are various empirical findings that demonstrate the socioeconomic diversity of the Mexican-origin population (e.g., Borjas, 1983-1984; Enchautegui, 1998). Chavez (1991) reports that U.S.-born English-speaking Mexicans have enjoyed rapid progress over the last several decades, and are approaching the labor market status of non-Hispanic whites. On the contrary, Chapa (1990) sees little evidence that Mexican Americans are making steady progress toward economic parity with Anglos. These two distinct judgments seem to reflect the diversity of the contemporary Mexican-origin population in this country.

One of the most comprehensive analyses of wage and individual-level factors is seen in the work of Trejo (1997). Using the November 1979 and 1989 Current Population Survey (CPS), Trejo concludes that Mexican American men aged 18-61 earned significantly lower hourly wages compared to non-Hispanic whites. According to Trejo, more than three-quarters of the Mexican-non-Hispanic white wage gap is attributed to group differences in levels of human capital (relative youth age structure, English language deficiencies, and especially low levels of educational attainment) among Mexicans. As Borjas (1983-1984) also notes, the wage difference between Hispanics and non-Hispanic whites is generally due to differences in observable skill characteristics.

The individual-level determinants of wage difference are explained by the human capital perspective (Becker, 1962, 1975; Borjas, 1983; Cain, 1975; Espenshade, 1995; Kossoudji, 1989; Lee, 1966; Massey, 1987; Mincer, 1970; Schultz, 1961; Tickamyer and Bokemeier, 1992). In the

following section we briefly introduce selected human capital variables that are included in the multiple regression analyses.

Immigrant Status

Past research shows that for individuals, immigrant status or being an immigrant is a key factor affecting their economic attainment (Chiswick, 1978; Cohen, 1989; Enchautegui, 1998; Heer, 1990; Madhavan, 1985; Meisenheimer, 1992; Schoeni, 1998; Sehgal, 1985). In fact, Mexican immigrants in the United States, whether legal or undocumented, tend to have low level of earnings compared to U.S.-born Mexican Americans (Chiswick, 1986; Saenz, 2004). Moreover, legal status (e.g., citizenship and naturalization status) well reflects immigrants' labor market values. Thus, the rate at which an immigrant group acquires citizenship is important (Portes and Mozo, 1985). However, 2000 5% PUMS shows that only 22.5% of Mexican immigrants are naturalized, compared to 30.2% of other immigrants from Latin America. Considering the Mexican's low naturalization rate, immigrants appear to face more disadvantages than native-born workers.[10] Another major reason accounting for immigrants' disadvantageous position is that human capital acquired outside the United States is imperfectly remunerated in the U.S. labor market (Borjas, 1999, Chapter 3; Chiswick, 1978; Chiswick et al., 1997; Massey and Espinosa, 1997; Smith, 1984).

The disadvantage of being an immigrant differs in length of stay in the U.S. In the short run, immigrants earn significantly less than native-born workers (Kossoudji, 1989). In all industrialized countries, there is apparently a tendency for citizens to be less willing to take certain menial and low-status jobs as economies advance (Marshall, 1984; Massey et al., 1994).

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[10] Baker (1996: 465) reports, "in 1994, nearly 40% of the Latino population in the United States was foreign-born, and only 18% of that foreign-born population had naturalized." This argument is supported by the potential "reversibility" of migration; immigrants who are difficult to return tend to naturalize at higher rates than those for whom return easily (Jasso and Rosenzweig, 1985, Portes and Mozo, 1985; cited in Portes and Truelove, 1987).

Thus, immigrants make up their lower wages by putting more working hours with their strong motivation to work (Dominguez and Fernandez de Castro, 2001).[11]

However, immigrants generally improve their wage return to their human capital according to their length of stay in this country (see Chiswick, 1986, 1979; Chiswick et al., 1997; Jensen, 1988; Poston, 1988; Simon and Sullivan, 1988; cited in Poston, 1994; Tienda, 1983), although Borjas and Tienda (1993) argue that the disadvantages of undocumented relative to documented immigrants increase with age. With increasing time in the U.S., Mexican immigrants have higher rates of English fluency, higher levels of education, higher presence in higher-status occupations, higher labor market wages, and lower poverty rates (Saenz, 2004). In turn, these socioeconomic improvements increase the likelihood of naturalization (Liang, 1994).

Educational Attainment

It is generally agreed that education provides a means for upward socioeconomic mobility (Becker, 1975; Becker and Chiswick, 1966; Borjas, 1999; Lacy and Heffeman, 1989; Ruiz-Quintanilla and Claes, 1996). Educational attainment is an important investment because this is the base of other human capital factors such as specific vocational training (Massey, 1987; Mincer, 1974), on-the-job experience and occupational skills (Kalleberg and Sorensen, 1979; Oi, 1962).[12] Further, as a result of technological changes, specialized skills are thought to be rewarded with higher wages, even among workers with the same education (e.g., McCall, 2000a; Nonini and Ong, 1997). The same holds true for immigrants and racial and ethnic minorities (Chiswick et al., 1997).

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[11] Chiswick (1978) argues that for the same schooling, age, and other demographic characteristics immigrants to the United States have more ability relevant to the labor market than native-born persons.

[12] Although they differ in their effects on earnings, in the amounts typically invested, in the size of returns, and in the extent to which the connection between investment and return is perceived, all these investments help improve skills, and thereby contribute to raising incomes (Becker, 1975).

Nevertheless, past research suspects strong effects of educational attainment on immigrants' earnings. Chiswick et al. (1997) argue that schooling and total labor market experience have a smaller grants on the employment and earnings of immigrants than on those of native-born white men, suggesting that pre-immigration skills are less relevant in the U.S. labor market than are the skills acquired by the native-born. According to Borjas (1999), recent immigrants who arrived during the 1990s remain economically disadvantaged due to a lack of education, and they reduce the wages of natives who compete with immigrant workers. Considering that immigrants from Mexico historically have fewer years of formal schooling than other racial and ethnic groups (Chiswick, 1986), differences in education could be a key factor of within-group wage gap, inhibiting a number of lower-class Mexicans access to better-paying jobs.

Murguia and Telles (1996) examined the effect of skin tone and physical features on schooling attainment among Mexican Americans, and found that the lightest skin-toned and most European-looking quarter of the Mexican American population had about 1.5 more years of schooling than the darker. Phenotype has a significant effect on schooling in Texas but virtually no effects in California, and in Spanish-dominant neighborhoods compared to English-dominant ones (Murguia and Tells, 1996).[13] Although inner-group difference based on phenotype lies outside the scope of this research, their findings suggest the significance of examining the heterogeneity of the Mexican-origin population.

Age

Age is also an important form of human capital variable (see Freeman, 1979; Hughes and Hutchinson, 1988; Jolly et al., 1978; Osberg et al., 1986; Pissarides and Wadsworth, 1990; Rones, 1983), as it is related to education and the acquisition of skills and labor market

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[13] For a similar study, see Relethford et al. (1983).

experience. Thus, Joll et al. (1991) state that younger workers usually have lower pay and higher replacement ratios. Youth unemployment is accordingly a common problem across different racial and ethnic groups (Borowski, 1984; Brown and Sessions, 1997).[14] Those young unemployed who enter the labor market too early are mostly less educated, inexperienced, and lack enough networks to locate and secure jobs (Lacy and Heffeman, 1989; Clogg and Shockey, 1985). Further, search theory assumes that relatively inexperienced younger workers are more likely to engage in voluntary unemployment as well as "job-hopping" than their senior counterparts, trying to find their most preferred match (Layard et al., 1991). The relative youthfulness of Mexican-origin workers, especially immigrants (Chiswick, 1986), suggests high risk of youth unemployment and low wages.

Female-Male Differences

Sex is also of great importance in assessing wage differences. Researchers have observed that females attain lower wages than their male counterparts (Borjas, 1983; Cotter et al., 1999; Hungary Kozponti Statisztikai Hivatal, 1997; Niemi, 1974; Rosenfeld and Kalleberg, 1990; Ruiz-Quintanilla and Claes, 1996).[15] Wallace (1986) finds gender related structural barriers in the Mexican-origin population because of the numerical predominance of males. Although males appear to continue to dominate the migration flow, recent immigrants have higher proportions of females (Marcelli and Cornelius, 2001). This shift in the gender composition of Mexican migration is mediated by kinship networks and the family reunification provisions of the 1986 IRCA that increased migration by women and dependent children to sponsor families (Marcelli

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[14] In the United States, less than half of the total pool of 16- to 19-year-old high school dropouts and graduates not going to college held full-time jobs in October 1988 (Lacy and Heffeman, 1989).

[15] Niemi (1974) provides three factors that contribute to higher female unemployment rates: repeated labor force turnover, lack of on-the-job training and geographical immobility. These factors lead women to experience a higher level of frictional unemployment and cyclical layoffs as well as structural unemployment. These three factors are interconnected and tend to perpetuate the causal chain, which makes females to some extent "trapped" in this vicious circle.

and Cornelius, 2001; Roberts et al., 1999). Nevertheless, Saenz (2004) reports a gender gap in labor force participation rates among Mexicans; while 71.4% of foreign-born males were in the labor force in 2000, only 47.7% of females were attached to the labor force.

English Language Proficiency

English language proficiency is a crucial step in the broader process of economic mobility, and this human capital variable is strongly and positively related to earnings (see Espinosa and Massey, 1997; McConnell and Leclere, 2002). Borjas (1999) notes that Hispanic immigrants who speak English earn 17 percent more than those who do not, even after adjusting for differences in education and other socioeconomic characteristics between the two groups. The degree of English language acquisition is a good indicator of acculturation, and linguistic isolation denotes lack of interaction outside the ethnic community (Stevens, 1992). Researchers report that the majority of Mexican immigrants are monolingual Spanish speakers (Chiswick, 1986; Moore and Pachon, 1985; Saenz and Morales, 2005). This result is, in part, due to the large presence of recent immigrants among the Mexican foreign-born population (Saenz, 2004).

Metropolitan/Nonmetropolitan Residence

A key difference in the broader opportunity structure of the regional economy considered in this research is the metropolitan/nonmetropolitan residential distinction. Saenz and Torres (2003) found increasing employment opportunities in nonmetropolitan areas, but there is still a heavy occupational concentration (e.g., forestry, fishing, meat processing and agricultural industries). Nonmetropolitan residents have lower hourly wage because of their limited occupational choices. Nevertheless, it has to be also noted that some workers in metropolitan areas have faced economic disadvantages because of their heavy population concentration. Indeed, poverty has become disproportionately concentrated in urban neighborhoods since the 1970s (Jargowsky, 1997; Massey and Eggers, 1990).

Occupational Categories and Self-Employment Status

Researchers report that Mexican-origin workers (especially immigrants) are disproportionately found in the low-skilled and low-wage labor force (Massey and Schnabel, 1983; Portes and Truelove, 1987; Roos and Hennessy, 1987; Saenz and Torres, 2003; Waldinger, 1996), which is a response to blocked mobility in the labor market (Waldinger, 1989a, 1989b).[16] On the other hand, the 1965 Immigration Act changed the skill composition of immigrants in general as well as their industrial orientations and occupational categories (Kanjanapan, 1995; Zolberg, 1989). Thus, the waves of Mexican immigrants include a relatively small portion that have specialized skills (Alarcon, 1999; Castells, 1996; Clark, 1998; Keely, 1974; Kritz, 1987; Martin, 2000; Roberts et al., 1999).[17] Considering this new trend, there seems to be a large wage gap between the professional and non-professional occupational categories.

Self-employment is a classical form of labor force participation for ethnic minorities and immigrants. Researchers have found that immigrants have high self-employment rates in ethnic enclaves (see Borjas, 1986; Fairlie and Meyer, 1996; Sanders and Nee, 1996; Spencer and Bean, 1999). Saenz and Torres (2003) note that Mexicans have relatively low rates of self-employment. Research suggests, however, that self-employed minority workers tend to have lower wages than those employed in the general market, although the larger number of hours dedicated to work among the self-employed confounds this association (see Bailey and Waldinger, 1991; Bates, 1994; Portes and Bach, 1985; Sanders and Nee, 1987; Sanders et al., 1994; Spencer and Bean, 1999; Wilson and Portes, 1980; Zhou and Logan, 1989).

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[16] Espenshade and Goodis (1985) report that as of 1980, Mexican immigrant workers made up nearly 50 percent of the low-skilled manufacturing labor force in the standard metropolitan statistical area (SMSA).

[17] Alarcon (1999) notes the arrival of a large number of highly educated permanent residents and temporary workers during the early 1990s. Alarcon examines the processes by which Indian and Mexican engineers and scientists find employment in the high-technology companies in Silicon Valley.

Borjas (1986) and Spencer and Bean (1999) state that both the probability and benefit of self-employment are low among Mexican immigrants because their self-employment is disadvantage-based, with a lack of large financial investment in a business and necessary resources (e.g., labor force experiences, relatively young age structure, ability to speak English, education, predominance of single persons, and the length of stay in the U.S.). Mexicans are more likely to be self-employed in ethnic enclaves which have larger Mexican populations (Borjas, 1986). However, higher self-employment rates in such areas are merely an indicator of either relatively weak labor demand or an oversupply of workers. As Waldinger (1986) and Fairlie and Meyer (1996) point out, immigrant business does not develop without the interactions between the opportunity structure of the society and the social structure of a particular ethnic group.

THEORETICAL PERSPECTIVES AND HYPOTHESES

As Kalleberg and Sorensen (1979) argue that annual earnings and wage rates are the most easily quantified job rewards, this study seeks to assess internal hourly wage differences within the Mexican-origin workers for a better understanding of their heterogeneous nature. Following the human capital perspective, we examine the extent of principal individual attributes on wage differences. In order to develop a comprehensive framework, we will combine different approaches and angles derived from the literature presented above.

First, a preferable model has to fill out two major methodological shortcomings found in the literature guided by ethnic labor market theories: ignorance of nativity difference and the effect of regional differences on wages beyond various types of labor market categories. Second,

the literature on the impact of IRCA on labor market situations of Mexican immigrants specifies legal status as another primary determinant of wage rates.

Two key focuses of the individual-level attributes are therefore nativity status (native-born or foreign-born) and legal status (immigrants' possession of U.S. citizenship), and the three groups of Mexicans, native-born, foreign-born with citizenship, and non-citizen foreign-born status, are examined. More specifically, we investigate the cost of being a Mexican immigrant, or the hourly wage differences between the native-born and foreign-born. we also estimate the cost of being a Mexican immigrant without U.S. citizenship, or the wage differences between naturalized immigrants and non-naturalized immigrants. In addition, this study examines geographic differences in state-specific labor market contexts that are major determinants of wage (see Semyonov, 1988), comparing separate models of the two largest concentration states of Mexicans: California and Texas.

The literature on immigrant policies suggests important social and economic destination of immigrants with respect to the period in which immigrants come to the U.S. Thus, in addition to the costs associated with foreign-born status and the lack of naturalized status, the time when a Mexican worker came to the U.S. are taken into account. The significance of these three major factors raised here (nativity status, legal status and the length of U.S. residence) is also supported by the human capital perspective. Below is a summary of the hypotheses that are examined in the analysis.

H_1: Foreign-born immigrants have lower hourly wages than native-born Mexican Americans across both states (cost of being and immigrant).

H_2: Foreign-born Mexicans who are not naturalized citizens have lowerhourly wages than U.S. naturalized citizens across both states (cost of being an immigrant non-citizen).

Following the literature on the impact of social and economic contexts of California (established anti-immigrant hostility and laws) on Mexican-origin workers' wages, the above two hypotheses are further specified as follows:

H_3: The cost of being an immigrant is higher in California than in Texas.

H_4: The cost of being a non-citizen is higher in California than in Texas.

Immigrants' duration of stay in the U.S. is positively associated with hourly wage. Two general trends are expected according to the literature:

H_5: Those who came to the U.S. before IRCA and a series of California propositions have higher hourly wages than those who arrived after 1980, due to their longer duration of stay in the U.S., which contributed to their human capital improvement and possibly higher rates of naturalization.

H_6: A large number of relatively new immigrants (who arrived after 1980), especially non-citizens, have much lower hourly wages because of their disadvantaged labor market contexts, which attached them higher costs associated with immigrant status and a lack of citizenship, regardless of their human capital differences.

In addition, it is hypothesized that the selected individual-level variables are positively associated with hourly wage, besides self-employment. Particularly the following seven are the hypotheses derived from the human capital perspective:

H_7: Age is positively associated with hourly wage.

H_8: Males have higher hourly wages than their female counterparts.

H_9: Those who speak English attain higher hourly wages than those who do not.

H_{10}: Metropolitan area residents attain higher hourly wages than those who reside in nonmetropolitan area.

H_{11}: Education is positively correlated with hourly wage.

Regarding the occupational categories and self-employment, it is hypothesized that:

H_{12}: Management, professional and related occupations are associated with higher hourly

wages than other occupational categories.

H_{13}: Self-employment is negatively correlated with hourly wage.

DATA, VARIABLES, AND METHODS

Data

The data are drawn from the 2000 5-Percent Public Use Microdata Sample (PUMS). The

population from which we draw our sample is persons of Mexican origin (both native- and

foreign-born) in California and Texas. The samples of California and Texas have a total of

221,366 Mexican-origin residents; California contains 140,381, and Texas contains 80,985

individuals. For the second set of models, there are a total of 119,740 immigrants in the sample;

84,447 in California, and 35,293 in Texas. Only persons of Mexican origin who worked at least

1,040 hours in 1999 are included in the sample. As such, the analysis includes individuals who

are attached to the labor force. Hourly wage is used over annual income to account for the

varying hours that people worked over the course of 1999. Analyses are restricted to individuals

within the prime working age range from 16 to 64.

In separating the immigrant population into the U.S. naturalized citizens and non-citizens,

the latter contains immeasurable segments of the population such as undocumented immigrants

and short-term guest researchers. Also, skilled immigrants may not be permanent residents or

naturalized citizens, who may hold temporary visas (the H-1B). Although we are interested in

observing economically advantageous positions of professional job categories, few, if any data

sources, would allow us to tell who receives a terminal degree in the United States and then remain in the United States, or return at some later time to the U.S., for full-time employment (see Bayer, 1968).

Variables

The dependent variable is the natural logarithm of hourly wage. This transformation procedure is used to minimize the effect of outliers. Because we use the natural logarithm of wages, the coefficients can be interpreted as the percentage change in hourly wages, given a one-unit change in the independent variable.

The first independent variable **Imm** measures immigrant status (foreign-born versus native-born status), scored 1 if the person is foreign-born (including both U.S. citizen by naturalization and non-citizen of the United States), and scored 0 if the person is native-born. By examining this variable, we are able to assess "the cost of being a foreign-born Mexican," which is the heart of the analysis. The second independent variable **Nocit** measures the immigrants' citizenship status, coded 1 if the person is not a citizen of the United States, and 0 if the person is a U.S. citizen by naturalization. By examining this variable, we are able to estimate "the cost of not being a naturalized citizen," which is another major interest of the analysis.

Furthermore, for the analysis of the immigrants' duration of U.S. residence, the immigrant population is partitioned into four cohorts: arrivals in 1970-1979, arrivals in 1980-1989, arrivals in 1990-2000, and immigrants who arrived prior to 1970. Namely, the variable **Imm** is replaced with four years-since-migration dummy variables (**Imm0069**, **Imm7079**, **Imm8089**, and **Imm9000**). Control variables include four human capital variables (age, sex, education, and self-reported English-language ability), one residential area variable (metropolitan/nonmetropolitan residence), and five variables based on occupational categories

and self-employment status. The measurement and description of the dependent variable and the independent variables are presented in Table 2.

Methods

The data are analyzed using an Ordinary Least Square (OLS) multiple linear regression model. The first two state-specific models (1A for California and 2B for Texas) investigate the cost of being a Mexican immigrant, that is, the hourly wage differences between the native-born and their foreign-born counterparts. The second set of models (2A for California and 2B for Texas), based solely on the foreign-born population, analyzes the cost of being a Mexican immigrant without U.S. citizenship, that is, the wage differences between naturalized immigrants and non-naturalized immigrants (see Figure 1).[18]

The third set of models (Model 3A for California and Model 3B for Texas) assesses the costs associated with foreign-born status in terms of the four different periods in which immigrants came to the U.S. The fourth set of models (Model 4A for California and Model 4B for Texas) estimates the costs associated with the lack of naturalized status controlling immigrants' length of U.S. residence. Together with the first part of the analyses (Model 1 and Model 2), a focus on length of U.S. residence will assess whether the findings from the initial analyses hold.

The analysis is based on an assumption that California and Texas have equal living expenses and state minimum wages. However, the analysis violates the assumption as differences in the living expenses and state minimum wages between the states are not controlled. To minimize the issue, the analysis focuses on wage gaps between the native-born and immigrants, and between U.S. naturalized immigrants and non-naturalized immigrants.

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[18] I refer to the PUMS definition of "citizen" to categorize immigrant or non-immigrant (see Data Dictionary (5-Percent), 7-54, U.S. Census Bureau, Census 2000).

To support the argument, we first estimate four supplemental regression models with a California dummy variable (California resident = 1; Texas resident = 0), which restrict their sample populations to native-born, foreign-born, foreign-born with U.S. citizenship, and foreign-born without U.S. citizenship. The argument is supported if the California wage advantage is higher in the case of the native-born than the foreign-born, and if the California wage advantage is greater among the naturalized citizens compared to those lacking this status.

This study also analyzes other individual-level determinants of wage differences that are included in the models as controlled variables. For example, reflecting the recent major industrial changes associated with labor market situations of Mexican-origin workers (e.g., polarization of wages from middle-wage to low-or high-wage jobs), the effects of education and professional occupational categories on wages would show significant impacts on hourly wage gaps. Suggestions and discussions of other control variables are also given within the scope of the analysis.

FINDINGS

1. Descriptive Statistics

Table 3 illustrates the descriptive statistics based on variables used in the analysis. Mexican Americans (G2) averaged $3.61 higher hourly wage than their immigrant counterparts (G3) in California, while their wage gap is much smaller in Texas ($1.98). Among the foreign-born workers, U.S. naturalized citizens (G4) averaged $3.65 higher hourly wage than their non-citizen counterparts (G5) in California, while their wage gap is again much smaller ($2.44) in Texas. Considering the differences in state minimum wage rates ($6.75 in California and $5.15 in Texas) and higher living expenses in California, it is not appropriate to compare median

hourly wages between the states. Nevertheless, we can find an important trend that wage gaps based on nativity status and immigrants' citizenship status are consistently larger in California than in Texas.

Across both states, the foreign-born contain more females than their native-born counterparts. Particularly the non-naturalized immigrants are predominantly males. While almost all of the native-born speak English, only 54% of the foreign-born in California and 52% in Texas speak English. Among the immigrant population, whereas more than 70% of the naturalized citizens speak English, the percentages of self-reported English-language ability dropped among the non-naturalized citizen (45% in California and 43% in Texas). Furthermore, regardless of the nativity difference and naturalization status, about 90% of the Mexican-origin workers resided in metropolitan areas in California, while the percentages are much lower for all of the subgroups in Texas.

The native-born has higher educational attainment than their foreign-born counterparts in both states. Particularly, the percentage of some middle school is much higher among foreign-born (41% in California and 44% in Texas) than their native-born counterparts (4% in California and 7% in Texas). Furthermore, naturalized citizens have smaller percentages in some middle school and some high school, and higher percentages in high school graduate, some college and college graduate than the non-citizen population. Higher educational attainment of the native-born, especially college completion, suggests that English language ability is an important premise for higher levels of education.

Regarding occupational categories, much larger percentage of the native-born is hired in management, professional and related occupations (**mgrprorl**) (24% in both states) while the percentage downs to 8% (in both states) among the foreign-born. Among immigrants, larger

percentage of the naturalized citizen was hired in this occupational category than their non-naturalized counterparts. On possible explanation is that this occupational category requires higher levels of educational attainment.[19]

Across both states, immigrants have much larger percentages in production, transportation, and material moving occupations (**prtrmtmv**). Moreover, the foreign-born, particularly non-naturalized citizen, have higher percentages in **service** and **cnstexmn** (construction, extraction and maintenance occupations). On the other hand, the native-born and the naturalized citizen have higher percentages in sales and office occupations (**salesoff**). It is likely that sales and office occupations require higher levels of human capital attributes (e.g., English language proficiency and education) than do the other two occupational categories. The last variable **selfemp** shows that self-employment is not a common way of labor force participation for the Mexican-origin population.

2. Cost of Being a Mexican Immigrant and Being a Mexican Non-Citizen in California and Texas

First, four supplemental models with a California dummy variable (1 = California; 0 = Texas) are conducted to assess disadvantages of immigrants in comparison to native-born, and disadvantages of non-citizens in comparison to naturalized citizens. All else equal, California has higher wages than Texas, largely due to the higher cost of living and state minimum wage in California. The fact that the California wage advantage is 1.7 times higher in the case of the native-born than the foreign-born supports the argument regarding more disadvantageous positions of immigrants in California. The same holds true with respect to naturalized citizenship

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[19] The correlation matrices show that **mgrprorl** is moderately correlated with **collgrad** (r = .40267 in Model 1A, .46842 in Model 1B, .32292 in Model 2A, and .38002 in Model 2B, all significant at the 0.0001 level).

where the California wage advantage is twice as great among the naturalized citizens compared to those lacking this status.

Table 4 presents the first set of two multiple linear regression models comparing the differences in predicted log of hourly wages between the foreign-born and native-born populations in California and Texas. All variables but the self-employment coefficient in the Texas model are statistically significant. Small p-values confirm that all the individual indicators have significant effects on the dependent variable.

As hypothesized, being a foreign-born Mexican immigrant is disadvantageous in both states, and the cost of being a foreign-born is higher in California than in Texas. To be specific, for the **Imm** variable of the California model, the ratio of median hourly wage of a foreign-born status to a native-born status (a foreign-born status/a native-born status) is 0.9399; it is estimated that the median hourly wage of a foreign-born status is 0.9399 times as large as the median hourly wage of a native-born status. Equivalently, the median hourly wage of a foreign-born status is estimated to be 6% smaller than the median hourly wage of a native-born status. For the Texas model, on the other hand, the median hourly wage of a foreign-born status is estimated to be 2% smaller than that of a native-born status. The relative gap is therefore 3 times higher in California. Although there is still an issue of cross-state wage difference that cannot be controlled, the between-group difference in the costs of being an immigrant is statistically significant:

$t = \beta_1 - \beta_2 / \sqrt{\sigma_1^2 + \sigma_2^2}$

$= 0.9826 - 0.9399 / \sqrt{0.0047^2 + 0.0035^2} = 7.30 > 1.96$ (p < .05, two-tailed)

As can be seen, being an immigrant is a major source of the internal wage gap, and social and economic contexts matter on the labor market experiences of immigrants; anti-immigrant

hostilities represented in a series of California propositions confirm this higher cost of being an immigrant in California. In addition, it appears to reflect the situation in which the large number of the foreign-born population (both U.S. naturalized citizens and non-citizens) who arrived after 1980 downsized the average hourly wage of the whole immigrant population.

Table 5 presents the second set of multiple linear regression models comparing the costs of being a Mexican non-citizen between the two states. As hypothesized, being a non-citizen significantly drops their predicted hourly wages in both states, and the cost is again higher in California than in Texas.

The median hourly wage for a Mexican immigrant without U.S. citizenship is estimated to be 14% smaller than that of a U.S. citizen by naturalization. For the Texas model, on the other hand, a non-citizen's median hourly wage is estimated to be 10% smaller. The relative gap is therefore 1.4 times higher in California. The difference is statistically significant, although cross-state wage difference is not controlled:

$$t = \beta_1 - \beta_2 / \sqrt{\sigma_1^2 + \sigma_2^2}$$

$$= 0.8998 - 0.8581 / \sqrt{0.0044^2 + 0.0044^2} = 6.73 > 1.96 \ (p < .05, \text{two-tailed})$$

The "dual (or double) costs" by being a Mexican non-citizen are indicated by the literature. In the post-IRCA period, the primary determinant of immigrants' wage rates is legal status rather than differences in human capital attributes (Davila et al., 1998; Donato and Massey, 1993; Donato et al., 1992a; Massey, 1987; Philip and Massey, 1999). As the literature emphasizes wage penalties attached to the undocumented status faced (an increase in subcontracting arrangements), the result shows that lack of U.S. citizenship leads to wage penalties for non-citizens. The higher cost of those lacking a naturalization status in California appears to reflect the anti-immigrant sentiments due to a larger number of non-U.S. citizens in

the state (N=60,891) compared to Texas (N=25,243) (see Table 1). Although the wage penalties based on the lack of citizenship do exist in Texas as well, less disadvantageous labor market positions of the non-U.S. citizen in Texas are partly explained by their smaller population concentration which suggests a less intensive internal competition among non-citizens in the state.

In sum, the results consistently show that foreign-born status and lack of citizenship are correlated with lower hourly wages across both states. The cost of being a foreign-born is associated with 6 percent lower wages in California and 2 percent in Texas. However, the cost of not being a naturalized citizen is still greater—14 percent in California and 10 percent in Texas. As can be seen, the cost of being a Mexican immigrant is higher in California than in Texas. Finally, it is clear that foreign-born Mexicans who are not naturalized citizens face dual disadvantages, especially for those living in California.

3. Length of U.S. Residence and Cost of Being a Mexican Immigrant

Table 6 presents differences in costs associated with foreign-born status by four different length of U.S. residence. The table shows two important labor market conditions for immigrant workers. First, those who arrived between 1990-2000 (**Imm9000**) have the highest cost of being an immigrant in both states. Second, the cost attached to **Imm9000** is much greater in California.

The deteriorated labor market conditions for immigrants who arrived during the period are assessed by comparing to the initial analysis (Model 1A and 1B). In California, the relative wage gap is 2.3 times higher for **Imm9000** (14%) than **Imm** (6%). In the Texas model, on other hand, the relative wage gap is 3 times higher for **Imm9000** (6%) than **Imm** (2%). Immigrants who arrived between 1990-2000 faced deterioration in wages across both states.

For those who arrived California between 1990 and 2000, their expected hourly wage dropped dramatically—14% smaller than their native-born counterparts. However, those in Texas maintained smaller cost of being an immigrant: 6%. The large gap in costs associated with foreign-born status across both states suggests strong wage penalty attached to immigrants who arrived in California between 1990-2000. The 2.3 times higher relative gap of California than Texas (14% to 6%) is statistically significant, although cross-state wage difference is not controlled ($t = 9.51 > 1.96$, p < .05, two-tailed).

On the other hand, Mexican immigrants who arrived before 1990 display relatively low costs of being an immigrant, suggesting that a combination of their human capital improvement by longer duration of stay in the U.S. and their naturalization enabled those workers to diminish wage penalties of being an immigrant.

In California, arrivals before 1970 (**Imm0069**) and between 1970 and 1979 (**Imm7079**) are associated with only 2% smaller median hourly wages than their native-born counterparts, while the cost of being an immigrant is 6% in the first part of the analysis. In Texas, on the other hand, arrivals before 1970 and between 1970 and 1979 are correlated with 5% lower and 2% higher wages, respectively. As the cost of being an immigrant in Texas is 2% from the initial analysis, it is likely that those who arrived in Texas before 1970 could not cancel off the cost associated with an immigrant status (5%) through a possible human capital improvement in their longer duration of stay in the U.S. As the literature notes, this finding seems to reflect the internal wage competition between native-born and foreign-born, particularly those who lack legal status, in agricultural industries in Texas. The cross-state differences in **Imm0069** ($t = 2.37 > 1.96$, p < .05, two-tailed) and **Imm7079** ($t = 4.42 > 1.96$, p < .05, two-tailed) are also statistically significant, although between-state wage difference is not again controlled.

The median hourly wage of a foreign-born status who arrived California between 1980 and 1989 (**Imm8089**) is estimated to be 6% smaller than that of a native-born status, which represents the same amount of the cost associated with the foreign-born status in the initial analysis. In Texas, those who arrived during the period had 1% higher wages than their native-born counterparts, although this finding is not statistically significant ($t = 1.1$).

A focus on length of U.S. residence not only shows that the findings from the initial analyses on the cost of being a foreign-born hold, but also strongly suggests two important factors. First, immigrants' length of stay in the U.S. is positively associated with wages; those who arrived during the last decade faced significant reduction in wages. Second, social context matters in considering the labor market experiences of immigrants; those in California have deterioration in wages, which is clear once compared to Texas.

Although immigrants' lower levels of human capital (e.g., English language proficiency and labor market experiences) due to shorter time in the U.S. may also account for their hourly wage downward, the core issue is that the primary determinant of wage rates has been legal status after IRCA (Donato and Massey, 1993; Massey, 1987; Philip and Massey, 1999). Low hourly wages of the arrivals between 1990-2000 are due to the changes in the basic criteria of wage attainment: human capital differences to being an immigrant and a non-citizen.

As the literature notes, this hourly wage downward coincides with the nation-wide anti-immigrant sentiments as can be seen in the passage of IRCA of 1986. Particularly a series of California propositions during the 1990s represents the harsher labor market conditions in which immigrants and non-citizens have faced in the state. The negative effects of California social contexts on wages are apparent once compared to Texas.

The last set of models assess whether the significance of length of stay in the U.S. holds for non-citizens as well. Needless to say, length of stay in the U.S. and citizenship status are positively correlated, or time in the U.S. is part of information of citizenship status. While the **Nocit** variable in the initial analysis (Model 2A and 2B) does not control immigrants' duration of U.S. residence, Model 4A and 4B present the effect of naturalization controlling immigrants' length of U.S. residence. Namely, the model separates non-citizen status from time spent in the U.S.

In Model 2A and 2B, the cost of being a non-citizen is associated with 14% in California and 10% in Texas smaller median hourly wages than those of U.S. citizens by naturalization. In Model 4A and 4B, on the other hand, the foreign-born without U.S. citizenship have 11% smaller wages in California and 8% in Texas compared to the naturalized citizens, holding immigrants' length of stay in the U.S. constant. The cross-state difference in the **Nocit** variable is statistically significant, although between-state wage difference is again not controlled ($t = 4 >$ 1.96, p < .05, two-tailed).

Slight reduction in the cost associated with a non-citizen status in Model 4 is accounted for by the fact that length of stay can decrease the disadvantages of being a non-citizen. The significance of duration of stay is supported by the fact that three controlled variables (**Imm7079**, **Imm8089**, and **Imm9000**) are all statistically significant. A part of the possible reasons would be that immigrants' longer duration of stay in the U.S. has a combined effect of higher naturalization rates and human capital improvement (e.g., English language proficiency and more labor market experiences). The findings in Table 7 confirm that the possession of citizenship is a major determinant of hourly wage for the immigrant workers. Nevertheless, Pearson correlations between the reference group (**Imm0069**) and a citizenship dummy variable

(1 = naturalized citizen; 0= non-naturalized) shows low correlations (r = .25338, p < .0001 for California and r = .24544, p < .0001 for Texas), suggesting a certain portion of undocumented immigrants who might have faced severe labor market contexts during the post IRCA era.

Frequency distributions of immigrants (Table 1) also suggest the deteriorating labor market contexts in California. The number of arrivals peaked between 1980 and 1989 (N = 31,049). But the number of arrivals between 1990 and 2000 decreased significantly (N = 25,276), which would be a reaction by new arrivals trying to avoid unfavorable social contexts in California. In contrast, there is an increasing number of arrivals in Texas during the last two periods. The lower cost of being an immigrant suggests more favorable labor market contexts in Texas than in California. While the population distributions of non-citizens in California kept almost same distribution during the last two periods (N = 23,285 and 23,664), the number of non-citizens in Texas has increased from 7,764 to 12,438. These shifts in population frequency also suggest that some new arrivals tried to avoid severe economic circumstances of California in favor of Texas.

4. Human Capital Attributes and Hourly Wage

The results in Table 4 strongly suggest that high levels of human capital have much to do with higher expected wages earned by Mexican-origin workers. In a similar vein, Table 5 shows that all of the selected human capital variables contribute to higher wages for the immigrant population.

The coefficients for the **age** variable in these four models show that being one year older is associated with 1% higher median hourly wage than their one year younger counterparts, with all other variables controlled. It can be regarded that the **age** variable is a substitute variable measuring working experience. Higher hourly wages among male workers are consistent in the

models; the median hourly wages of male workers are estimated to be 21% (Model 1A) and 24% (Model 1B) more than the median hourly wages of their female counterparts. Nevertheless, gender wage gap is greater in the immigrant-only sample (24% in Model 2A and 28% in Model 2B) than the whole sample, suggesting greater gender wage gaps among immigrants. There results are supported by the literature on male predominance of the Mexican-origin population.

English language proficiency is strongly and positively associated with hourly wage. For example, the median hourly wage for Mexican immigrants who speak English is estimated to be 15% (Model 2A) and 12% (Model 2B) more than the median hourly wage for those who do not speak English. Having limited English ability significantly lowers the immigrant worker's hourly wage, as it also denotes lower levels of education.

In addition to the human capital variables, the effect of residing in a metropolitan residential area on wage is also estimated. Those living in metropolitan areas attain higher wages than those living in nonmetropolitan areas. One notable point is that the median hourly wages for metropolitan area residents in the Texas models are higher than those in the California models. This finding appears to be reasonable considering the different extent of metropolitan areas in the two states.

The association between education and hourly wage is assessed using four dummy variables. Among a series of controlled variables in the analysis, education has a significant effect on higher expected hourly wages. One outstanding effect of education on wage is seen in **hsgrad** for the California slope (Model 1A); it is estimated that the median hourly wage for persons of Mexican origin who have graduated from high school is 1.739 times as large as the median hourly wage for those of some middle school. Two college-related variables also show outstanding effects on hourly wage. The median hourly wage for persons of Mexican origin who

have some college enrollment but no degree (**somecoll**) is estimated to be 34% (Model 1A) and 32% (Model 1B) more than the median hourly wage for those of some middle school (reference group). For the **collgrad** variable, it is estimated that the median hourly wage for persons of Mexican origin who have bachelor's degree is estimated to be 68% (Model 1A) and 79% (Model 1B) more than the median hourly wage for the reference group.

Two college-related variables also give outstanding results in the immigrant-only sample (Model 2A and 2B). Having some college enrollment but no degree is associated with 26% higher wages in California and 17% in Texas. Moreover, For immigrants with bachelor's degree is associated with 46% higher wages in California and 47% in Texas. As expected, college graduation is the most important determinant of higher earnings as well as a major source of the within-group earning gap. These findings would partly be supported by the literature on recent professional immigrants, although this reasoning is inductive.

Across both states, wage growth is accompanied by progress in educational attainment. Comparing the education coefficients between the whole sample (Model 1A and Model 1B) and the immigrant-only sample (Model 2A and Model 2B), we can find that foreign and domestic education makes comparable contributions, as most adult immigrants acquire most of their education prior to the migration decision. Nevertheless, it has to be noted that the effect of education on wage is highly related to nativity status. Namely, the effect of education on wage is weaker if the person is foreign-born. This is particularly the case regarding the two college-related variables. These results are supported by Chiswick et al. (1997) claiming that schooling has a smaller grants on the earnings of foreign-born than on those of native-born.

There is a wide range of literature addressing the skill-based technological change in which the demand for low-skill workers has fallen relative to workers with high-level skills

(McCall, 2000b). The globalization of the U.S. economy is accompanied by changes in the U.S. wage structure in which workers with less education face lower wages and earnings (Borjas, 1999). Thus, college completion and more advanced studies (e.g., professional schools) would be more and more crucial determinants of the socioeconomic attainment of immigrants.

Though indirect, five occupational categories are also included in the analysis to estimate the bifurcated wages between the professional and non-professional occupations. For the **mgrprorl** variable, the median hourly wage for persons of Mexican origin who are employed in management, professional, and related occupations is estimated to be 57% (Model 1A) and 58% (Model 1B) more than the median hourly wage for those farming, fishing, and forestry occupations. With respect to the immigrant population, being employed in such occupations is associated with 57% higher wages in California and 65% in Texas. Model 2B also shows that hourly wages of these occupations are even higher for the immigrants (65%) than the whole sample (58%). As expected, those who work for professional and management occupations have the highest hourly wages among the major occupational categories. The highest hourly wages of these occupations hold same across the whole sample and immigrant-only sample.

The last control variable is self-employment (**selfemp**). In California, the median hourly wage for a self-employed worker is estimated to be 4% smaller than the median hourly wage for a non self-employed worker. Regarding the immigrant-only sample, the median hourly wage for a self-employed is estimated to be 4% smaller in California and 7% more in Texas.

As expected, there is only slight statistical evidence for the advantages of being self-employed; being self-employed in Mexican ethnic neighborhoods does not result in positive results in California. Even in Texas, being self-employed does not lead to clearly higher expected hourly wage. The very small percentage (about 2%) of the self-employed in the Mexican-origin

population also seems to reflect this point (see Table 3). These results are in line with Borjas (1986) and Spencer and Bean (1999), who state the disadvantage-based self-employment of Mexican-origin workers. One explanation is that the self-employed tend to work many hours which brings down their hourly wages.

DISCUSSION AND CONCLUSIONS

This study comprehensively examined the heterogeneous nature of the Mexican-origin workers in terms of within-group hourly wage differences. Instead of focusing on the impact of labor-market outcome differences between Mexicans and Anglos, which is the major analysis guided by the ethnic labor market perspectives, we focused on the cost of being an immigrant (the hourly wage differences between the native-born and their foreign-born counterparts) and the cost of being an immigrant without U.S. citizenship (the wage differences between naturalized immigrants and non-naturalized immigrants).

By comparing two largest concentration states of Mexican-origin workers in the U.S., we also examined the impact of the state-specific labor market contexts on Mexican-origin workers' wages. The results reveal that being an immigrant, particularly a non-citizen immigrant, is associated with lower hourly wages, especially in California. Thus, Mexican-origin workers, especially those in California, bear dual costs for being foreign-born and not being naturalized citizens.

The second part of the analysis further examined the cost of being an immigrant in terms of immigrants' length of U.S. residence. We found that arrivals during the last decade (**Imm9000**) have faced significant decline in wages, particularly in California. The greater cost attached to an immigrant status in California reflects anti-immigrant sentiments and laws in

California during the decade, in which the immigrant status and legal status have become the major determinants of wages. Citizenship status is another central factor for wages, controlling the passage of time in the U.S. We addressed the importance of the state-specific labor-market impacts on wages. Furthermore, the larger concentration of immigrants and non-citizens in California suggests that the labor market conditions also depend on the volume and composition of the immigrant population, which result in within-group labor market competition.

The results also support the importance of human capital attributes on wages. Among the selected individual-level variables, those reflecting educational attainment, especially college completion, are the most principal factor of hourly wage differences. As the profile of Mexicans tends to be polarized (Martin, 2000), increasing educational gap will continue to block Mexican immigrants, especially non-U.S. citizens, an access to better-paying jobs. Moreover, our finding shows an existence of significant wage differences between professional and non-professional occupational categories.

Major theoretical and empirical contributions of this study to ethnic labor markets are noted here. First, we focused on an immigrant status as a major determinant of within-group wage differences, which is often missing in the labor market analyses of the Mexican-origin workers (Bean et al., 1988; Bradshaw and Frisbie, 1983; Saenz, 2004; Semyonov, 1988). This study revealed the fact that the Mexican-origin population includes a number of historically disadvantaged foreign-born as well as continuing inflows of newcomers particularly non-citizens. Second, we examined the effect of broad social contexts, or regional differences, on wages beyond different types of labor markets while a number of studies tend to rely on small-scale case studies limited to specific occupations and industries.

Nevertheless, there are some limitations in this study. First, the analysis could not control the differences in living expenses and hourly wages in both states. Second, as the major focuses of this study were immigrant status and non-U.S. citizen status, other individual-level attributes were not discussed enough. As almost all variables included in this study have significant effects on wages, further analysis base on the human capital perspective has to be conducted. Another limitation is that this study could not identify the undocumented portion in the immigrant population, which may exert a large impact on the wages of other individuals (Bean et al., 1988).

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TABLE 1. Frequency Distributions of Independent Variables

1. Immigrant (Native-Born/Foreign-Born)	California (N=225,214)	Texas (N=116,394)
Native-Born	55,982 (24.86%)	45,732 (39.29%)
Foreign-Born	84,616 (37.57%)	35,331 (30.35%)
Came to the U.S. <1970	7,247 (3.2%)	2,812 (2.4%)
Came to the U.S. 1970-1979	21,044 (9.3%)	7,577 (6.5%)
Came to the U.S. 1980-1989	31,049 (13.79%)	11,274 (9.7%)
Came to the U.S. 1990-2000	25,276 (11.22%)	13,668 (11.74%)
2. Non-U.S.Citizen (Foreign-Born Citizen/Non-Citizen)	California (N=84,616)	Texas (N=35,331)
Citizen by Naturalization	23,725 (28.04%)	10,088 (28.55%)
Non-U.S. Citizen	60,891 (71.96%)	25,243 (71.45%)
Came to the U.S. < 1970	2,520 (2.98%)	949 (2.69%)
Came to the U.S. 1970-1979	11,422 (13.50%)	4,092 (11.58%)
Came to the U.S. 1980-1989	23,285 (27.52%)	7,764 (21.98%)
Came to the U.S. 1990-2000	23,664 (27.97%)	12,438 (35.20%)

Source: 2000 5% PUMS.

TABLE 2. Measurement and Description of Dependent Variable and Independent Variables Used in the Analyses of Hourly Wage Differences among Persons of Mexican Origin in California and Texas, by 2000 5% PUMS

Variable Names	Measurement and Description of Variables or Categories
Dependent Variable	Natural logarithm of hourly wages = Log (annual income/the total working hours in year 1999)
Lghrwage	
Independent Variables	
Age	Numerical Variable; Age Range: 16-64
Male	Dummy Variable; Male = 1; Female = 0
Engabil	Dummy Variable; Speak English = 1; does not Speak English = 0
Metrores	Dummy Variable; Living in a Metropolitan Area= 1; Not Living in a Metropolitan Area = 0
Imm	Dummy Variable; Immigrant=1; Nonimmigrant=0
Length of U.S. residence for native-born and foreign-born comparison	
Imm0069	Dummy Variable; Foreign-Born Came to the U.S. before 1970=1; otherwise=0
Imm7079	Dummy Variable; Foreign-Born Came to the U.S. between 1970 and 1979=1; otherwise=0
Imm8089	Dummy Variable; Foreign-Born Came to the U.S. between 1980 and 1989=1; otherwise=0
Imm9000	Dummy Variable; Foreign-Born Came to the U.S. between 1990 and 2000=1; otherwise=0
(Reference Group=Native-Born)	
Noncit	Dummy Variable; Not a U.S. Citizen= 1; U.S. Citizen by Naturalization= 0
Educational Attainment	
Somehs	Dummy Variable; Some High School but no Diploma =1; otherwise=0
Hsgrad	Dummy Variable; High School Graduate =1; otherwise=0
Somecoll	Dummy Variable; Some College but no Degree =1; otherwise=0
Collgrad	Dummy Variable; College Graduate=1; otherwise=0
(Reference Group = Some Middle School)	
Occupation	
Mgrprorl	Dummy Variable; Management, Professional and Related Occupations=1; otherwise=0
Service	Dummy Variable; Service Occupations=1; otherwise=0
Salesoff	Dummy Variable; Sales and Office Occupations=1; otherwise=0
Cnstexmn	Dummy Variable; Construction, Extraction, and Maintenance Occupations=1; otherwise=0
Prtrmtmv	Dummy Variable; Production, Transportation, and Material Moving Occupations=1; otherwise=0
(Reference Group = Farming, Fishing, and Forestry Occupations)	
Selfemp	Dummy Variable; Selfemployed =1; Not Selfemployed=0

Figure 1: Native-Born, Foreign-Born, Citizen, and Non-Citizen
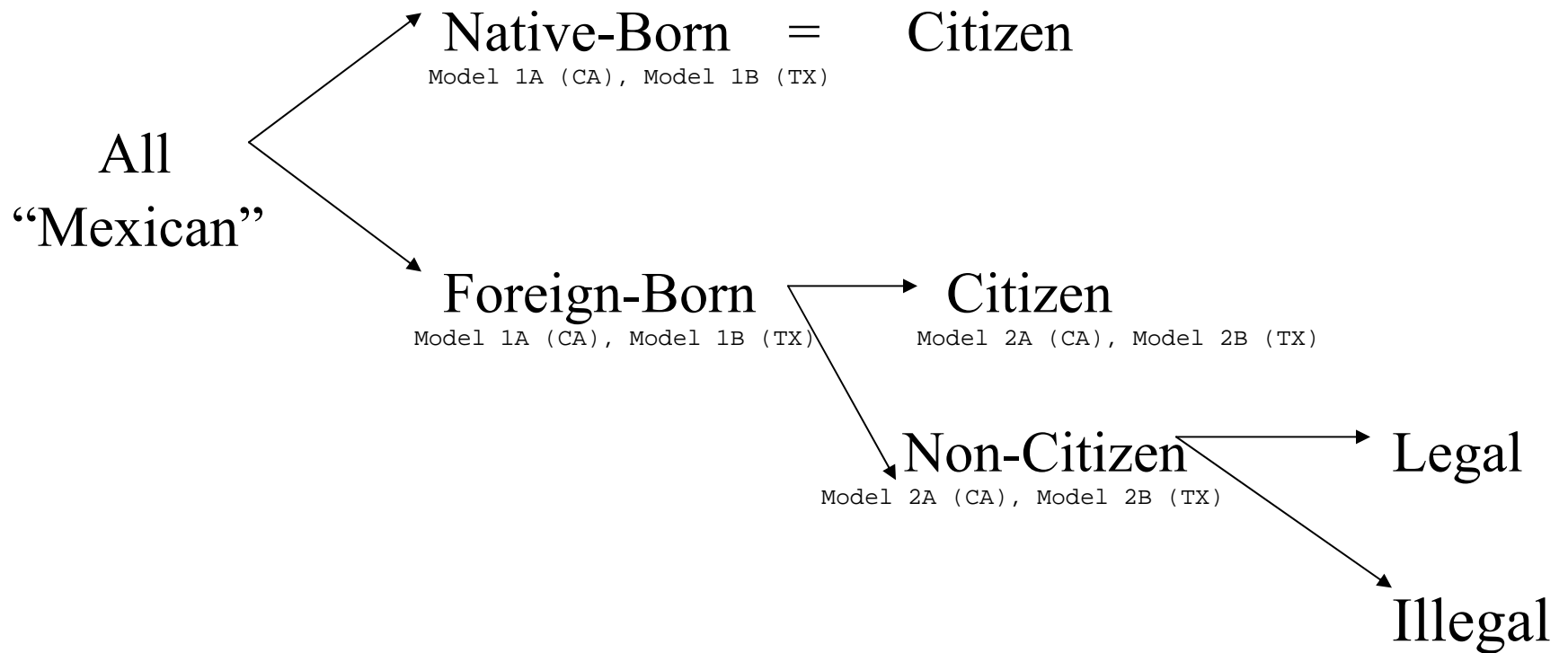
Native-Born   =   Citizen
Model 1A (CA), Model 1B (TX)

All
"Mexican"

Foreign-Born   Citizen
Model 1A (CA), Model 1B (TX)   Model 2A (CA), Model 2B (TX)

Non-Citizen   Legal
Model 2A (CA), Model 2B (TX)

Illegal

Table 3. Descriptive Statistics Based on Variables Used in the Analysis

| | | California | | | | | | Texas | | | |
| | | | | | | | | | | | |
Variables	G1	G2	G3	G4	G5	G1	G2	G3	G4	G5
Mean Hourly Wage	12.47	14.64	11.03	13.66	10.01	11.31	12.17	10.19	11.93	9.49
Mean Age	35	34	36	40	34	35.7	36	36	40	34
Male	63.35%	54.67%	69.10%	60.93%	72.28%	62.42%	55.18%	71.79%	64.80%	74.59%
Eng	71.50%	97.84%	54.08%	76.28%	45.42%	77.21%	96.91%	51.72%	72.66%	43.35%
Metrores	87.89%	87.70%	88.02%	88.44%	87.86%	65.35%	59.57%	72.84%	67.33%	75.04%
Education										
Some High School	20.87%	16.12%	24.01%	21.23%	25.10%	20.80%	18.06%	24.34%	20.98%	25.69%
HS Graduate	22.51%	29.97%	17.58%	20.15%	16.58%	25.35%	31.93%	16.84%	19.97%	15.58%
Some College	23.13%	38.35%	13.06%	21.30%	9.85%	21.88%	30.46%	10.78%	17.21%	8.20%
College Graduate	7.20%	11.98%	4.04%	7.14%	2.83%	9.03%	12.50%	4.55%	7.34%	3.43%
Reference Group	26.29%	3.59%	41.31%	30.18%	45.64%	22.94%	7.05%	43.50%	34.51%	47.10%
Occupation										
Mgrprorl	14.43%	23.66%	8.35%	14.63%	5.90%	17.02%	23.93%	8.10%	13.65%	5.88%
Service	18.66%	14.37%	21.49%	18.07%	22.82%	18.40%	15.75%	21.82%	19.29%	22.83%
Salesoff	21.81%	33.30%	14.23%	19.23%	12.29%	21.64%	29.10%	12.02%	16.29%	10.31%
Cnstexmn	13.00%	10.62%	14.57%	12.69%	15.30%	18.68%	12.44%	26.75%	19.88%	29.49%
Prtrmtmv	25.97%	16.61%	32.14%	30.55%	32.76%	22.17%	17.76%	27.88%	27.97%	27.84%
Reference Group	6.13%	1.44%	9.21%	4.83%	10.92%	2.08%	1.03%	3.44%	2.93%	3.65%
Selfemp	1.96%	1.70%	2.13%	2.51%	1.98%	2.23%	1.90%	2.66%	3.52%	2.31%

G1: All Mexican-Origin Workers
G2: All Native-Born
G3: All Foreign-Born
G4: Foreign-Born U.S. Naturalized Citizens
G5: Foreign-Born without U.S. Citizenship

Source: 2000 5% PUMS.

TABLE 4. The Cost of Being a Mexican Immigrant in California and Texas: Muliple Linear Regression Results for the Dependent Variable "Natural Logarithm of Hourly Wage."

	Model 1A: CA Whole Sample N= 140,381			Model 1B: TX Whole Sample N= 80,985		
Variable	**Exp (Coef.)**	**Std. Err.**	**t**	**Exp (Coef.)**	**Std. Err.**	**t**
Age	1.0151****	0.0001	109.99	1.0114****	0.0002	66.79
Male	1.2144****	0.0032	60.88	1.2409****	0.0043	50.64
Engabil	1.1712****	0.0038	41.21	1.1712****	0.0054	20.36
Metrores	1.04656****	0.0045	10.15	1.0970****	0.0039	23.6
Imm	0.9399****	0.0035	-17.62	0.9826***	0.0047	-3.78
Education						
Somehs	1.0497****	0.0044	10.97	1.0375****	0.0059	6.26
Hsgrad	1.739****	0.0047	34.38	1.1617****	0.0061	24.79
Somecoll	1.3370****	0.005	58.67	1.3224****	0.0066	42.59
Collgrad	1.6839****	0.007	74.21	1.7924****	0.0086	66.72
Occupation						
Mgrpror1	1.5731****	0.0077	58.79	1.5786****	0.0138	32.98
Service	1.1271****	0.0068	17.54	1.1094****	0.0132	7.88
Salesoff	1.3344****	0.0071	40.4	1.3340****	0.0135	21.43
Cnstexmn	1.4670****	0.0072	53.16	1.3936****	0.0131	25.36
Prtrmtmv	1.2705****	0.0066	36.39	1.3728****	0.013	24.44
Selfemp	0.9550****	0.0102	-4.5	1.011	0.0124	0.89
Constant	3.127769****	0.0092	123.54	3.0009****	0.0156	70.39

Source: 2000 5% PUMS.
****Significant at the .0001 level;
***Significant at the .0005 level.
CA Model Adj R-Sq = .2720; TX Model Adj R-Sq = .2503

TABLE 5. The Cost of Being a Mexican Non-Citizen in California and Texas: Multiple Linear Regression Results for the Depedent Variable "Natural Logarithm of Hourly Wage."

	Model 2A: CA Immigrant-Only Sample (N= 84,447)			Model 2B: TX Immigrant-Only Sample (N=35,293)		
Variable	Exp (Coef.)	Std. Err.	t	Exp (Coef.)	Std. Err.	t
Age	1.0101****	0.0002	53.96	1.0067****	0.0003	24.27
Male	1.2405****	0.0041	52.68	1.2781****	0.0068	35.97
Engabil	1.1548****	0.004	35.94	1.1176****	0.006	18.45
Metrores	1.0197**	0.0058	3.37	1.0758****	0.0064	11.49
Nocit	0.8581****	0.0044	-35.11	0.8998****	0.0044	-15.92
Education						
Somehs	1.0377****	0.0048	7.74	1.0217*	0.0072	2.96
Hsgrad	1.1305****	0.0054	22.61	1.1027****	0.0084	11.67
Somecoll	1.2592****	0.0063	36.81	1.1745****	0.0102	15.73
Collgrad	1.4571****	0.0101	37.34	1.4741****	0.0151	25.7
Occupation						
Mgrprorl	1.5657****	0.0095	47.00	1.6501****	0.019	26.38
Service	1.1152****	0.0074	14.72	1.1147****	0.0164	6.62
Salesoff	1.3225****	0.0083	33.56	1.3477****	0.0177	16.84
Cnstexmn	1.4513****	0.0079	46.92	1.3928****	0.0161	20.57
Prtrmtmv	1.2611****	0.0071	32.77	1.3909****	0.016	20.67
Selfemp	0.9582**	0.0124	-3.45	1.0656***	0.0172	3.69
Constant	4.0905****	0.0116	121.17	3.8044****	0.0213	62.85

Source: 2000 5% PUMS.

****Significant at the .0001 level; ***Significant at the .0005 level;

**Significant at the .001 level; *Significant at the .005 level;

CA Model Adj R-Sq = .2243; TX Model Adj R-Sq=0.1848.

TABLE 6. The Cost of Being a Mexican Immigrant in California and Texas: Multiple Linear Regression Results for the Dependent Variable "Natural Logarithm of Hourly Wage": With Length of U.S. Residence

| | Model 3A: CA Whole Sample | | | | Model 3B: TX Whole Sample | | |
	N= 140,381				N= 80,985		
Variable	**Exp (Coef.)**	**Std. Err.**	**t**		**Exp (Coef.)**	**Std. Err.**	**t**
Age	1.0136****	0.0002	88.84		1.0110****	0.0002	60.13
Male	1.2170****	0.0032	61.67		1.2420****	0.0043	50.89
Engabil	1.1407****	0.004	33.12		1.0998****	0.0056	17.1
Metrores	1.0486****	0.0045	10.59		1.0985****	0.0039	23.95
Length of U.S. Residence							
Imm0069	0.9782**	0.007	-3.15		0.9493****	0.0104	-4.98
Imm7079	0.9835***	0.0047	-3.54		1.0206**	0.0069	2.95
Imm8089	0.9426****	0.0043	-13.81		1.0068	0.0061	1.1
Imm9000	0.8621****	0.0049	-30.1		0.9357****	0.0064	-10.33
Education							
Somehs	1.0535****	0.0044	11.79		1.0417****	0.0059	6.94
Hsgrad	1.1779****	0.0047	35.14		1.1656****	0.0061	25.34
Somecoll	1.3391****	0.005	59.02		1.3265****	0.0066	43.07
Collgrad	1.6954****	0.007	75.27		1.8045****	0.0088	67.44
Occupation							
Mgrpror1	1.5633****	0.0077	58.08		1.5803****	0.0138	33.1
Service	1.1274****	0.0068	17.61		1.1130****	0.0132	8.12
Salesoff	1.3245****	0.0071	39.41		1.3347****	0.0134	21.5
Cnstexmn	1.4621****	0.0072	52.8		1.3974****	0.0131	25.59
Prtrmtmv	1.2633****	0.0066	35.59		1.3731****	0.013	24.49
Selfemp	0.9548****	0.0102	-4.53		1.009	0.0124	0.72
Constant	3.3729****	0.0098	123.94		3.0678****	0.016	70.19

Source: 2000 5% PUMS.
**Significant at the .005 level; ***Significant at the .0005 level; ****Significant at the .0001 level.
CA Model Adj R-Sq = .2753; TX Model Adj R-Sq = .2520

TABLE 7. The Cost of Being a Mexican Non-Citizen in California and Texas: Multiple Linear Regression Results for the Dependent Variable "Natural Logarithm of Hourly Wage": Length of U.S. Residence Controlled

Variable	Model 4A: CA Immigrant-Only Sample N= 84,447			Model 4B: TX Immigrant-Only Sample N= 35,293		
	Exp (Coef.)	Std. Err.	t	Exp (Coef.)	Std. Err.	t
Age	1.0060**	0.0002	26.77	1.0044**	0.0003	13.62
Male	1.2433**	0.0041	53.58	1.2816**	0.0068	36.49
Engabil	1.1177**	0.0041	27.19	1.0902**	0.0062	13.93
Metrores	1.0253**	0.0058	4.26	1.0799**	0.0063	12.12
Cost of Being a Non-Citizen						
Nocit	0.8884**	0.0045	-26.54	0.9220**	0.0068	-11.92
Imm7079	0.9565**	0.0073	-6.1	1.02	0.0118	1.68
Imm8089	0.8905**	0.0077	-15.06	0.9797	0.0121	-1.71
Imm9000	0.7926**	0.0087	-26.6	0.8902**	0.0132	-8.79
Education						
Somehs	1.0369**	0.0048	7.62	1.0253*	0.0072	3.46
Hsgrad	1.1302**	0.0054	22.67	1.1034**	0.0084	11.78
Somecoll	1.2517**	0.0062	36	1.1764**	0.0102	15.93
Collgrad	1.4734**	0.01	38.66	1.5067**	0.0151	27.14
Occupation						
Mgrprorl	1.5411**	0.0095	45.58	1.6432**	0.0189	26.25
Service	1.1197**	0.0074	15.36	1.1211**	0.0164	6.99
Salesoff	1.3051**	0.0083	32.16	1.3418**	0.0177	16.65
Cnstexmn	1.4452**	0.0079	46.7	1.3940**	0.0161	20.7
Prtrmtmv	1.2538**	0.007	32.15	1.3888****	0.0159	20.66
Selfemp	0.9582*	0.0123	-3.47	1.0634*	0.0172	3.59
Constant	5.2982**	0.0156	106.82	4.2742**	0.0264	55.1

Source: 2000 5% PUMS.

*Significant at the .0005 level; **Significant at the .0001 level.

CA Model Adj R-Sq = .2348; TX Model Adj R-Sq = .1912