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TITLE: Saturation and Exodus: How Immigrant Job Networks Are Spreading down the U.S. Urban System

### EXTENDED ABSTRACT

Researchers have long recognized that the impact of immigration on U.S. society is a function of its spatial distribution. During the early 1900s, for example, academics proclaimed that, “The problem of immigration is . . . essentially one of distribution” (Speranza 1904: 938), and that, “Since we cannot depend on immigrants to scatter, means must be taken to diffuse them throughout the country” (Norton 1904: 161). Eighty-five years later, Lieberman and Waters (1988: 53) explained that “Location is not a trivial question . . . . We are not merely dealing with a fundamental fact about ethnic and racial patterns in the nation; spatial concentrations also affect assimilation, intermarriage, political power, visibility, and interaction with others.”

In this paper, I will study the latest round of this “problem” by tracing the historical and spatial development of ethnic-immigrant employment niches in and, then, from New York and Los Angeles to other places in the national urban system over the past three decades. My thesis runs as follows: (1) After the 1965 Immigration Reform Act, immigrant “pioneers” began arriving in large numbers to the United States, in general, and to major gateway cities, in particular. (2) Thereafter, friends and family followed, strengthening and enlarging local connections in the gateway region, which newcomers used, among other things, to find jobs. (3) This process funneled group members into particular sectors of the gateway economy, reflecting group talents, local demands, and competition with other minority groups in the area.

(4) As more friends and family followed, workers began to outpace opportunities in the local ethnic niche, creating conditions of saturation. (5) In response, some started their own businesses, others left the niche for new sectors of the local economy, and still others began to leave the gateway region altogether.

To date, scholars have focused extensively on the first two processes, but not the third: exodus and employment elsewhere. This gap calls for attention from scholars and policymakers for several reasons. First, research on immigrant networking and niching in gateway centers has produced valuable insights into how foreigners arrive and get jobs in highly competitive urban labor markets. However, these insights come from research that stops at the metropolitan border, ignoring the churning of local immigrant populations to other destinations. Consequently, we know little about how immigrant networks and niches, once established in gateway centers, develop across space, as well as time. By examining this issue, the proposed study will improve our understanding of how ethnic networks shape the exit, as well as entrance, of immigrants from leading gateway centers. It will also move beyond comparisons of “established” and “new” immigrant destinations to examine connections between the two: When did these connections emerge? Whom have they drawn? And what types of places and jobs do they link?

For policymakers, the study will provide insight into where immigrants are likely to go when they leave gateway centers, who is likely to be involved, and what types of “social capital” they are likely to convey from their gateway origins. In her recent book, *A Call Home*, Carol Stack tells of the networks and dispositions that native-born blacks are bringing with them as

they return from northern cities to their southern roots. Immigrants are also bringing social capital to their new destinations, forged not just in shared culture and ethnic bonds but also in the unique crucibles of leading gateway centers. Understanding the nature of this social capital and how it shapes the resettlement of immigrants throughout the national urban system is important if state and local leaders are to anticipate and facilitate the integration of foreigners into their areas.

My analysis of these processes will occur in two phases. Phase 1 will examine conditions of labor market saturation and the extent to which it correlates with immigrant outmigration from New York and Los Angeles over recent decades. Phase 2 will examine who, among local immigrants, is most likely to leave as saturation occurs and what contextual factors, if any, influence where they go and what types of jobs they get. Winding through each phase is the fundamental question of whether the current exodus of immigrants down the urban hierarchy is part of a broad process of economic assimilation or part of a narrower process of ethnic extension of existing ethnic divisions of labor down the urban hierarchy. I elaborate on each research phase below.

#### Phase 1: Trace the Development of Ethnic Niches in New York and Los Angeles, 1970-2000

In Phase 1, I will apply an accepted (odds-based) method of ethnic niche identification to data from the 1970, 1980, 1990 and 2000 5-percent Public Use Micro Samples (PUMS) in order to trace the development of local employment niches among the seven largest immigrant groups in New York and Los Angeles. I will focus on “core” sectors of each group’s ethnic niche, defined

as industrial sectors consistently over-represented with group members over time. I will then examine trajectories of coethnic employment in these sectors, looking for evidence of saturation and dispersal to new places and jobs over time. Two central hypotheses will help ground this phase of research.

Hypothesis 1.1: Over time, growth of the local ethnic niche will slow relative to growth in the total local ethnic workforce.

Hypothesis 1.2: As this saturation occurs, more immigrants will leave the gateway region for new destinations.

To test these hypotheses, I will compute and analyze an “index of saturation” for each major immigrant group in New York and Los Angeles for each decade under review (e.g., for Mexicans in Los Angeles for 1970-80, 1980-90, and 1990-00):

$$\text{Index of Saturation} = 1 / \frac{\left[ \text{Rate of Growth in the Local Ethnic Niche}_{t \rightarrow t+1} \right]}{\left[ \text{Rate of Growth in the Local Labor Market}_{t \rightarrow t+10} \right]}$$

When niche growth keeps pace with chain immigration to the gateway region, the index remains

low; when it falls behind, the index rises. The expectation is that this measure will be lowest during the group's initial (post-1965) settlement into the gateway region (e.g., 1960s and 1970s), and then it will increase over time as established ethnic niches, and the ties that bind them, become saturated (e.g., in the 1980s and 1990s). Following descriptive analyses of these propositions, I will use the saturation index as an independent variable in multinomial regression models to determine if niche saturation correlates with immigrant outmigration from the gateway region, relative to shifts into self employment and/or into other sectors of the local economy. My expectation is that, at the group level, the correlation between the index of saturation and outmigration will become increasingly positive and statistically significant as we approach present conditions of niche saturation.

#### Phase 2: Examine the Demographic & Job Trajectories of Immigrants Leaving NYC & LA

In Phase 2, I will examine whom, among immigrants, is most likely to leave the gateway region when indices of saturation rise, and what types of jobs they tend to get when they arrive in their new destinations. Of central concern is whether earlier arrivals are leading the exodus from gateway regions, in a manner consistent with spatial assimilation, or whether it is being led by later arrivals who face saturated local employment opportunities and are reforming gateway niches elsewhere. In addition to using descriptive statistics to examine these issues, I will use multivariate techniques to investigate the following hypotheses (and to probe their supporting claims):

Hypothesis 2.1: Later arrivals will be more likely than earlier arrivals to leave the gateway region (because newer arrivals are more likely to face, and less able to accommodate, conditions of niche saturation in the gateway region).

Hypothesis 2.2: Immigrants who leave the gateway region will be more likely than those who stay to reproduce local employment niches over time (because those who leave will rely heavily on resources in the gateway niche to learn about and pursue jobs elsewhere).

Hypothesis 2.3: Conditions in the gateway niche will shape outmigrants' employment elsewhere more than conditions at destination (because information and influence in the gateway niche will channel outmigration more than abstract awareness of conditions at destination.)

To test these hypotheses, I will use logistic regression and control for individual-level factors commonly associated with migration (e.g., age, sex, education, and family status).

Because my thesis proposes that historical and geographical reproduction of gateway-immigrant niches are linked, my statistical models will attend to both dimensions when necessary. For example, to analyze Hypothesis 2.3 for the 1990s, I will estimate a model that, in simplified form, runs as follows: Gateway-Niche Conditions<sub>1990</sub> + Destination Labor Market Conditions<sub>1995</sub> + Intersectional Factors (e.g., geographic distance) → Odds of Niche Extension to New Destination<sub>2000</sub>. Using this model and supplemental data on labor market conditions, I will

determine which types of contextual factors—those associated with the gateway niche or those associated with the new destination—are most important for understanding when and where immigrants are likely to extend their employment niches out of gateway regions to other metro economies.

In these and related regression analyses, the mix of individual and contextual factors raises two methodological issues: (1) presumed independence among individual cases; and (2) high correlation between contextual measures. To address the potential lack of independence among cases, I will use two common strategies of estimation and evaluate the robustness of findings across these two strategies: (a) hierarchical linear modeling; and (b) Huber/White/sandwich estimation of variance. Both procedures help to ensure that standard errors are not underestimated and that tests of significance are statistically conservative. Regarding collinearity of contextual measures, preliminary analyses (not shown) indicate that the concern is minimal.