Placing Progress: Contextual Inequality and Immigrant Incorporation in the U.S.

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Abstract
Immigration scholars focus considerable attention on immigrants' economic progress in the United States. The relatively recent ability to consider the second generation children of immigrants provides an opportunity to examine these relationships not only with regard to immigrants but also to their U.S.-born and educated children, further invoking questions of social mobility and the persistence of ethnicity as a component of inequality. In this paper, I employ a relative distributions approach to the examination of wages (from 1990 and 2000 U.S census data) in New York and Los Angeles for natives, immigrants, and their adult children. This approach allows for consideration of how opportunities for immigrant incorporation have been affected by city contexts of wage inequality, as well as the relational changes in labor market position realized by native, immigrant, and second generation groups as a result of economic changes in the 1990s. Results suggest that prospects for immigrants' economic incorporation are geographically specific and should be assessed across multiple generations as a result of the continuing importance of race for even those individuals who are U.S.-born of U.S. parents.

Introduction

Much recent research has examined how immigrants' prospects for economic incorporation are geographically contingent, both within and across U.S. metropolitan areas (see, for example, the contributors to Waldinger 2001). More detailed considerations have examined how immigrants fit into occupational sectors of local economies, their resulting occupational comparisons with natives, and how this process has changed over time (Ellis et al 2005). This work is consistent with what has been termed a "configurations of inequality" approach, whereby researchers seek to understand how and why dimensions of inequality among various groups within labor markets vary across labor markets (McCall 2001). Comparisons of immigrants and natives have been particularly fruitful in this regard as they engage dimensions of both race and class in questions of inequality. The relatively recent ability to consider the second generation children of immigrants provides an opportunity to examine these relationships not only with regard to immigrants but also to their U.S.-born and educated children, further invoking questions of social mobility and the persistence of ethnicity as a component of inequality.

Although there has been considerable interest in how the adult children of immigrants will fare economically, surprisingly little academic attention has been devoted to consideration of how their wages compare with the U.S.-born (at least third generation) or with their immigrant parents' generation. Much of the focus has remained instead on the educational attainment of the children of immigrants and

concluded that the second generation is by and large more educated than their parents' generation (Zhou 2001, Farley and Alba 2003). Educational attainment of certain foreign-born origin groups (most notably Asians) is, on average, higher than that of the U.S.-born, and this advantage is likely to persist into the next generation. There is even evidence that intergenerational educational transmission is higher among the lowest-educated immigrant groups, such that their children close educational gaps they had with the U.S.-born (Card 2004).

Concomitantly, and in this very same literature, concern has mounted that immigrants' concentrated settlement patterns in the most unequal of labor market conditions that characterize immigrant cities may threaten, if not their children's educational attainment, their progress in catching up with the U.S.-born (Gans 1992, Clark 2001, Zhou 2001). Such concerns are driven by spatial assimilation conceptions such that the issues of concentration and residence and immigrant progress are unproductively conflated. In this paper, I suggest that the key to understanding how immigrants and their children fare in a spatial context involves a more nuanced and relational understanding of the structures of local labor markets. Educational gains among the children of immigrants may translate differently in different labor markets, depending on demographic "aging out" of natives, economic restructuring, and discrimination, as well as the social configurations of inequality that reward education and skills with different labor market positions depending on racial or ethnic status.

I employ a relative distributions approach to the examination of wages (from 1980-2000 U.S census data) across U.S. metropolitan areas for natives, immigrants, and their adult children. Relative distributions methods provide for more detailed analysis of structures of inequality and employment than traditional parametric approaches by examining the overall distribution of wages rather than comparing mean wages of different groups (Handcock and Morris 1999). They thus provide a means for comparing different groups' relative positions within the wage structure across and within cities, and how these positions have changed over time. I decompose relative wage changes for educational covariates, so that compositional differences between various immigrant, second generation, and U.S.-born race groups can be isolated from residual inequality between groups in different cities. This approach allows for

consideration of how opportunities for immigrant incorporation have been affected by city contexts of wage inequality, as well as the relational changes in labor market position realized by native, immigrant, and second generation groups as a result of economic changes between 1990 and 2000.

Preliminary analyses indicate that, just as it does for their parents, geographic location matters in determining the economic prospects of the second generation. Moreover, it does so not just because some cities pay higher wages than others, but because there are different opportunities and penalties accruing to relative position in local labor markets. The relative position of the children of immigrants is also contingent on context, however, such that intergenerational mobility between immigrants and their children does not translate into the same mobility relative to the U.S.-born in different contexts. This is in part due to the fact that immigrants enter cities and labor markets that are already highly racialized in ways that structure opportunities for natives (Bound and Freeman 1992, Hirsch and MacPherson 2004) and immigrants alike, but also because of the differing penalties to immigration in differently-structured labor markets, and opportunities for and limits to social mobility. Relative distributions analysis of immigrants, their children, and the U.S.-born by race provides perspective on the relative positioning of groups in local labor markets and the U.S. as a whole. Coupled with analysis of economic changes over time and decomposition of educational differentials, this approach allows consideration of the ways in which context is important in determining how the children of immigrants will fare in the U.S., and complicates the spatial and theoretical context within which we assess immigrant incorporation.

Research Questions

Several main research questions are posed. First, how are immigrants and their adult children faring economically relative to the U.S.-born of U.S.-born parents? Second, are the economic trajectories of immigrants and their parents better in some places than in others? While we presume that place presents different opportunities for both U.S.-born individuals and immigrants, we are less sure how this is so, and how it is relationally, as well as absolutely, so. This is to say, as this paper does, that while 2nd generation Hispanics may make higher wages in New York City than in Los Angeles, they may fare worse relative to other groups in New York City, such that relational inequality may put them at

greater disadvantage here even though their absolute wages are higher. This is not just to say that costs of living differ between cities, although they do and this fact is certainly important. It is moreover to say that relative position marks a range of disadvantages, especially when considerable labor market segmenting and immobility persist. This leads to the third and fourth research questions posed in this paper. How is second generation social mobility related to the relative position of their parents in various U.S. contexts? Finally, to what extent does residual inequality persist between children of immigrants and children of U.S. natives after controlling for educational attainment differences between populations? In order to answer these questions, I present the results from three different approaches, as described above and summarized below in Table 1:

Table 1 –
3 Geographic Relative Distribution Approaches to Immigrant Incorporation

1) Relative distributions of wages in 1990 and 2000 for the U.S., Los Angeles, and New York
2) Relative comparisons of 1990-2000 wage change for Latinos/Whites and Asians/Whites in New York and Los Angeles
3) Analysis of distributional differences net of education between foreign-stock and U.S.-born Latinos and U.S.-born whites in New York and Los Angeles

Data and Methods

Although Current Population Survey data provide information on parental birthplace necessary to identify the second generation, limited sample sizes prohibit metropolitan-level consideration of wage data of race-disaggregated foreign-stock groups. The identification of the 1.5 generation in the 1990 and 2000 5% PUMS data affords a suitable proxy, with a significantly larger sample. I differentiate the 1.5-generation population from the remainder of the foreign-born population by age at arrival: following Perlmann and Waldinger (1997) and the work of Ruben Rumbaut I define the 1.5 group as immigrants who entered the U.S. before they were twelve years of age. It is plausible that this group has had many

of the benefits of a U.S. education and exposure to English by the time they enter the labor market as adults. The foreign-born are distinguished in this analysis as those immigrants who arrived later in life.

Thus, from the 1990 and 2000 5% PUMS, I extract samples of 25-54 year-old men who are not self-employed and have wage and hours data. For comparison purposes, foreign-born and 1.5 generation Hispanics and Asians are compared with U.S.-born (third generation or more) whites, blacks, Hispanics, and Asians. These groupings capture the major nativity/race groupings in the U.S. All other groups are omitted from comparison. Multiple race categories from the 2000 census are made compatible with 1990 single race responses by use of a crosswalk scheme that compresses small numbers of multiple-race respondents into single race categories. Where 1990 and 2000 wages are directly compared, 2000 wages are adjusted by a Consumer Price Index deflator of .792. Education-adjusted entropy measures reported in the next section are the result of a 4-category covariate measuring education completion of 1) less than high school, 2) a high school diploma or GED, 3) some college, or 4) a BA degree. For these eight groups, the entire wage distribution is compared. All wages are logged and represented proportionally to U.S.-born white wages.

Results

Intergenerational Immigrant Inequality in the United States

Figure 1 shows the entire distribution of 2000 log wages for the 4 largest U.S.-born and two largest immigrant/1.5 generation race groups, with all represented proportionally to U.S.-born white wages (the dashed line at 1 on the y-axis). All other lines are proportional to this distribution, such that the intersection point of each group with this dashed straight line marks the point in the distribution of U.S.-born white wages that there are equal proportions of the comparison group. There are proportionally as many 1.5 generation Hispanics making the same wages as U.S.-born whites at the 38th percentile of the U.S.-born white distribution. This is the "balancing point", so to speak, for the two wage distributions. In real values, this is approximately equal to $12.50/hr, represented by the real log values on the top x-axis. Most notably, there are about twice as many second generation Hispanics at the

lowest end of the wage distribution as there are U.S.-born whites, and about two-thirds as many at the top end. Predictably, immigrant Hispanics are much more unequal than second generation Hispanics: there are nearly twice as many of them at the lowest end of the wage distribution than their children's generation, or about four times as many of them as U.S.-born whites (and consequently, only about half as many immigrant Hispanics as U.S.-born whites are at the uppermost end of the wage distribution).

As a point of reference, U.S.-born blacks are also very unequal with regard to U.S.-born whites. Curiously, for the U.S. as a whole, U.S.-born blacks and 1.5 generation Hispanics look quite similar in terms of relative wage position. U.S.-born Hispanics also look similar, although they are more extremely overrepresented at the lowest end of the wage distribution, probably as a result of their lower educational levels when compared with 1.5 generation Hispanics. Wage distributions for Asians look much more similar to those of U.S.-born whites, although all Asian groups show some skewing at the upper end of the wage distribution. This is especially true of foreign-born Asians, who also show some overrepresentation at the lowest wages. This disadvantage, however, is only half that of foreign-born Hispanics, and one-third that of U.S.-born blacks and Hispanics. Comparing relative wage distributions of these eight major immigrant, 1.5 generation, and U.S.-born race groups clearly provides a picture of labor market structure, including racial and ethnic segmenting across generations. This also provides a relational turn to questions of economic assimilation, in that questions of whether the 1.5 generation closes their parents' generation's gap with various U.S.-born groups can be assessed both in terms of decreasing distance from the reference wage distribution and in terms of the comparative shapes of each group's distribution.

More interestingly still, the interactions of generational status and race in this regard challenge simplistic notions of immigrant generational progress toward economic parity with U.S.-born whites, and perhaps evidence racialized patterns of economic incorporation more in line with suggestions of segmented assimilation theorists. While intergenerational social mobility is evident, for example, in terms of decreasing inequality with U.S.-born whites between immigrant Hispanics and 1.5 generation

Hispanics, this progress does not continue for at least 3rd generation Hispanics. [1] Although there is no doubt that 1.5 generation Hispanics are making significant progress in closing the wage gap their parents' generation had with U.S.-born whites, there still exists marked inequality between the wage distributions of whites and Hispanics, whether immigrant or U.S.-born.

Examination of the entire structure of Asians' wages yields insights regarding economic assimilation ideas as well: for although 1.5 generation and 3rd generation-plus Asians have wage distributions that look much more like those of U.S.-born whites, this is not only because of the downward skewing of immigrant Asians' wages compared with U.S.-born whites, but also because of their positive wage skew. The shape of wages for immigrant Asians is much more polarized than wages for U.S.-born whites, although this polarization occurs at both ends of the wage distribution. This is easily explained by the bifurcating of immigrant skill by U.S. immigration policy that seeks to admit both unskilled family migrants and highly-skilled professionals, but it renders questions of economic assimilation in terms of "catching up with U.S.-born whites" problematic. Further, the importance of examining relative wages across the entire distribution of wages becomes apparent here, as analysis of mean wages obscures the fact that much of the reason Asian immigrants' wages look similar to U.S.-born whites is that large distributions of immigrants at the top end of the wage distribution pull their mean much closer to the U.S.-born white mean wage. This is exemplified in Figure 2, which provides 1990 and 2000 comparisons of these data.

1990-2000 Changes in Group Inequality

Figure 2 juxtaposes 1990 and 2000 relative distributions wage profiles. What happened between 1990 and 2000 in terms of the relative distribution of wages for immigrants and their children in the U.S.? First, there is increasing polarization over the decade for all Asian groups, and especially Asian immigrants at the upper end of the wage distribution. This suggests, as just mentioned, that comparisons of mean wages that show Asian immigrants catching up to the U.S.-born are misleading, in

[1] This has been the recent finding of several recent studies, most notably Kochar (2005).

that the shapes of the two groups' wage distributions are so different. U.S.-born blacks look relatively unchanged in terms of their wage positioning relative to other groups. The decade between 1990 and 2000 was, however, marked by increasing inequality for Hispanics. This is not so much the case for immigrant Hispanics despite popular concern with immigrants' contribution to increasing inequality. It is especially true, though, of *native-born* (1.5 generation and 3rd-generation plus) Hispanics, who were much more likely to be at the very lowest end of relative wage distributions in 2000 than 1990. This points out the importance of relative distributions analysis for understanding both labor market structure and questions of immigrant incorporation. Hispanics faced much more unequal labor market conditions at the end of the 1990s than at the start of the decade, and their economic progress must be considered in these very different contexts. Further, while economic assimilation arguments might suggest that Hispanic 1.5ers are doing better in both 1990 and 2000 than their immigrant parents' generation, this advantage has declined significantly over the decade, such that intergenerational mobility, especially with regard to closing the gap between Hispanics and whites, has declined.

As mentioned above, a substantial literature has concerned itself with the different opportunities available in immigrant cities, and also with the high degrees of inequality that may limit second generation social mobility in these places. In part, this is the result of a spatial dispersion rhetoric that posits immigrant disadvantage as a product of their ethnic clustering in highly polarized U.S. cities. A less polemical literature suggests that immigrants' opportunities within the wage structure may have much to do with their location in very different U.S. cities (Ellis 2001, Waldinger 2001). Stories of the institutional advantages provided in specific urban contexts have long posited that mean wages are lowest for immigrants and their children in Los Angeles because of its dominance as a receiving city for immigrants, especially from Mexico and Central America, and its resulting highly discriminatory ethnic employment (Borjas 1995, Waldinger 1996). With this in mind, the remainder of this article seeks to examine differences in relative wages and the determinants thereof for the two major immigrant cities of Los Angeles and New York. These two cities are merely the starting point for this analysis, in which I hope to eventually explore the internal migration and residence decision-making processes of immigrants

faced with an array of very different place-based opportunities and structures of race and immigration-based employment, along the lines of the multi-city analyses undertaken by McCall (2001) and Waldinger (2001). They are, however, a useful starting point as they allow focused investigation of how contexts of inequality in these two immigrant cities shape intergenerational economic progress.

A Tale of Two Cities: Immigrant Inequality in New York and Los Angeles

How do New York and Los Angeles compare to the U.S. as a whole? Figures 3 and 4 compare the overall 2000 wage distribution just seen with those of Los Angeles (Figure 3) and New York (Figure 4). The first thing to note is that the scale of the y-axis for these specific city comparisons increases markedly from those for the U.S. overall, in line with the high levels of inequality in these immigrant cities. This is also evidenced by the greater spread in wages represented by the real log values reported on the x-axis. In 2000, comparisons of Los Angeles with the U.S. overall show no polarization of Asians at the high end[2] There is also much less inequality for third-generation plus Hispanics compared with U.S.-born whites in Los Angeles than in the U.S. overall, although inequality is higher for foreign-stock Hispanics. Greater inequality for foreign-stock Asians is also visible in Los Angeles, when compared with the U.S. overall, although this is not true for U.S.-born Asians, whose wage distribution is fairly comparable to that for U.S.-born whites. In summary, then, Los Angeles is marked by higher than average inequality for immigrants and their children, but much lower inequality for native-born Hispanics (and Blacks) than the U.S. as a whole.

There is, then, a significant wage penalty to immigrants in Los Angeles, one that extends to 1.5 generation Hispanics, but there are opportunities for 3rd generation+ Hispanics to do much better (relatively) in Los Angeles when compared with the rest of the U.S. From an immigrant assimilation perspective, the fact that 1.5 generation Hispanics have wage distributions more like U.S-born Hispanics is complicated by the fact that U.S.-born Hispanics are still strongly segmented from other native-born

[2] In fact, much of this polarization in the U.S. overall has to do with their overrepresentation in Los Angeles and New York, where wages at the top of the wage distribution are higher than in the rest of the U.S. The advantage of distributional analysis here is that it demonstrates the importance of understanding the geography of immigrants in the U.S.

groups (Blacks excepted) in the overall (U.S.) labor market. In Los Angeles, in comparison, greater immigrant and 1.5 generation segmenting is accompanied by diminished inequality for native-born race groups. Although considerable segmenting continues for these groups in Los Angeles, it is quite less than that in the U.S. overall.

New York is quite different, however. There is much higher inequality for immigrant Hispanics in New York than in either Los Angeles or the U.S. as a whole, with nearly seven times as many immigrant Hispanics at the lowest end of the wage distribution. 1.5 generation Hispanics experience about the same level of inequality as in Los Angeles, at a higher level than in the U.S. as a whole. U.S.-born Hispanics are almost as unequal as in New York as in the U.S. at large, which is to say that they are significantly more segmented from other native-born groups than in Los Angeles. In the U.S. overall and in New York, then, U.S.-born (3rd generation plus) Hispanics are almost as unequal as 1.5 Hispanics. In Los Angeles, inter-generational assimilation between immigrant, 1.5, and 3rd generation+ Hispanics occurs largely because the 3rd generation+ Hispanics more nearly close the wage gap with U.S.-born whites than in the U.S. overall or in New York.

Again, as in Los Angeles, there is no polarization of Asian wages compared with the native-born as in the U.S. overall. This demonstrates the importance of a relative distributions approach and consideration of the different geographies of immigrants and natives. The top skewing of wages here is isolated from what it would "pull up" in an analysis of mean wages. This means that Asian immigrants' earnings are not actually at parity with native-born whites at the mean, as some suggest, but in fact that part of the "increased inequality" in immigrant cities is in fact due to extraordinary "within-group" inequality in these cities versus the U.S. as a whole. Not all of it, obviously, as the importance of inequality for most foreign-stock groups at the lowest ends of these distributions can hardly be ignored. All Asian groups experience far more inequality relative to native whites in New York than in the U.S. overall, and this is especially true of immigrants. This is even true of U.S.-born Asians, even as they are at parity with U.S.-born whites in Los Angeles.

As means of summary, Figure 5 juxtaposes the relative wage distributions for Los Angeles and New York in 2000. The most notable finding here is that by 2000, all non-whites fare much worse relatively in New York (with the exception of the 1.5 generation, who do relatively the same in both cities). This is especially true for immigrant Hispanics and Asians, although it is also true for U.S.-born non-whites. It is possible that this has much to do with New York's long-term economic decline, whereas the fact that Los Angeles' booming economy didn't slow down until the 1990s, gave non-white groups an opportunity to gain a foothold in the labor market (Wright and Ellis 2001). This means that suggestions that New York provided a better context for immigrant economic incorporation that Los Angeles (Waldinger 1996) may not hold up when relative wage distributions are considered vis-à-vis U.S.-born whites. I suggest, then, that relative position may be more important in assessing immigrant incorporation than absolute wages.

While Waldinger (1996) suggested that the institutional history of New York helped to provide better opportunities for immigrants (largely in terms of union jobs), such mechanisms were increasingly present in Los Angeles in the 1990s. The living wage movement in Los Angeles emerged from the immigrant-led Justice for Janitors campaign, and continues to be driven by coalitions that include immigrant organizers. Immigrant workers are disproportionately affected by the living wage ordinance as employees of agricultural and landscaping firms with City of Los Angeles contracts or service workers in tourist zone hotels covered by the measure. During this same period unions organized immigrant workers in unprecedented numbers (Meyerson 2004), and the minimum wage was increased. This is not to say that Los Angeles becomes an idyllic place for immigrants and their descendents in the 1990s, as these figures so clearly show, but rather that in that local context matters, there are tremendous social and economic shifts in the decadal periods available for analysis. These shifts are considered in the following sections, first by considering decadal shifts in wage positions akin to those in Figure 2 for Los Angeles and New York (Figures 6 and 7), and then by comparing wage changes over the decade (Figures 8 and 9) in order to determine who gained and who lost during the 1990s, both absolutely and relatively.

A Tale of Two Cities in the 1990s

Figures 6 (Los Angeles) and 7 (New York) juxtapose 1990 and 2000 wage distributions. Several major trends are evident. In Los Angeles, there is a considerable decrease in relational inequality for immigrant Hispanics, and a smaller but still significant decrease for 1.5 generation Hispanics. In New York, however, the relative disadvantage of immigrant Hispanics increases dramatically in the 1990s. At the same time, immigrant and 1.5 generation Asians begin to do relatively better in New York (although they are still more unequal in New York than in Los Angeles in 2000). The question, then, and one which I plan to address later in wage-migration models, is whether prospects for wage growth or relative labor market position (which can be much more than simply economic) matters more for where immigrants and their children locate in the U.S. The very clear point overall, to reiterate, is that this analysis shows that "catching up" to the U.S.-born population, depending on the reference group, may in fact be remaining really unequal, given the racial hierarchies that interact with immigration in the U.S. In these figures, as throughout this analysis, there is evidence of Los Angeles' "immigration penalty" and New York's "race penalty". As summary, Table 2 reviews 1990-2000 changes in New York and Los Angeles, as well as in the U.S. overall.

Table 2 - Summary of 1990-2000 Wage Changes

U.S.
• Increased inequality for Hispanics (but mostly U.S.-born and 1.5 generation Hispanics) • Polarizing of Asian wage distributions
Los Angeles
• Considerable decrease in inequality for immigrant Hispanics, also some decrease for 1.5 generation
New York
• Dramatically increased inequality for immigrant Hispanics • Dramatically decreased inequality for immigrant/1.5 generation Asians

Gainers and Losers in Immigrant Cities in the 1990s

Relative distributions analysis can further be extended to ask which groups were overrepresented among those who gained or lost labor market position in New York and Los Angeles in the 1990s. This is an important consideration in that part of the reason immigrants' position improved relatively in Los Angeles in the 1990s is doubtless due to the downturn in wages in that labor market generally. In Figures 8 and 9, relative log wage change is represented over the 1990-2000 period. This shows how decadal economic shifts affected which groups ended up among those who gained (in absolute terms and relative to U.S.-born whites) and which groups were more likely to lose out over the period.

Los Angeles

Between 1990 and 2000, immigrant Hispanics are significantly more likely to have gained from economic shifts than U.S.-born whites. This is both relative to U.S.-born whites and also in terms of real wages, as indicated by the log wage values on the top horizontal axis. 1.5 generation and 3rd generation+ Hispanics, conversely, were overrepresented among losers in the 1990-2000 Los Angeles economy. Again, this is probably due in large part to an increase in wage setting mechanisms that disproportionately affected immigrants, even as the Los Angeles economy faltered and U.S.-born Hispanics lost labor market position. Immigrant Asians in Los Angeles are overrepresented among both strong wage gainers and strong wage losers, consistent with the polarization of Asian wages in Los Angeles over this period. Curiously, though, U.S.-born Asians display wages that were more likely to remain unchanged than those of U.S.-born whites.

New York

This is in contrast to how immigrants fared over the same period in New York, as displayed in Figure 9. For Latinos, an opposite pattern is evidenced to that in Los Angeles, in that U.S.-born Latinos are overrepresented among gainers while immigrants are more likely to have experienced both relative and absolute wage losses. New York and Los Angeles have differently-composed Hispanic populations, to be sure, but this is further evidence that context matters a great deal - not only in terms of absolute

wages but also in terms of who benefits or loses from changing economic circumstances. Indeed, it seems likely that a strong surge of immigrant organizing and activism around the living wage contributed to gains for immigrants at the lowest levels of the wage distribution. These gains may not translate as well to the slightly-better paid (2nd-decile) "non-immigrant" Latino jobs. At any rate, the 1990s made clear that Los Angeles' institutional wage-setting mechanisms were beginning to be established very differently from New York's, in large part due to immigrant activism.

All Asians (but especially immigrants) are strongly represented among gainers in New York in the 1990s. Again, the more highly selective immigration policy of the 1990s, in which quotas for professionals were increased substantially, may be part of the explanation here. It is important to remember, however, as demonstrated in Figure 5, that all Asians still experience greater inequality relative to U.S.-born whites in New York. It is also important to remember, with regard to relative distributions work, that immigrant Hispanics were able to turn 1990-2000 economic downturn to their advantage in Los Angeles (relatively speaking), whereas Asians are the only group faring better in 2000 than ten years previously in New York (Figures 4, 5). In fact, the vast majority of wage gains made during this decade in New York were made by immigrant (and to a lesser extent, 1.5 generation) Asians.

Education-Adjusted Wage Distributions in Los Angeles and New York

The final question this paper seeks to determine is the extent to which wage inequality remains after controlling for differences in educational composition between foreign-born, 1.5 generation, and 3rd-generation plus individuals. This is once again an attempt to take discussions of immigrant economic incorporation away from individual "skills packages" that garner labor market rewards toward awareness of contextual inequality. It is obviously rudimentary, in that the only control in this case is a 4-category measure of educational attainment. However, given the focus of many researchers on the relationship between lower educational levels and wage inequality between immigrants and natives, the following analysis provides an initial means of addressing this correlation and assessing discrimination by controlling for the educational differences thought to affect wages.

Figures 10-13 compares the wages of immigrant/1.5 Hispanics with those of U.S.-born whites in Los Angeles and New York in 2000.[3] These are similar to earlier figures, although only two groups are compared in these cases, and bars representing deciles of the wage distribution are superimposed along with the relative distributions line. In each case, the first of the three plots presents unadjusted comparisons of wages. The second presents the same wage comparison with the comparison group (immigrant or 1.5 generation Hispanics or Asians) having the same educational profile as the native-born white reference group. The third plot then reveals the residual inequality not explained by differences in educational composition. Entropy statistics, as a measure of the differences in wage distributions, are provided in each case. There are then two comparisons taking place for each city: 1) a comparison of immigrant/1.5 generation wages with native-born white wages, and 2) immigrant inter-generational comparisons relative to the native-born. In this way, it becomes possible to compare immigrant/1.5 generation/racial/city differences in wages.

Los Angeles

Figure 10 compares the relative wages of immigrant Hispanics and U.S.-born whites. The unadjusted wage distribution in the first plot is thus identical to that in Figure 2. In the second plot, immigrant Hispanics' educational levels are adjusted so that they match those of native-born whites. The entropy decreases by about two-thirds from this adjustment, from .61 to .39, such that approximately two-thirds of the difference in wage distributions between the two groups is explained by differences in educational composition. Residual inequality (that unexplained by education) is thus about one-third of total inequality. More information is gleaned by comparing the shape changes of these plots. In this case, most of the decline in inequality after adjusting for education is in the first wage decile. This is not surprising, especially for immigrant Hispanics.

Here is evidence of what Piore (1979) termed "immigrant jobs": the especially low-skilled low-paid jobs at the lowest end of the labor market that are reserved especially for immigrants and

[3] The remainder of this paper focuses on 1.5 generation and immigrant Hispanics (by far the largest foreign-stock group in the U.S.) as their wage gaps with U.S.-born whites are larger than those of foreign-stock Asians.

completely segregated from the rest of the workforce. This is the difference that can be attributed to the difference in education/skills gaps between immigrants and the U.S.-born. If immigrants had educational profiles similar to natives, they would not be so overrepresented in this decile. Perhaps, in fact, many of these jobs would not exist, especially in Los Angeles (Ellis et al 2004). The shape change due to educational composition reduces immigrants' overrepresentation in the lowest decile, and predictably has the effect of increasing their representation in all other deciles – even the next lowest one. The final plot then shows the difference in wage distributions remaining after education is equalized. Immigrants are greatly overrepresented in the lowest two deciles, even after controlling for educational differences.

Halving the effect of everything yields the education-adjusted profiles for 1.5 generation Hispanics (Figure 11). Inequality for the 1.5 generation is about half that of their parents' generation in Los Angeles. Initial entropy is about 30%, with nearly two-thirds due to differences in educational composition and one-third remaining after adjusting for these differences. This is surprising, in that educational differences vis-à-vis the U.S.-born continue to exert the same proportional difference for the 1.5 generation as for their parents' generation. This suggests that labor market segmentation goes well beyond just the 1st generation of immigrants, as evidenced further in the equal wage positions of U.S.-born blacks, Hispanics, and 1.5 generation Hispanics shown in Figure 2.

New York

Figure 12 shows the same figures for immigrant Hispanics/U.S.-born whites in New York. Despite similar initial entropy to Los Angeles (as can also be seen by the comparison in Figure 5), there is somewhat less of a decline when controlling for educational differences between immigrants and natives in New York. Entropy declines from about .61 to about .35, indicating that nearer to half of the difference in overall wages remains unexplained by controlling for education. This effect is exacerbated for 1.5 generation Hispanics in New York, as seen in Figure 13, with almost half their wage gap with U.S.-born whites unexplained by educational differences. The fact that such high residual inequality

persists for those who arrived in the U.S. as very young children, even when controlling for educational differences, speaks to the extraordinary persistence of ethnic segmenting in New York.

Again, as with Hispanics in Los Angeles, inequality with U.S.-born whites diminishes between immigrants and the 1.5 generation (Figure 13). However, less of the wage gap is explained by educational differences, and nearly half remains after 1.5 Hispanics' education is adjusted to match that of U.S.-born whites. While this result falls short of establishing greater discrimination in New York than in Los Angeles, it does indicate that there are greater hypothetical returns to education (in terms of relative wage position) for immigrants and their 1.5 generation children in Los Angeles. This complements the earlier finding that race matters more for wage differentials in New York for 3rd generation+ non-whites, while disadvantage in Los Angeles is due in large part to differences between immigrants and natives. 1.5 generation Hispanics are less unequal than their parents' generation with regard to U.S.-born whites in both cities. There is more intergenerational social mobility in New York than in Los Angeles, but this is largely due to the fact that their educational profile is nearer that of U.S.-born whites in New York. In summary, although immigrant Hispanics start out with similar wage differentials in New York and Los Angeles, significantly more of this disadvantage is explained by educational differences in Los Angeles. This means that greater unexplained inequality persists in New York. While the 1.5 generation makes significant advances in terms of parity with U.S.-born whites in both cities, however, they do so to a greater extent in New York, largely as their educational profile in that city more nearly matches that of U.S.-born whites.

Discussion and Conclusions

The relative distributions and comparative metropolitan area analyses of this paper provide several insights. First, standard mean-based wage analysis comparing third generation U.S.-born whites with immigrant and second generation groups underestimates the persistence of inequality (and often overestimates immigrant economic incorporation) due to the more polarized distributions of immigrant and second generation wages. This is especially true of comparisons of U.S.-born whites with Asian foreign-stock groups, such that immigrant and second generation Asians are overrepresented with regard

to U.S.-born whites at both the highest and the lowest ends of the wage distribution. This polarization has increased dramatically in the last decade, such that mean wage comparisons that find this foreign-stock group "catches up to" or surpasses native whites neglect their persistent segmenting at the bottom of the labor market. Further, the relative distribution of wages varies substantially between U.S. cities, such that relative position may be a better predictor than absolute position in terms of determining immigrant economic incorporation.

While second generation Hispanics, for example, fare better in terms of absolute wages in New York than in Los Angeles, they are far more likely to be at the lowest end of the overall wage distribution in New York than in Los Angeles. Further, while their wages are higher relative to their immigrant parents in New York, and close gaps with 3rd generation Hispanics, this is in large part because third generation Hispanics fare so much more poorly relative to U.S.-born whites in New York City. Discussions of social mobility, and intergenerational mobility, then, must be situated in relational contextual analyses in which race continues to play a major role in determining labor market position even for the U.S.-born. There is a definite "immigration penalty" (immigrants and their children are more highly segmented from the rest of the labor force, but this segmenting abates significantly for those with U.S.-born parents) in Los Angeles. However, more significant immigrant intergenerational mobility for Hispanics and Asians in New York is complicated by an intensely persistent "race penalty", in which all U.S.-born groups remain more segmented from U.S.-born whites than in Los Angeles.

Comparison of different economic trends between cities and the U.S. as a whole over the period in question resulted in substantially different potential for the relative wages of immigrants and their children. In Los Angeles, for example, where job growth stagnated during the 1990s after booming in the 1980s (Ellis et al 2004), immigrant Hispanics managed to improve their (relative) position between 1990 and 2000. They were also overrepresented relative to all other groups in terms of real wage growth (although still earning the lowest wages), doubtless as a result of institutional changes in the wage structure such as the increase in the minimum wage, immigrant unionization and the living wage movement. In New York City, however, immigrant Asians fared relatively better in 2000 than in 1990

(despite being relatively worse off than immigrant Asians in Los Angeles), but immigrant Hispanics fared worse.

Although I have yet to thoroughly explore some of the reasons for these differences, it is likely that both changes in immigration policy and the internal migration of these groups played a role. Additionally, Los Angeles' substantial job growth in the 1980s may have provided immigrant Hispanics with entry points into the labor force that New York's already stagnating labor market did not. The fact that immigrants were overrepresented among those who made relative economic gains in the 1990s in Los Angeles, while 3rd generation-plus (not immigrant or second generation) Hispanics made this decade's relative gains in New York may indicate the strengths of different wage-setting institutional mechanisms in these two cities: largely immigrant in Los Angeles and largely union in New York. At any rate, the different economic circumstances and racial and ethnic configurations of inequality of U.S. cities in the last twenty years are important considerations in understanding immigrant incorporation and second generation social and economic mobility.

Finally, decomposition of relative wage distributions for educational differences between immigrant and 1.5 generation Hispanics and U.S.-born whites yields information on the wage returns to education and non-skill-based discrimination in different contexts. While immigration researchers have argued that much of the mean difference between immigrant and U.S.-born wages are explained by differences in education (Borjas 1995, Grogger and Trejo 2002), educational decomposition for overall distributions of immigrant, second generation, and 3rd generation-plus wages falls far short of explaining wage differentials, with substantial residual differences remaining. At least in part, this is due to the overall shape of the wage distribution, in which persistent segmenting for immigrants and their children occurs at the lower end (segmenting, again, which is masked by the greater polarization of immigrant wages and analysis of mean wage gaps). Distributional analysis thus provides evidence of what these researchers call the "very different labor market opportunities" available to immigrants and natives (Grogger and Trejo 2002). More interestingly, residual wage differentials that persist after controlling for group differences in educational composition vary geographically. While educational differences explain

about two-thirds of the wage distribution difference between native whites and second generation Hispanics in Los Angeles, they explain just half of the difference between the two groups in New York City.

Just as Los Angeles, Waldinger reminds us, New York may no longer be "the promised city" for immigrants and their children. In some ways, however, this has little to do with the inequality of 1st generation immigrants, or even their children, despite the continued emphasis on the vastly polarized 3rd-world in the 1st-world immigrant cities discourse. New York and Los Angeles' lack of promise for immigrants may have as much to do with the racially stratified local labor markets for those whose parents and even grandparents were born in the U.S. Segmented assimilation theorists were right in suggesting that there are many Americas one could assimilate into, but that none of them exactly hold equal promise for everyone. How the children of immigrants fare has much to do with where they locate, and the relational inequalities that structure local labor markets – such that (at least in New York) their greater gains vis-à-vis their parents are limited by labor markets that are segregated racially, maintaining distinctions from U.S.-born white workers well beyond the second generation. Oddly enough, questioning immigrant assimilation, and especially 1.5 generation assimilation, only lets us see how very far we have yet to come. This is the reason that I suggest that studies of immigrant incorporation need to turn away from individualistic accounts of individual skill and toward consideration of structural inequality with its differing rewards of local labor markets to individuals with different bodies but similar skills.

The combination of local labor market analysis of immigrant cities with a relative distributions approach employed here is a useful analytical tool for investigating labor market structures and inequality, and yielded insight in this case on the relative position in different labor markets for immigrants, their children, and the 3rd+ generation of U.S.-born. Future research needs to attempt better understandings of how immigrants relate to the internally unequal wage structures of local labor markets, as well as the internal migration of immigrants and their children (and the selectivity thereof) that results from and drives these processes.

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Figure 1

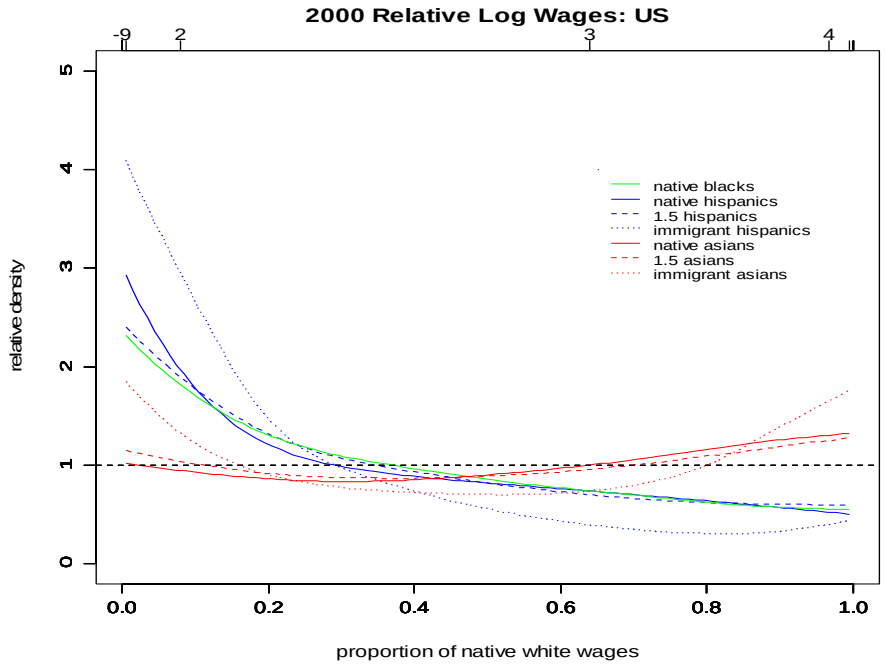
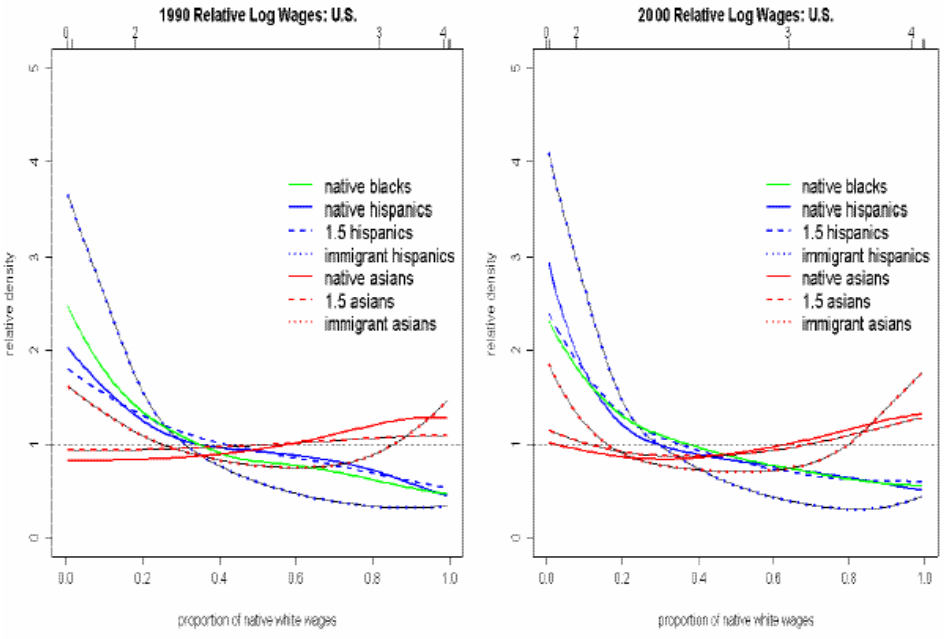


Figure 2



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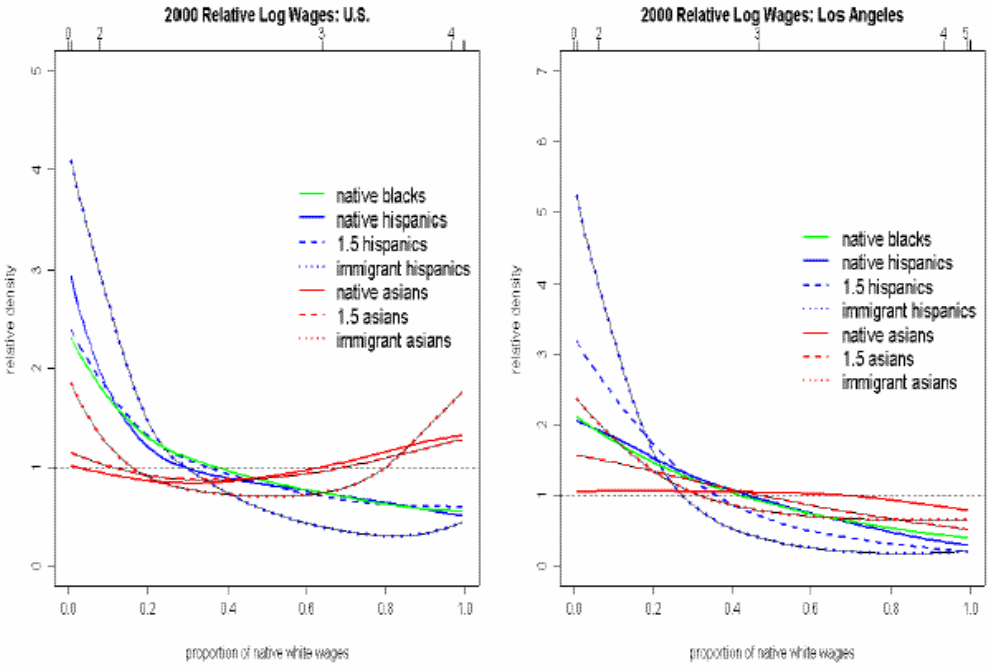


Figure 4

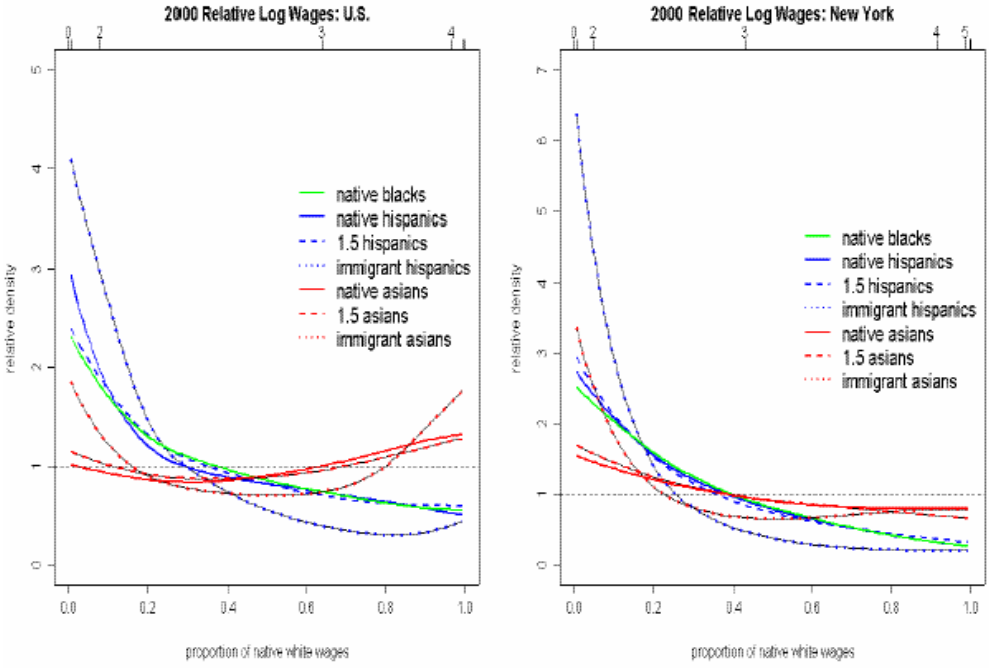


Figure 5

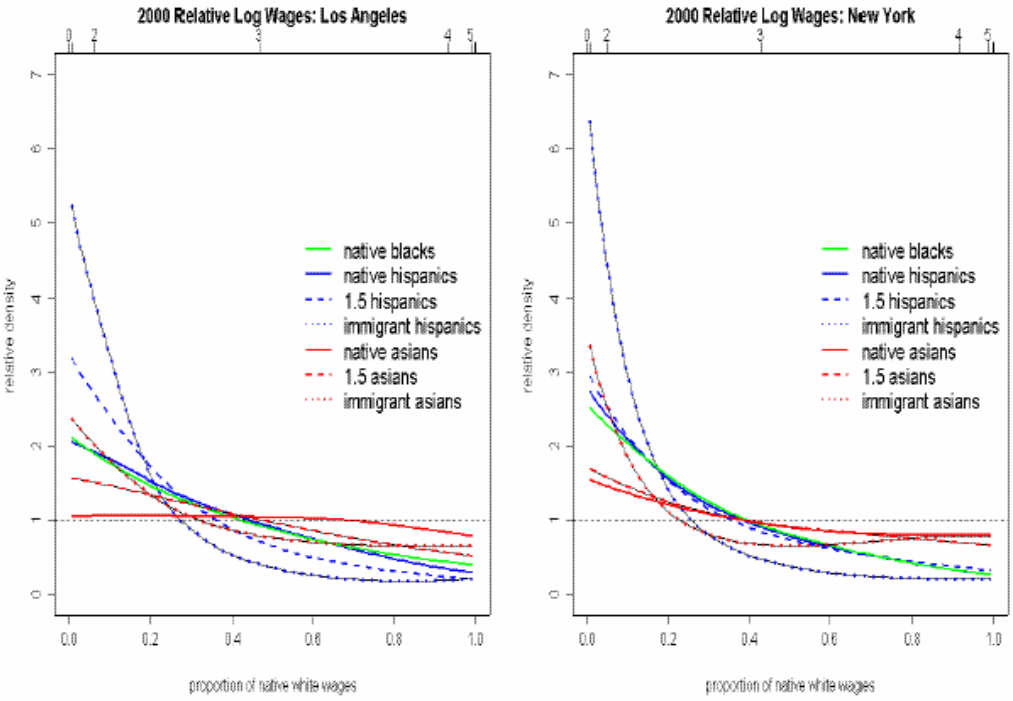

2000 Relative Log Wages: Los Angeles
2000 Relative Log Wages: New York
relative density
proportion of native white wages
native blacks
native hispanics
1.5 hispanics
immigrant hispanics
native asians
1.5 asians
immigrant asians

Figure 6

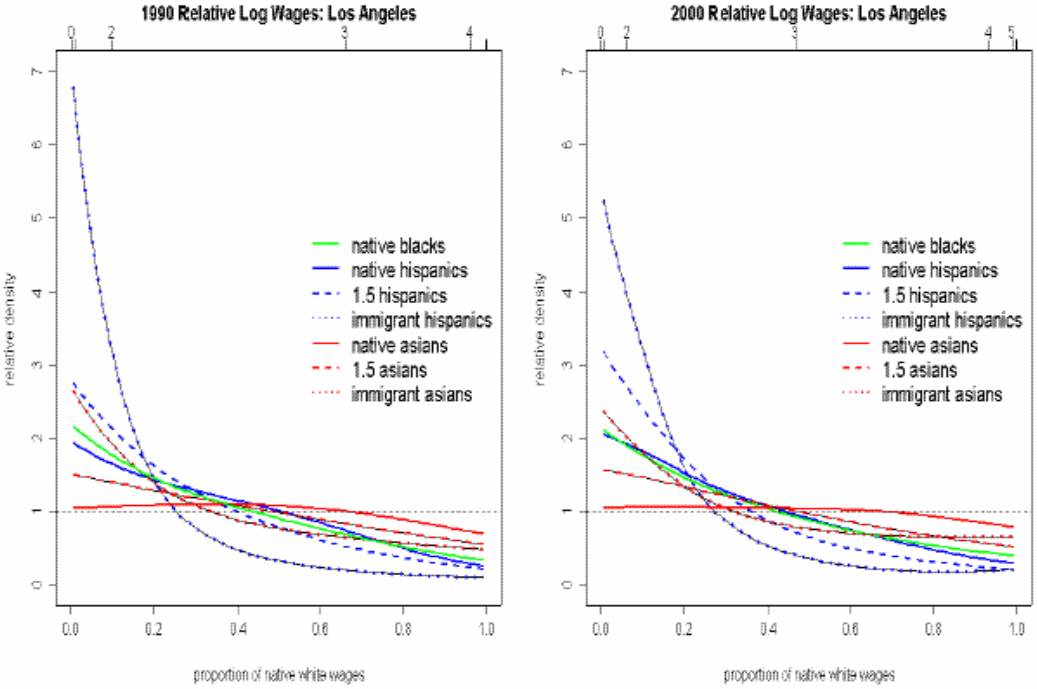


Figure 7

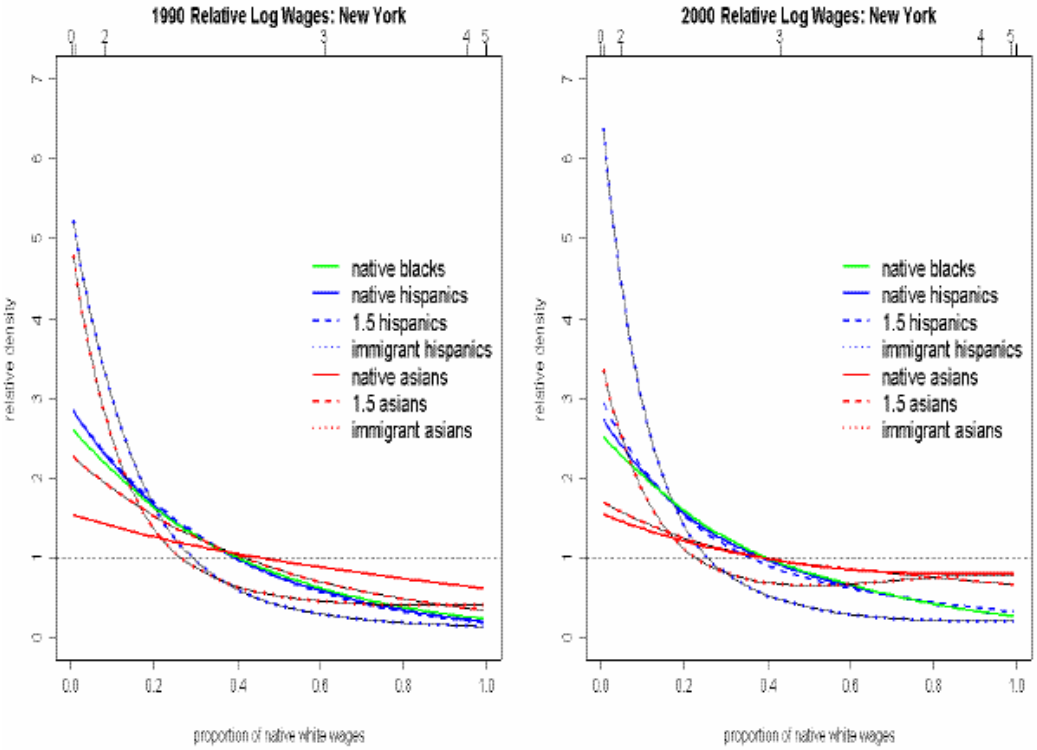


Figure 8

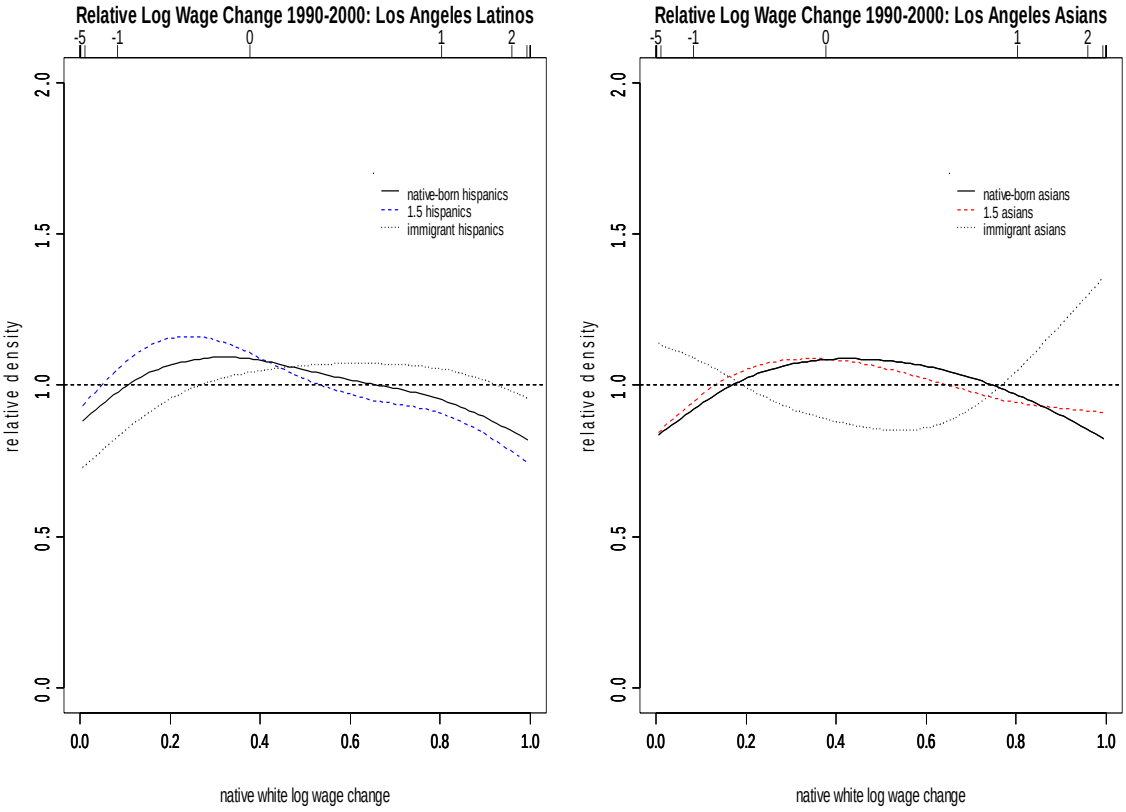
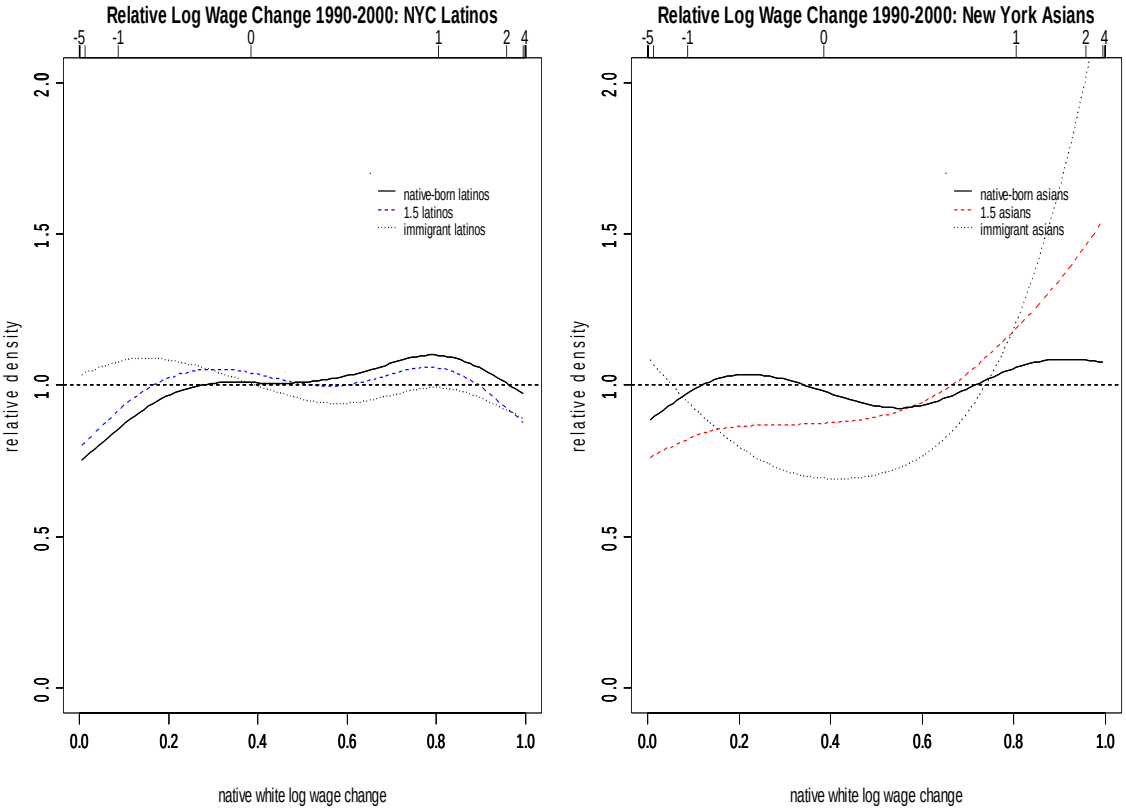

Relative Log Wage Change 1990-2000: Los Angeles Latinos
native-born hispanics
1.5 hispanics
immigrant hispanics
relative density
native white log wage change
Relative Log Wage Change 1990-2000: Los Angeles Asians
native-born asians
1.5 asians
immigrant asians
relative density
native white log wage change

Figure 9


Relative Log Wage Change 1990-2000: NYC Latinos
native-born latinos
1.5 latinos
immigrant latinos
relative density
native white log wage change
Relative Log Wage Change 1990-2000: New York Asians
native-born asians
1.5 asians
immigrant asians
relative density
native white log wage change

Education-Adjusted Relative Wages (Los Angeles, 2000)

Figure 10 - 1.5 Generation Latinos and Native Whites

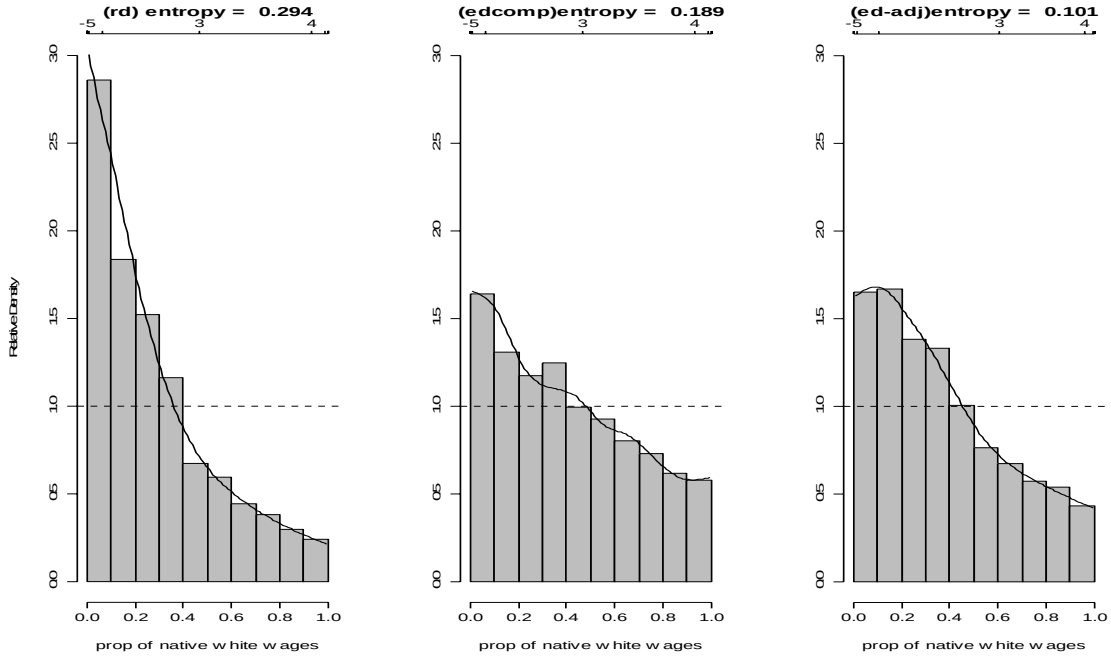
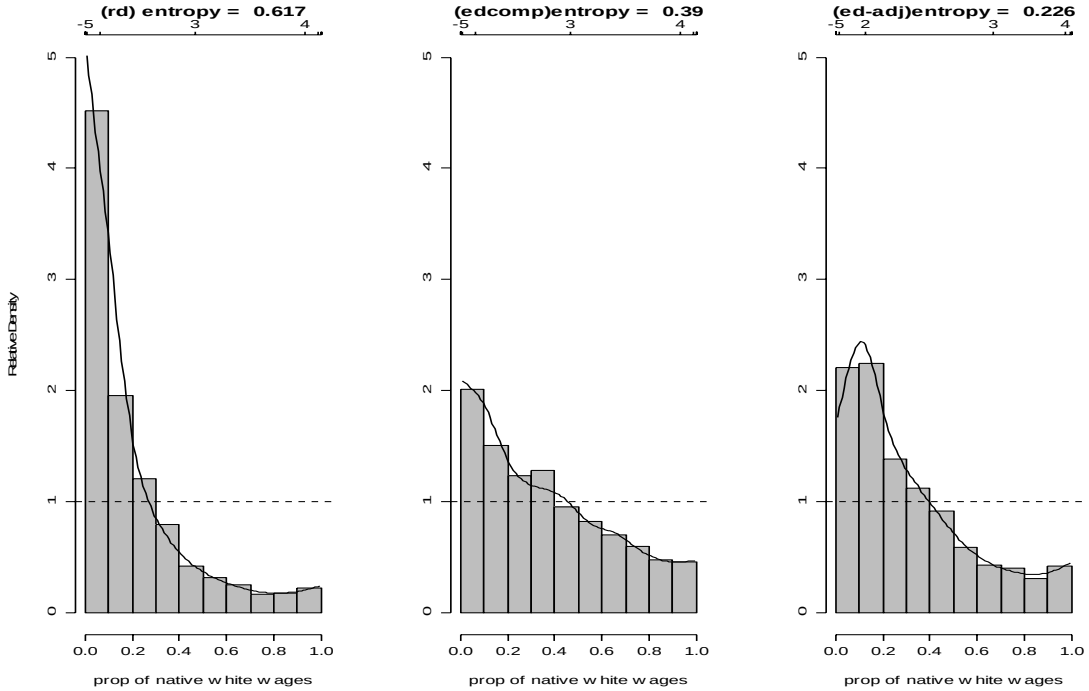


Figure 11 - Immigrant Latinos and Native Whites



Education-Adjusted Relative Wages (New York, 2000)

Figure 12 - 1.5 Generation Latinos and Native Whites

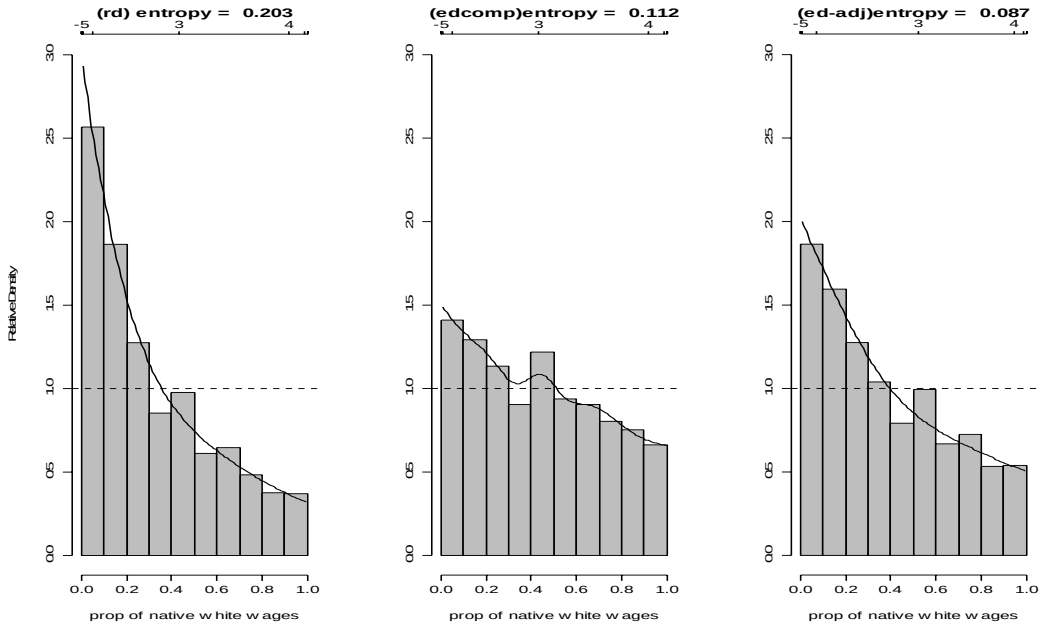


Figure 13 – Immigrant Latinos and Native Whites