How Does Ability to Speak English Affect Earnings?

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Introduction

Eighteen percent of people in the United States spoke a language other than English in 2000, up from 14 percent in 1990, and 11 percent in 1980.[1] Difficulty speaking English can adversely affect people's ability to get a job and earn money in the U.S. labor market. Employers may avoid hiring otherwise qualified individuals who have difficulty communicating effectively. People who have difficulty with English may feel uncomfortable applying for some jobs that require proficiency in English.

Census data shows that workers who spoke only English had higher median earnings compared with those who spoke a language other than English. Moreover, among those who spoke a language other than English, those with the greatest English-speaking ability had the highest average earnings.[2]

Objective

This analysis will examine the extent to which people who speak a non-English language are penalized by their level of English-speaking ability.

Data

This paper uses data from the Census 2000 long form. The long form provides socio-economic detail needed to administer a wide range of government programs and to fulfill federal requirements. Nationwide, it went out to one in six housing units. However, to assure the same level of accuracy everywhere, a larger share of housing units in small towns and rural counties received this form.

The data tallies used for this analysis derive from the Census Bureau's internal restricted file, the Sample Edited Detailed File (SEDF). The sample data set consists of 43,459,449 individual records that when weighted represent the total U.S. population in 2000 of 281 million people. From this universe, we select people who were ages 25 and over.

Language data come from a three-part question:

a) Does this person speak a language other than English at home?
b)What is this language?

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[1] Hyon B. Shin and Rosalind Bruno. Language Use and English-Speaking Ability: 2000. Census 2000 Brief C2KBR-29. Washington, DC: U.S. Census Bureau, 2003.
[2] Based on analysis of Census 2000 unpublished data.

c) How well does this person speak English? (Very well, well, not well, not at all)

For the analysis, we summarize the data into language groups with the highest number of speakers.

Data on earnings are derived from the long-form questionnaire item 31a. Earnings are defined as the sum of wages or salary income and net income from self employment. Earnings represent the amount of income received regularly before deductions.

Methods

We start our analysis considering employability of foreign-language speakers. We will demonstrate the relationship between ability to speak English and employment status: full-time, year round workers; part-time or part year workers; and unemployed.

We then examine this relationship by worker's employment status, age, sex, race/Hispanic origin, nativity, year of entry, educational attainment, and occupation.

We next explore at the relationship between earnings and English speaking ability. We will consider language spoken to determine whether some language groups have more of an advantage than others in their ability to earn money. Again we will examine these relationships by worker's employment status, age, sex, race/Hispanic origin, nativity, year of entry, educational attainment, and occupation.

Table A. Median Earnings of Workers by Language Spoken at Home and Ability to Speak English

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see http://

Language	Number in the labor force	Ability to speak English			
		Very well	Well	Not well	Not at all
Ages 25 and over					
Speak only English		$	(X)	(X)	(X)
Speak other language		$	$	$	$
Spanish or Spanish Creole		$	$	$	$
Other Indo-European languages		$	$	$	$
French (incl. Patois, Cajun)		$	$	$	$
French Creole		$	$	$	$
Italian		$	$	$	$
Portuguese or Portuguese Creole		$	$	$	$
German		$	$	$	$
Yiddish		$	$	$	$
Other West Germanic languages		$	$	$	$
Scandinavian languages		$	$	$	$
Greek		$	$	$	$
Russian		$	$	$	$
Polish		$	$	$	$
Serbo-Croatian		$	$	$	$
Other Slavic languages		$	$	$	$
Armenian		$	$	$	$
Persian		$	$	$	$
Gujarathi		$	$	$	$
Hindi		$	$	$	$
Urdu		$	$	$	$
Other Indic languages		$	$	$	$
Other Indo-European languages		$	$	$	$
Asian and Pacific Island languages		$	$	$	$
Chinese		$	$	$	$
Japanese		$	$	$	$
Korean		$	$	$	$
Mon-Khmer, Cambodian		$	$	$	$
Miao, Hmong		$	$	$	$
Thai		$	$	$	$
Laotian		$	$	$	$
Vietnamese		$	$	$	$
Other Asian languages		$	$	$	$
Tagalog		$	$	$	$
Other Pacific Island languages		$	$	$	$
Other languages		$	$	$	$
Navajo		$	$	$	$
Other Native North American languages		$	$	$	$
Hungarian		$	$	$	$
Arabic		$	$	$	$
Hebrew		$	$	$	$
African languages		$	$	$	$
Other and unspecified languages		$	$	$	$