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Authors
Valenzuela, Abel
Ong, Paul

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# CHAPTER 3

# IMMIGRANT LABOR IN CALIFORNIA[1]

ABEL VALENZUELA JR. AND PAUL M. ONG

## Introduction

Throughout California's history, new arrivals have periodically been a central force shaping the state's labor force and economic output. Since the 1960s, immigration has reemerged as a major component in the growth of the state's population, more than doubling its size, making California by far the largest state in the Union. Unfortunately, immigrant assimilation into the economy and society has been problematic. Immigrants are an important source of new labor, yet their incorporation has been uneven and as a result, their economic outcomes disparate. Because the foreign-born population is comprised largely of Latinos and Asians, there have been growing concerns and uneasiness about their social, economic, and cultural impacts on the state, leading to a backlash from established residents. The most visible sign of the conflict was the volatile fight in 1994 over passage of Proposition 187 a statewide initiative designed to prevent undocumented immigrants from receiving publicly supported social services such as education and health. The political pendulum, however, is now swinging back to a more moderate position, with the focus on how this state can best take advantage of its ethnic diversity and facilitate a greater incorporation of its immigrants in the economy and society at large. Sound policies require a better understanding of the foreign-born population, including their role in California's labor market.

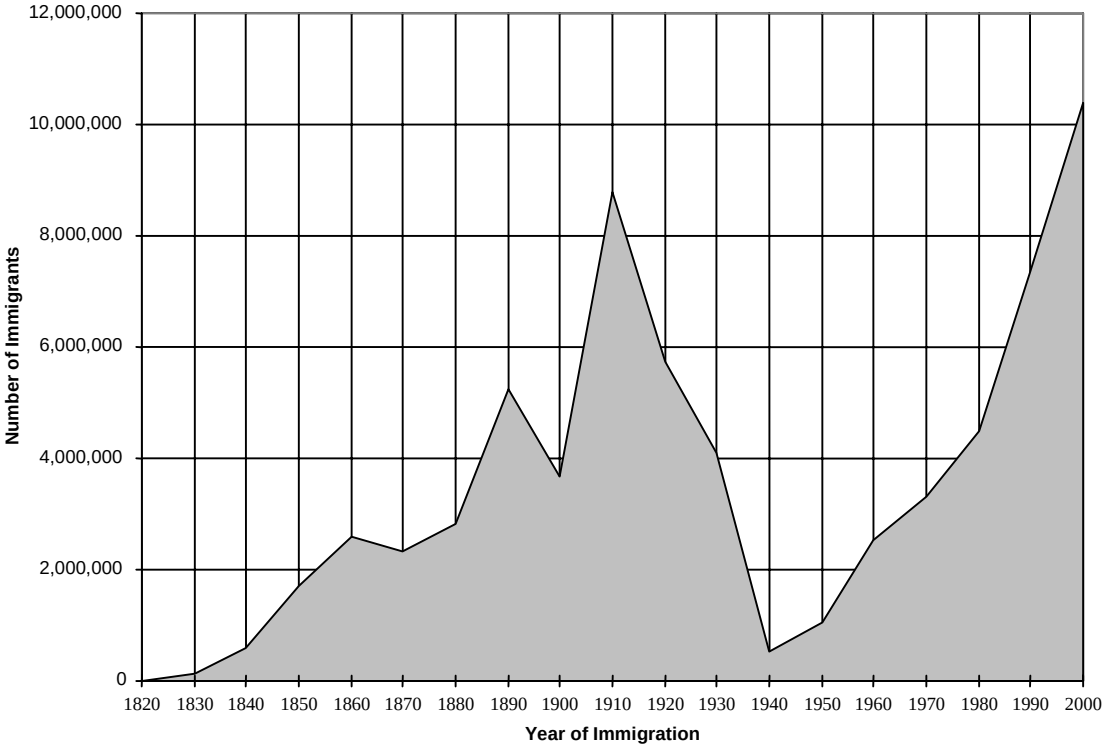
This chapter presents an array of data on immigration.[2] Its primary purpose is to better understand the immigrants who comprise and impact California's labor market. The first half of this chapter focuses on a brief comparison of immigration to the United States and California, paying particular attention to different immigration waves, and the public policies and other factors that determined the size and composition of the flow. We argue that California's immigration history is reflective of national policies related to immigration to the United States. We also argue that the unique relationship between Mexico and the United States and an industrial policy that favors both high-and-low-skill foreign-born workers have also contributed to California's particular immigrant composition and size. The second half of the chapter presents a contemporary portrait of California's immigrant labor force. Particular attention is given to characteristics that affect labor-market outcomes for the foreign-born, their incorporation into the economy, and their impacts on the labor force. The chapter concludes with a discussion of policy issues on immigration, labor, and California's future.

## Immigration to the U.S. and California

Immigration to California is embedded in immigration to the United States, which has ebbed and flowed with policy changes, economic cycles, and world crises such as famine, war, and natural disasters. The extreme fluctuations are captured in figure 1, which traces the number of persons admitted for permanent residency. Of course, immigration patterns are more complex because the graph does not include undocumented migration, circular movements, temporary visitors, and guest workers; nonetheless, the graph does illustrate the reality that immigration has come in waves. The earlier waves were dominated by Western and Northern Europeans, and then by Eastern and Southern Europeans. The

exception was a significant presence of Asians and Mexicans in the American West. Large-scale immigration ended with the enactment of the restrictive 1924 Immigration Act and later by the Great Depression.[3] Immigration slowly increased after World War II, driven in part by political and economic refugees. It wasn't until 1965 when we begin to see a marked change in the size and composition of immigrants to the United States.

**Figure 1**
**Immigration to the United States, 1820-2000**




The pattern of legal immigration was transformed by the 1965 Immigration Act, which reopened the door to large-scale immigration and abolished the racially biased national origins quota system. The centerpiece of this act is family reunification. American citizens and established permanent residents have priority in sponsoring relatives for entry into the United States. A smaller but increasingly larger share of the quotas is assigned to those who can make an economic contribution, either because they possess unique skills or talents or because they can help create jobs through investments. A final component covers political refugees. For a number of economic and political reasons, persons from Latin America and Asia have filled the majority of the quotas. Table 1 gives information on the recomposition of legal immigration over the last half century. During the 1950s, Mexico and Asia accounted for only 18 percent of the 2.5 million admitted. By the 1980s, Mexicans and Asians accounted for 60 percent of the 7.3 million admitted. The number of European immigrants grew in the 1990s, due in part to an increase in refugees due to the collapse of the Soviet Union and other Eastern countries, and to a "diversity" program aimed at increasing the number of immigrants from under served nations, including European nations.

**Table 1**: Immigrants by Region of Last Residence United States, Fiscal Years 1961-98

| Region | Years | | | | |
|---|---|---|---|---|---|
| | **1951-60** | **1961-70** | **1971-80** | **1981-90** | **1991-98** |
| **Europe** | 53% | 34% | 18% | 10% | 15% |
| **Asia** | 6% | 13% | 35% | 37% | 31% |
| **Mexico** | 12% | 14% | 14% | 23% | 25% |
| **Caribbean** | 5% | 14% | 16% | 12% | 11% |
| **Other** | 24% | 25% | 16% | 18% | 18% |
| | | | | | |
| **Total** | 2,515,479 | 3,321,677 | 4,493,314 | 7,338,062 | 7,605,068 |
| | (100%) | (100%) | (100%) | (100%) | (100%) |

*Compiled from 1998 Statistical Yearbook of the Immigration and Naturalization Services*

Undocumented migration is also an important component of the latest wave of large-scale immigration, but this type of immigration is by its very nature very difficult to quantify. The available evidence indicates that it is difficult to control, and that most are from developing countries. The Immigration and Naturalization Service estimates that the undocumented population was growing by about 275,000 each year during the mid-1990s; however, this figure is just the net growth rather than the larger gross flows into and out of the United States. Moreover, both the gross flows and net growth are likely to fluctuate with economic and political conditions both in the United States and in the sending countries. What is known about the size of the undocumented population comes from amnesty programs and rough estimates. The single largest amnesty program was the 1986 Immigration Reform and Control Act (IRCA), which enabled approximately 3.1 million previously undocumented residents to apply for legalization.[4] The overwhelming majority of the applicants were from Mexico, other Latin American countries, and Asia. While IRCA was designed to end the massive flows of undocumented aliens, it failed to do so. The unauthorized population just about disappeared after this landmark legislation only to reappear in the mid-1990s as new flows and labor demands of unauthorized immigrants returned. The INS estimates that there were about five million illegal alien residents in the United States in 1996.[5] Over half (54 percent) were from Mexico, and 16 of the next 19 largest nationality groups came from an Asian, Latin American or Caribbean nation.

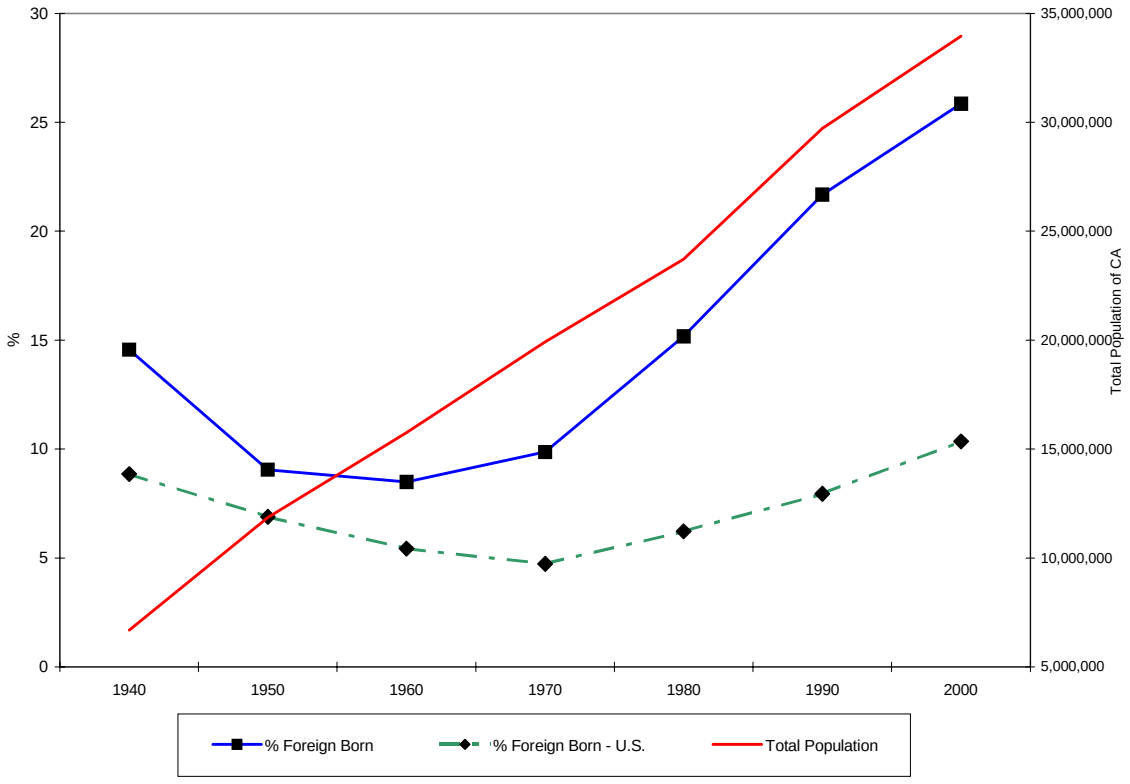
A final component of immigration is comprised of temporary workers. While their use is a part of the current wave of large-scale immigration, the United States has had a long history of utilizing such labor to address shortages. In 1942, the U.S. signed a contractual arrangement with Mexico that allowed for thousands of laborers – *braceros* as they were officially called – to temporarily work in the United States. This need for labor was primarily the result of labor shortages at home while most able-bodied men were fighting the World War in Europe. In all, the *Bracero* Program lasted 22 years and included in its participation over 4.5 million Mexican Nationals. This nation has also used temporary workers to help fill jobs requiring a high level of education, particularly in the health and technology industries. During the 1970s and 1980s, hospitals and other health facilities hired thousands of nurses as temporary workers, mostly from Asia. More recently, the focus has been on high-tech workers. In 1998, Congress passed the American Competitiveness and Workforce Improvement Act that authorized the use of aliens for temporary employment in a specialty occupation through an H-1B visa. This Act was passed as a result of increased pressures by high-tech and other specialty companies who complained that the U.S. workforce was in short supply of specialized skilled workers. The limits have gone up over time, first to 115,00 during the year 2000, and then to 195,000 for years 2001, 2002 and 2003. INS estimates that nearly half of the H-1B petitions were granted to persons born in India, which far exceeded China, the

next leading country. Approximately 53 percent of the approved petitions were for aliens with occupations in systems analysis or programming.

The impact of the most current wave of large-scale immigration can be seen in the growth of the foreign-born population of the United States, which has increased from 9.6 million in 1970 to 14.1 million in 1980, 19.8 million in 1990, and 28.4 million in 1999/2000. As a percentage of the total population, the foreign-born population increased from 4.7 percent in 1970 to 6.2 percent in 1980, 7.9 percent in 1990, and 10.3 percent in 1999/2000. The racial/ethnic composition also changed during this period. In 1970, over two-thirds of all immigrants were non-Hispanic white. By the end of the century, only a quarter of all immigrants was non-Hispanic white.

Recent immigration has affected California more than any other state. The state was home for over three-in-ten permanent immigrants admitted between 1990 and 1998, and for four-in-ten undocumented immigrants in 1996. Moreover, Californian firms are among the leading employers of high-tech workers on temporary work visas.[6] Because of the disproportionate high flows into California, this state has become the premiere destination, surpassing even New York — historically the region of preference for newcomers. This geographically concentrated immigration pattern has rapidly pushed up the share of the population that is foreign-born, which is depicted in figure 2. The growth of the relative size of this population occurred earlier for California than for the United States, and the increase was substantially larger. For the nation, the percentage went from a low of 5.4 percent in 1970 to 10.4 percent in 1999/2000. The comparable numbers for California are 8.5 percent in 1960 to 25.9 in 1999/2000. The immigrant population has been a driving force behind the rapid increase in the state's total population.

**Figure 2, Percent Foreign-Born,1940-2000 in California and U.S.**




*Source: U.S. Decennial Census, Current Population Survey*

The characteristics of California's foreign-born population are different than the characteristics for those in the rest of the country. Table 2 presents some basic statistics. Young adults comprise a slightly higher proportion of the state's population. Interestingly, a smaller proportion of California's foreign-born population is comprised of recent immigrants. Whereas only three-tenths of those in this state arrived in the 1990s, four-tenths of those in the rest of the nation did. This suggests that recent immigration flows has become geographically more diverse. While California still is the intended home for a disproportionate number of newcomers, a growing share is settling in other states. The biggest difference is the ethnic/racial composition. Non-Hispanic whites comprise a smaller share of California's foreign-born population, with Asians and Latinos making up the difference.

**Table 2**: Characteristics of the Foreign-Born Population, 1999/2000

| | Total U.S. | California | Rest U.S. |
|---|---|---|---|
| **Decade of Entry** | | | |
| **1990s** | 37% | 31% | 40% |
| **1980s** | 29% | 36% | 26% |
| **1970s and Earlier** | 33% | 33% | 34% |
| **Race/Ethnicity** | | | |
| **Non-Hispanic White** | 25% | 15% | 29% |
| **API** | 24% | 30% | 21% |
| **Latino** | 45% | 53% | 41% |
| **Other** | 6% | 1% | 9% |
| **Age** | | | |
| **0-18** | 11% | 10% | 11% |
| **19-34** | 32% | 35% | 31% |
| **35-55** | 38% | 38% | 38% |
| **55+** | 19% | 17% | 20% |

*Source: Compiled by UCLA Lewis Center for Regional Policy Studies from Current Population Survey 1999/2000*

**California's Immigrant Labor Force**

During the past thirty years, California's labor force has changed considerably. Table 3 presents data to describe this change. The number of workers roughly doubled between 1970 and 1997-99. Part of this growth is fueled by a higher labor-force participation rate among women. In 1970, they represented about 40 percent, or slightly over three million of the total work force. By the end of the century, their ranks more than doubled, increasing their share of the total labor force to 44 percent. Even though the absolute number of male workers increased by over four million, their percent of the total labor force dropped by 5 percentage points. All of the major racial groups in California increased in the number of jobs held in 1997-99, with Latinos experiencing the largest, growing by 3.4 million workers, representing a 440 percent increase. Asians increased their total number of jobs by over 1.6 million, representing an even higher growth rate of 740 percent! The foreign-born experienced similar gains. Their share of the labor force jumped from 10 percent in 1970 to 30 percent in 1997-99. In absolute numbers their ranks increased by almost four million, representing a 500 percent growth rate. The native-born also grew, increasing their share of jobs by almost four million. Their rate of growth, however, was not nearly as large coming in at 55 percent. Of all foreign-born workers in California, Asians captured almost one-third (29.2 percent), while Latinos represent well over one-half at 54 percent. Foreign-born whites followed at 15 percent with foreign-born blacks registering a low of 2 percent.

**Table** 3: California's Labor Force, 1970 & 1997-99

| | 1970 | | 1997-99 | | Change | |
|---|---|---|---|---|---|---|
| | **Total** | **Percent** | **Total** | **Percent** | **Total** | **Percent** |
| **Total** | 7,884,900 | 100% | 15,806,862 | 100% | 7,921,962 | |
| **Male** | 4,808,100 | 61% | 8,868,453 | 56% | 4,060,353 | -5% |
| **Female** | 3,076,800 | 39% | 6,938,409 | 44% | 3,861,609 | 5% |
| **White** | 6,344,100 | 80% | 8,643,480 | 55% | 2,299,380 | -25% |
| **Latino** | 774,500 | 10% | 4,193,670 | 27% | 3,419,170 | 17% |
| **Asian** | 224,600 | 3% | 1,885,899 | 12% | 1,661,299 | 9% |
| **African American** | 501,000 | 6% | 980,787 | 6% | 479,787 | |
| **Other** | 40,700 | 1% | 103,026 | 1% | 62,326 | |
| **Foreign-born** | 798,100 | 10% | 4,796,584 | 30% | 3,998,484 | 2% |
| **Native-born** | 7,086,800 | 90% | 11,010,278 | 70% | 3,923,478 | 2% |
| | | | | | | |

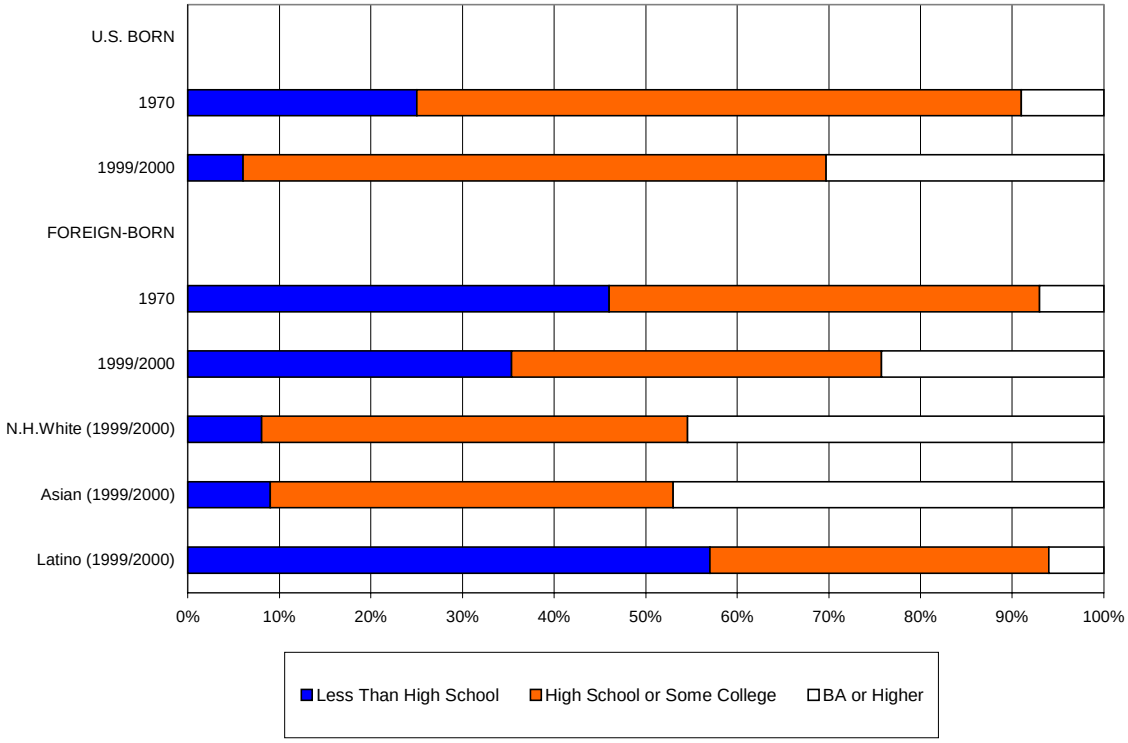
*Source: PUMS, 1 percent file and pooled sample of the March Current Population Survey averaged over a three-year period during 1997, 1998 & 1999.*

Much of the growth in the foreign-born workforce between 1970 and 1997-99 occurred when several key policies fueled immigration to California. For example, the 1965 Immigration Act dramatically increased the quotas for non-European countries, which then opened the door to new streams of immigration. A part of the increase, however, may be a statistical artifact. For example, IRCA, which provided amnesty to over three million previously unauthorized, was passed in 1986. Their legalization may very well have encouraged their participation in mainstream labor markets captured by the U.S. Bureau of the Census and reflected in the data presented for this chapter. Additional changes in immigration and related policies have also influenced immigration to California and affect the laborforce data. The Immigration Act of 1990 increased the total number of immigrants allowed to enter, thus increasing the number of foreign-born workers. The 1996 Personal Responsibility and Work Opportunity Reconciliation Act, which ushered in welfare reform, also increased the supply of workers by limiting benefits and promoting transition to work. The H-1B visa program also pushed up the number of foreign workers by providing immigrants with temporary employment in specialty occupations such as the Silicon Valley's high technology industry.

Many foreign-born workers face limited opportunities because of limited marketable skills. Education is a strong predictor of how people get sorted into different jobs. Education is also important to understanding differences in employment rates, mobility, and wage inequality. Figure 3 tracks the educational attainment of California's work force by nativity from 1970 to 1997-99. There is clearly improvement between 1970 and 1997-99 for both groups, particularly the native-born who on average increased their percentage with a bachelor's degree by 22 percentage points. Similarly, each group of the foreign-born experienced substantial educational upgrading between 1970 and 1997-99, as the proportion of workers with less than a high school diploma was cut, on average, by 19 percentage points. Despite substantial improvement, however, years of completed schooling among the foreign-born continued to trail that of the native-born. For example, whereas 6 percent of the native-born workers had less than a high school degree in 1997-99, 37 percent of the foreign-born workers fell into this category.

The foreign-born labor force, however, is a very heterogeneous population by race, and this can be clearly seen in educational attainment. Over four-tenths of Asian and white foreign-born workers have at least a college education, while less than a tenth of Latino foreign-born workers do. At the other extreme, a majority of Latino foreign-born workers have less than a high school education, while only a tenth of all other foreign-born workers do. This variation contributes to disparities in occupational status and earnings, which are discussed below.

**Figure 3: Educational Attainment by Nativity in California**



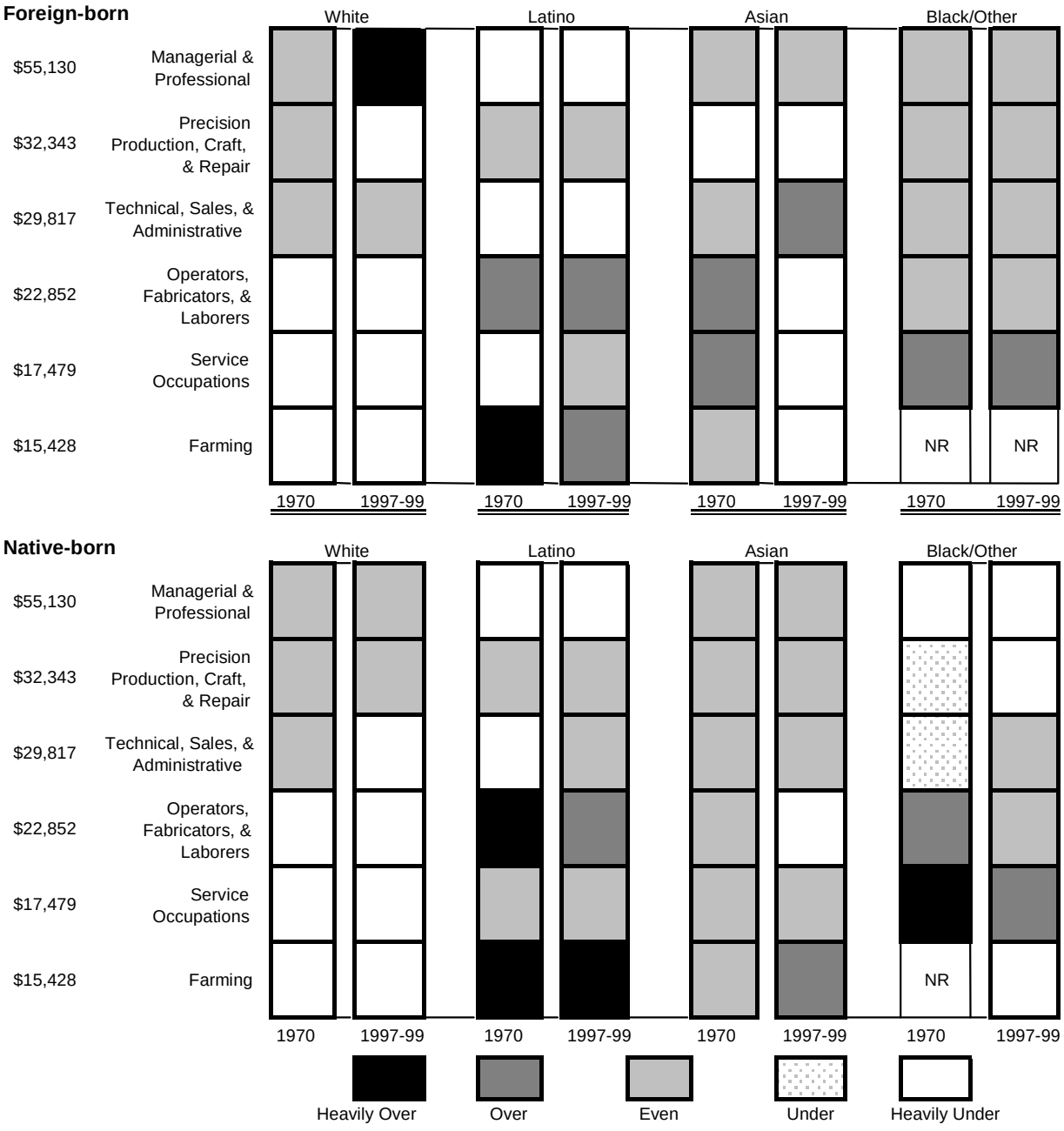

## Occupational Structure and Earnings

Because of differences in educational attainment, along with other factors such as English language proficiency, immigrant workers are not uniformly distributed throughout the California economy. This can be seen in distribution by occupation, as depicted in figure 4.[7] The underlying index is ratio of a group's percent of the total labor force to the group's percent of the workers in a given occupation. "Heavily over-under" denotes over-or underrepresentation by a factor of 2 or greater, "over-under" denotes over-or underrepresentation by a factor of 1.5 to 1.9, and "even" designates a group being neither over-or underrepresented in an occupation by a factor of 1.4 or less.

The distribution of immigrants has led to substantial differences over time in some occupational sectors but not for others. In 1970 foreign-born Latino and Asian workers were largely absent from the top-paying occupations. For Latinos, this held true for managerial and professional jobs, while for Asians, this held true in precision production, craft, and repair jobs. Foreign-born whites on the other hand, were evenly represented in these two occupations. At the lower end, Latinos and Asians were heavily over-represented in occupations that pay the lowest. The concentration of immigrants in low-paying occupations and omission from the better-paying occupational sectors in 1970 are major reasons for the native-to-foreign-born gap in earnings (to be discussed). Almost thirty years later the occupational distribution of immigrants had changed considerably for the better, but not for all groups. Whites increased in their representation in higher paid occupations, while Asians, and to a lesser extent Latinos, became more concentrated in lower paying jobs. In summary, some positive changes have occurred over time, but they have not been shared equally among the foreign-born groups. In other words, the occupational structure in California remains heavily stratified. In 1997-99, whites and Asians were the groups best represented among the top-paying occupational categories. Latinos, however, are moored

**Figure 4**

Foreign & Native Born: Representation in Major Occupations in California, 1970 and 1997-99




Source: PUMS, 1% file and pooled sample of the March Current Population Survey averaged over a three year period during 1997, 1998, and 1999.

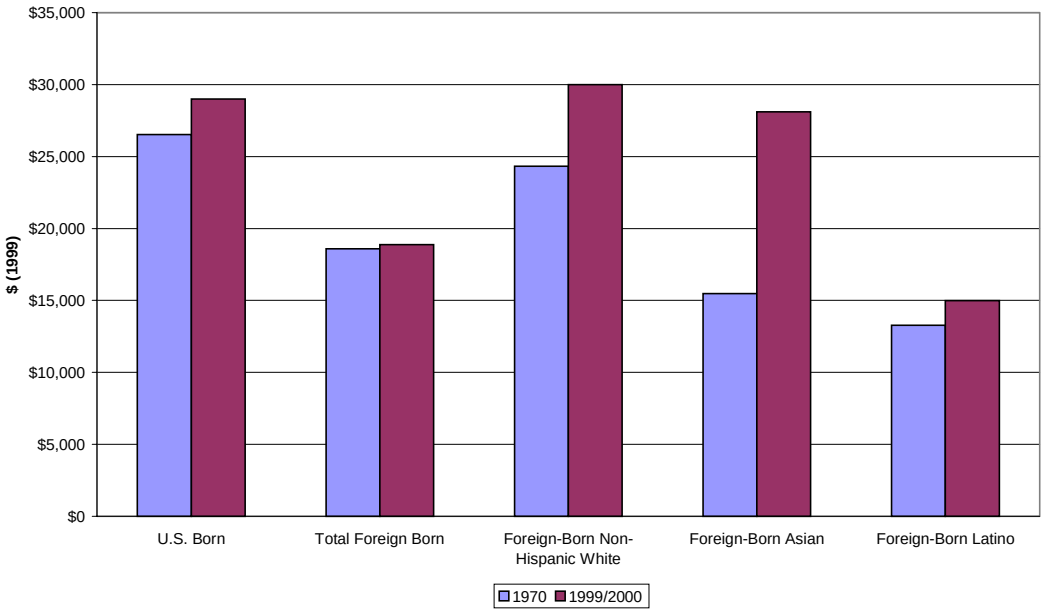
NR: No Representation

toward the bottom of the occupational hierarchy and exhibited little advancement between 1970 and 1997-99. Clearly, race and ethnicity remain powerful forces in the sorting process of people into jobs.

The same hierarchy can be seen in figure 5, which provides data on median earnings by race and nativity. It shows that the typical U.S.-born worker earned considerably more than the typical immigrant worker in both 1969 and 1998/99. Moreover, the gap grew over time as earnings for U.S.-born workers improved while earnings for their counterparts remained essentially stagnant. Among the major

immigrant groups, there is considerable ethnic variation. There is a distinct hierarchy with whites on top, Asians in the middle and Latinos at the bottom. Moreover, median earnings for whites and Asians increased significantly, but median earnings for Latinos experienced a marked decline. By the end of the

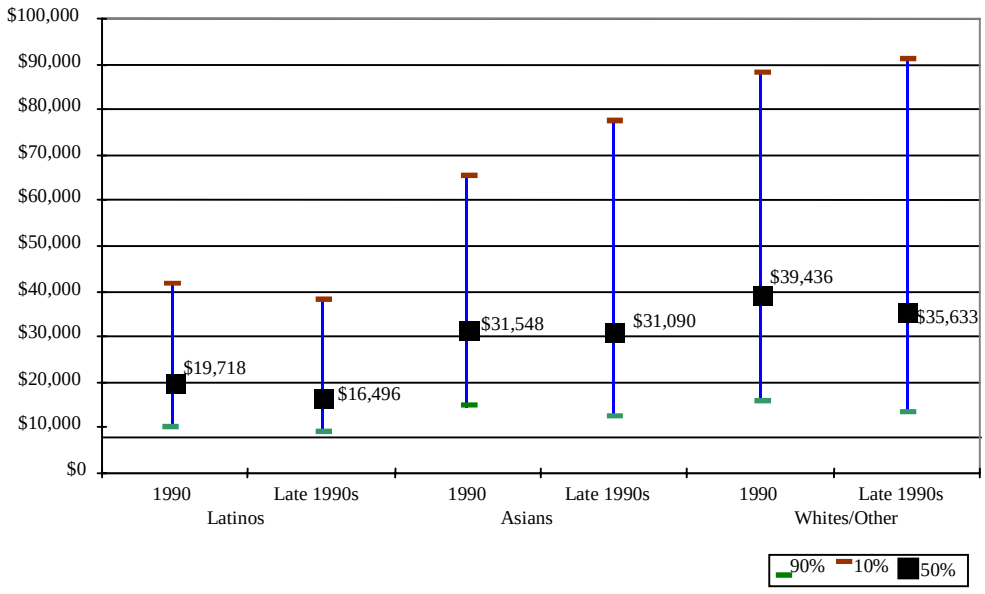
**Figure 5: Median Earnings by Nativity, California 1969-1998/1999**




century, foreign-born Latinos had by a substantial margin the lowest average earnings among all immigrant and U.S.-born ethnic groups.

Looking at median earnings, however, obscures within group variations in earnings among the foreign born. Figure 6 shows the range in full-time, full-year earnings for 1990 and 1997-99 for immigrant Latinos, Asians, and whites/others. Latinos not only have the lowest average earnings, but

**Figure 6:** Distribution of Earnings of Foreign-Born, Full-Time, Full-Year Workers in the U.S.



they also have the most compressed range, and both measures have deteriorated over time. This may be due to their lower educational attainment, which concentrates them in poorly paid occupations. Clearly, immigrant Latinos are doing substantially worse off than other foreign-born workers. Even though Asians and other foreign-born experienced a decline in their median earnings between 1990 and 1997-99, the difference between them and Latinos is substantial. In addition, their earnings distribution is spread out further, reaching a high of $78,000 and $92,000 for Asians and whites/others, respectively, in 1997-99.

There is another important systematic variation in earnings differences due to the time in the United States. As immigrants pick up new skills, improve their English, and gain greater knowledge of where to find better jobs, they improve their earnings. This process is known as economic assimilation, and the rate and magnitude of this process are important to our understanding of the dynamics of how the foreign-born are incorporated into the economy. Separating the influence of this form of assimilation from other causal factors (such as education, years of labor market experience, and race and gender) requires using multivariate regressions.[8] The major finding from such an analysis indicates that it takes about 16 or more years for an immigrant to close the earnings gap, when compared to a U.S.-born worker with the same number of years of schooling and work experience, and of the same gender and race. In some ways, this is good news because the empirical results indicate that the economy and society offers immigrants ways to make progress over time. However, this good news is tempered by other findings. For example, the rate of economic assimilation has slowed since the late 1980s, thus requiring more time for immigrants to make the same progress. Moreover, economic returns to education have increased; that is, the difference in earnings has increased between those with different years of schooling. This means that immigrants will continue to earn less even after economic assimilation because they have substantially less education. Finally, racial differences continue to be a problem, with Latinos and African Americans earning about a tenth less after accounting for other factors. The implication is that many immigrants, particularly Latinos, face a racial barrier on how far they can move up the economic ladder.

**Conclusion**

Three main points emerge from the available data. First, public policies have historically played a powerful role in determining the volume and composition of immigration to the United States and California. Other unique determinants, such as a shared border with Mexico and particular labor demands during the past 150 years have also contributed to California's diverse, large, and growing immigrant labor force. Second, large inflows of immigrants have played a major role in driving California's growth and in shaping its industrial and occupational landscape. Third, though immigrants participate in and contribute to California's economy, a disproportionate number are concentrated at the lower end of the labor market. Lower rates of human capital partially explain the over-representation of Latinos and to a lesser extent, Asians in poorly paid occupations. Other indicators similarly point to uneven labor force outcomes such as low median income and uneven distribution of earnings for Latino and Asian immigrants when compared to other groups. Similarly, while immigrants are making progress over time, the rate of economic assimilation has slowed down and many immigrants, particularly Latinos, face racial barriers in their slow progress up the economic ladder.

Key to California's future is the smooth transition and further incorporation of immigrants into better paying occupations and increasing the rates of pay in traditionally bad paying jobs. The latter option requires targeted industrial and economic development policies, increased minimum wage standards, and regulations to protect the workers' rights. They must be complemented with policies that aim at the marketability of the working poor, and thus their potential to secure better paying jobs. This requires greater support for educational and training programs and other innovative efforts that enhance worker skills. Differential occupational and earnings outcomes will continue unabated without strategic policy intervention to deal with inequality between foreign and native-born workers.

## Endnotes:

[1] We are indebted to Michela Zonta and Paula Harmer Kim for their assistance in assembling the statistics for this report.

[2] The statistics for this chapter comes from several published and unpublished sources. The original analyses are based on the 1970, 1980 and 1990 Public Use Microdata Samples from the U.S. Bureau of the Census, and from the March Current Population Surveys for 1998, 1999, and 2000. All data presented are weighted and in summary format for the entire state of California. Earnings statistics are reported in constant dollars. Additional data come from statistics reported by the U.S. Immigration and Naturalization Service.

[3] Congress first attempted to control immigration in 1864 with the appointment of a Commissioner of Immigration by the President to serve under the authority of the Secretary of Sate. For the first time, policies prohibiting entry to undesirable immigrants were passed in 1875. In 1882, the United States suspended immigration of Chinese laborers to the United States for ten years enacting the Chinese Exclusion Act which was the first to deny admissions to this country based on race. About ten years later, Congress further restricted immigration by adding to the inadmissible persons likely to become public charges, persons suffering from certain contagious disease, felons, persons convicted of other crimes or misdemeanors, and polygamists. In 1917 to further add injury to insult, Congress further restricted the immigration of Asian persons, creating the "barred zone" known as the Asia-Pacific triangle. The 1924 Immigration Act went further by limiting immigration from Eastern and Southern Europe.

[4] The law simultaneously authorized the legalization of aliens who had resided in the United States in an unlawful status since January 1, 1982, and created sanctions prohibiting employers from knowingly hiring, recruiting, or referring for a fee undocumented immigrants not authorized to work in the United States. Previously undocumented residents could apply for either the regular or SAWs (Special Agricultural Workers) legalization programs. After first receiving temporary resident status, they would after one year shift to permanent status. After five years, all permanent resident aliens in the United States qualify for naturalization. In essence, the undocumented population became authorized after meeting certain qualifications including proof that they had resided continuously in the United States prior to 1982.

[5] Two types of unauthorized immigrants exist. The most typical way of joining the illegal population is to obtain visas for temporary visits and stay beyond the authorized period of admission. This segment of the population constitutes roughly half of the illegal immigrant population residing in the United States. The second half consists of those who enter the country surreptitiously across land boarders, these are referred to as EWIs (Entry Without Inspection). EWIs include persons from nearly every country, but a large majority is from Mexico; most of the rest are from Central American countries (U.S. Immigration and Naturalization Service, 1996).

[6] All computer-related and engineering occupations accounted for 70 percent of the total H-1B petition. Three of the top five firms hiring H-1B workers are in California (Oracle, Cisco Systems, and Intel). (U.S., INS, "Leading Employers of Specialty Occupation Workers (H-1B): October 1999 to February 2000," June 2000)

[7] For a discussion on the use and meaning of this index, see Lieberson 1980; Waldinger 1996; and Grant 2000. The index of representation (IR) is 1.0 when a group is represented in an occupational and the labor force at the same rate, above 1.0 when it is over-represented, and below 1.0 when underrepresented in a given occupational category. For example, in 1970, 10 percent of all workers were immigrants; 10 percent of immigrants were employed as farmers, 26 percent as operators, fabricators, and laborers, and 6 percent as managerial/professional workers. Thus, immigrant workers were evenly represented as farmers (IR=1), over-represented as operators, fabricators, and laborers by a factor of 2.6 (IR=2.6), and underrepresented among managerial/professional workers by a factor of .6 (IR-.6). For the figure, occupations are ranked by average earnings.

[8] OLS regressions are used, and the specification is based on a human-capital model. The dependent variable is the log of annual earnings. The independent variables include race, gender, educational attainment, potential years of work experience, and years in the U.S. The rate of economic assimilation is based on the estimated coefficients for the years-in-the-U.S. variables. Small coefficients are interpreted as the percent difference in earnings between a given immigrant cohort and U.S.-born workers. The percent difference for large coefficients is calculated using (1-exp(b)). Additional regressions were estimated separately for females and males.