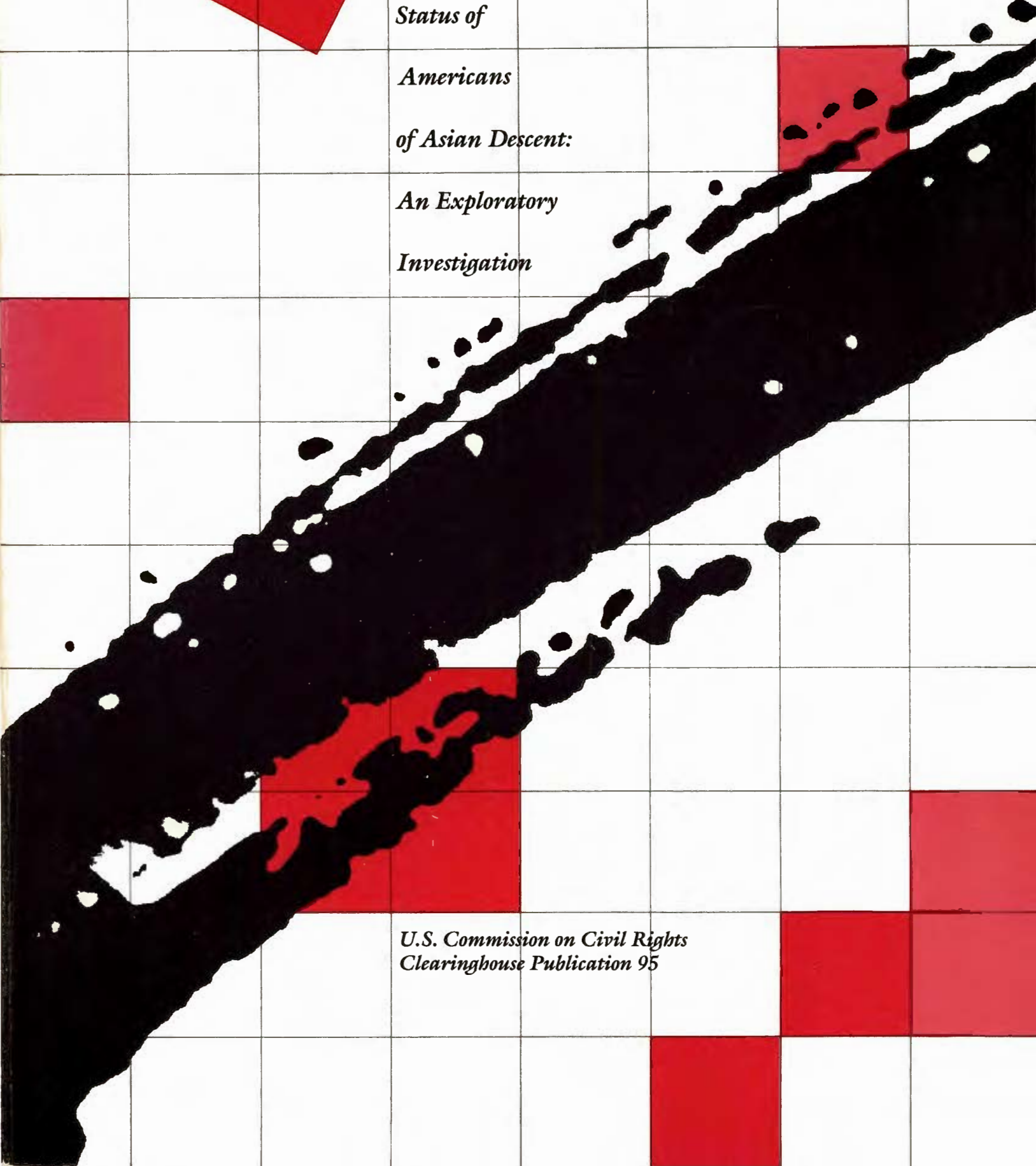


*The Economic
Status of
Americans
of Asian Descent:
An Exploratory
Investigation*

October 1988



*U.S. Commission on Civil Rights
Clearinghouse Publication 95*

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U.S. COMMISSION ON CIVIL RIGHTS

The U.S. Commission on Civil Rights is an independent, bipartisan agency first established by Congress in 1957 and reestablished in 1983. It is directed to:

- Investigate complaints alleging that citizens are being deprived of their right to vote by reason of their race, color, religion, sex, age, handicap, or national origin, or by reason of fraudulent practices;
- Study and collect information concerning legal developments constituting discrimination or a denial of equal protection of the laws under the Constitution because of race, color, religion, sex, age, handicap, or national origin, or in the administration of justice;
- Appraise Federal laws and policies with respect to discrimination or denial of equal protection of the laws because of race, color, religion, sex, age, handicap, or national origin, or in the administration of justice;
- Serve as a national clearinghouse for information in respect to discrimination or denial of equal protection of the laws because of race, color, religion, sex, age, handicap, or national origin;
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Executive Summary

Throughout much of their history in the United States, Asians have been denied rights considered basic by most Americans. For instance, it was not until 1952 that immigrants from all Asian groups were considered eligible for U.S. citizenship. Today, Asians are entitled to the full panoply of civil rights protections afforded to all Americans; they also are a protected minority and participate in affirmative action programs. However, given the history of discrimination against Asian groups—and continued evidence of anti-Asian prejudice¹—it is important to learn more about the extent and nature of anti-Asian discriminatory behavior in present-day America.

This report addresses two issues pertaining to the relationships between discrimination, civil rights legislation, and the economic status of Asian Americans. One issue is whether discrimination today, despite legal protections, adversely affects the economic status of Asian groups. Another key issue is whether the relative economic status of Asian Americans has improved over time and, in particular, after passage of the Civil Rights Act of 1964. As an analysis of discrimination in the workplace, the project fulfills the mandate of the United States Commission on Civil Rights to report to the President, the Congress, and the Nation on discrimination on the basis of race, color, sex, age, religion, handicap, or national origin.²

This study extends previous research in several important ways. It separately examines the econom-

ic status of the six largest Asian groups in America: Chinese, Filipinos, Japanese, Asian Indians, Koreans, and Vietnamese. Previous studies have generally relied on published census statistics that provide economic data on the *combined* native-born and foreign-born Asian population. This report examines the economic status of immigrants and the native born separately and, in so doing, uncovers important dimensions of Asian economic status that were not apparent in previous studies. The report also tracks the extent to which Asian immigrants are assimilating into the American economy.

To establish a statistical basis for examining the issue of discrimination, this study assesses how well Asians, as individuals, do in the labor market compared with non-Hispanic whites. (Hispanics are excluded from the comparison group because the earnings of Hispanic groups may be affected by labor market discrimination.) Of course, intergroup differences in earnings may occur for many reasons other than discrimination. Thus, the approach adopted in this study is to examine the relative employment and income profiles of specific Asian groups compared to non-Hispanic whites, adjusting for factors that might account for disparities. These factors include years of schooling, English-speaking ability, age, region of residence, urban location, and for immigrants, year of immigration.

Although this report focuses on Asian individuals and how they fare in the labor market, it also

¹ In a study of anti-Asian bigotry and violence, the Commission found that Asians continue to be the victims of racially motivated incidents ranging from anti-Asian signs and bumper stickers to serious physical assaults. See U.S. Commission on Civil Rights, *Recent Activities Against Citizens and Residents of Asian Descent* (1986).

² This report is the second in a series of studies on the economic

status of different ethnic and racial minorities and women. The idea for this large-scale project was initially developed by former Commissioner John H. Bunzel. The first report in this series is *The Economic Progress of Black Men in America* (1986). Another U.S. Commission on Civil Rights report, *The Economic Status of Americans of Southern and Eastern European Ancestry* (1986) also fits conceptually into the "Incomes of Americans" series.

examines Asian family income and how the family as a unit is used to achieve this income.

Finally, the report traces Asian immigration from its inception to the present day, providing statistics on the occupations of Asian immigrants in their countries of origin. This information gives a baseline from which the current achievements of Asians in America may be gauged.

In the course of doing this study, several sources of data were used. They included microdata samples from the 1960, 1970, and 1980 censuses, as well as records from the Immigration and Naturalization Service (INS). The following sections of this executive summary describe the report's findings.

Patterns in Immigration and Trends in the Skill Composition of Asian Immigrants: 1850-1980

INS records show that the early wave of Asian immigrants, who entered the country between 1850 and 1935, was largely composed of unskilled laborers. During the peak years of early Chinese, Japanese, Korean, Indian, and Filipino immigration, more than three-quarters of the immigrants in each of these groups reported laborer occupations in their countries of origin.

Immigration laws, however, greatly affected both the size and composition of subsequent Asian immigration. The Chinese Exclusion Act of 1882 and the Gentlemen's Agreement with Japan in 1907 restricted the immigration of Chinese and Japanese laborers. Legislation in 1924 effectively barred most Asians from entering the United States, and by 1934 Asian immigration had all but ceased.

During the Second World War, Congress began to chip away at discriminatory barriers to Asian immigration, and by 1965 the last vestige of anti-Asian discrimination was removed from the immigration laws. Relaxation of immigration laws was followed by a large growth in the migration of Asians to America.

A key feature of the immigration reform of 1965 was the preferential treatment it gave family members and skilled immigrants. This reform applied to immigrants from all countries. However, the virtual cessation of Asian immigration for 30 years meant that new Asian immigrants were more likely to be admitted under the provision granting preference to skilled immigrants than as family members. Consequently, Asian workers who have arrived in the most recent wave tend to be highly skilled. Indeed,

close to 90 percent of working Indian entrants during the years 1966 through 1975 reported professional backgrounds. Close to 50 percent or more of the working immigrants in the other Asian groups reported professional occupations in the post-1965 period; only small percentages reported laborer as their occupational background.

In recent years, the percentage of high-skilled immigrants in most Asian groups has declined and the percentage of low-skilled immigrants has increased. The change reflects a shift toward a greater admission of relatives, as the population base of foreign-born Asian Americans has grown. Yet, recent Asian entrants remain highly skilled. Close to half or more of working immigrants admitted from 1976 to 1980 reported professional occupations, and no more than 10 percent of any Asian group reported laborer occupations. Thus, in contrast to the early Asian immigrants, who were predominantly unskilled laborers, the recent Asian immigrants have been, and continue to be, highly skilled.

Refugees from Cambodia, Laos, and Vietnam have also contributed to the recent growth of Asians in America, with the largest group coming from Vietnam. Overall, recent Vietnamese immigrants are much less skilled than the other Asian immigrant groups examined in this report. According to INS statistics, only 16 percent of Vietnamese immigrants arriving in the United States between 1976 and 1980 reported professional backgrounds.

Current Population Characteristics

With the exception of the Japanese, Asians in America are predominantly foreign born. Comparing working-age men across groups shows that immigrants make up over 75 percent of the Chinese and Filipino populations, over 93 percent of the Korean and Indian populations, and over 98 percent of the Vietnamese population. About a quarter of Japanese working-age men were born outside the United States. In contrast to the Asian groups, only 7 percent of non-Hispanic whites were born abroad.

Of the foreign born, Asians are more likely than non-Hispanic whites to be recent immigrants. As of 1980, more than 70 percent of the foreign born in each Asian group had arrived after 1965, and many had arrived after 1975. In contrast, the majority of non-Hispanic white immigrants are pre-1965 entrants and only 14 percent immigrated after 1975.

Asians originally settled and remain concentrated in the western United States, particularly California

and Hawaii. Foreign-born Asians, however, are much less likely than native-born Asians to live in the West and much more likely to live in all other regions of the country, particularly the Northeast. For instance, whereas 92 percent of native-born Japanese men (25 to 65 years old) live in the West, 56 percent of the foreign-born Japanese live there, and whereas 80 percent of native-born Koreans reside in the West, only 45 percent of foreign-born Koreans are western residents.

Family Economic Status

The average family incomes of some Asian groups rank among the highest of all racial and ethnic groups in the United States. For instance, the average incomes of native-born Chinese, Japanese, and Korean families exceed by more than 40 percent the average for native-born non-Hispanic white families. Perhaps more extraordinary, however, are the relatively high family incomes of the foreign born despite the large number of recent immigrant families among the Asian groups: the average family incomes of most foreign-born Asian groups approach or exceed the average family incomes of non-Hispanic whites in which the head of household is American born. Exceptions to this generally positive picture are native-born Filipinos and Indians, whose average family incomes are 80 and 70 percent, respectively, of the non-Hispanic white average, and Vietnamese immigrant families, whose average income is only 60 percent of the benchmark average.

Family breakups are often cited as a major cause of low family income. Thus, low family dissolution rates might be expected to underlie the relatively high average incomes of Asian families. However, divorce and separation rates among native-born Asians differ little from non-Hispanic white rates. Even though foreign-born Asians experience lower family dissolution rates than non-Hispanic whites, most Asian groups still have relatively high incomes when only married-couple families are compared.

What does appear to be a crucial factor underlying Asian family income is the propensity of family members other than the male head of household to work. As a result, family members other than the husband generally contribute a larger fraction of family income in Asian families than in non-Hispanic white families.

The added work effort among Asian families stems primarily from wives. Asian women, and

particularly foreign-born Asian women, are more likely to work than non-Hispanic white women; this difference is due in part to the fact that children are less likely to deter foreign-born Asian women from working. The greater presence of other relatives in Asian families may facilitate increased work effort by the wife.

The relative economic status of native-born Asian families is not affected when the number of persons who share family income is taken into account. Foreign-born Asian families, however, tend to be comparatively large. Consequently, the relative economic status of foreign-born Asian families falls substantially when measured by per capita instead of total income.

Poverty rates are lower for native-born Chinese, Japanese, and Korean families than for non-Hispanic white families. The poverty rates of native-born Filipino and Indian families are higher. When year of immigration is taken into account, the poverty rate of Asian foreign-born families is often lower than the poverty rate of foreign-born non-Hispanic white families who have been in the United States a similar number of years. Vietnamese immigrant families are a clear exception; their poverty rates are substantially higher than the poverty rates of non-Hispanic white immigrant families who have been here for similar periods of time.

Educational Attainment and English-Language Proficiency of Asian Men

The average schooling levels of native-born men of Asian descent surpass or approach the average for non-Hispanic white men. Chinese, Indian, Japanese, and Korean native-born men are more likely to be college graduates than native-born non-Hispanic white men; Chinese men are twice as likely to have graduated from college. However, a larger percentage of native-born Filipino, Indian, and Vietnamese men are more likely than white men to have only an elementary school education.

The average schooling levels of all foreign-born Asian groups—with the notable exception of the Vietnamese—exceed the average for non-Hispanic whites. The proportion of foreign-born Asian men who have completed college far exceeds that of non-Hispanic whites; Asian Indians outpace all other groups, with 73 percent of immigrant men reporting 16 or more years of schooling.

Although the overall schooling level of Asian foreign-born men is extremely high, the most recent

immigrants tend to be less educated than their immediate predecessors. As with the change in the occupational backgrounds of Asian immigrants, this decline reflects a shift away from admission on the basis of skill levels, towards a greater admission of relatives as the population base of foreign-born Asian Americans has grown.

English-language proficiency is high among men in all native-born groups. There appear, however, to be small but significant numbers of American-born Vietnamese, Indian, Chinese, and Filipino men whose command of English is poor. English-language proficiency among the foreign born varies enormously. It is highest for Indian, non-Hispanic white, and Filipino immigrants (in that order), and lowest for foreign-born Chinese, Korean, and Vietnamese men.

Work Patterns of Asian Men

Native-born Asian men work, on average, fewer hours in a given year than non-Hispanic white men. This is particularly true for men of Filipino and Indian descent, who also experience higher unemployment than whites. All other native-born Asian groups have lower unemployment rates than non-Hispanic whites. Since differences in hours and weeks worked may reflect barriers to employment, both hourly and annual earnings are used in this report to assess the relative economic status of Asian groups.

The average hours and weeks worked by foreign-born Asian men often exceed or approach the hours and weeks worked by white immigrants, the exception being Vietnamese immigrants, who report significantly lower annual hours. Immigrants in all Asian groups have lower unemployment rates than white immigrants.

Earnings and Employment of Native-Born Men

Although the early Asian immigrants were largely unskilled laborers, the descendants of several Asian groups now earn as much as or more than native-born non-Hispanic white Americans. On average, native-born Chinese, Japanese, and Korean men earn more on both an annual and hourly basis than native non-Hispanic white men. The annual earnings of Asian Indian and Filipino men are about 20 percent less than those of non-Hispanic whites; on an hourly basis, however, men in these groups earn as much as non-Hispanic whites.

Adjusting for productive characteristics such as education, work experience, region of residence, and urban location, native-born Japanese and Korean men are found to earn somewhat more per year than non-Hispanic white men with comparable characteristics, Chinese men earn 5 percent less, Filipino men earn 9 percent less, and Indian men, 30 percent less. Comparing hourly instead of annual earnings increases the relative earnings of all Asian groups. This is particularly true for native-born Filipino and Indian men, who work significantly fewer hours per year than non-Hispanic whites. On an hourly basis, native-born Chinese, Filipino, Japanese, and Korean men earn as much as or more than non-Hispanic white men with comparable characteristics, whereas native-born Indian men earn 20 percent less.

With respect to their occupational distribution, native-born men in most Asian groups are more likely to be in professional jobs than non-Hispanic white men. However, native-born Asian men are less likely to be in managerial positions than are whites with comparable skills and characteristics. Adjusting for occupation and industry, highly educated Asian men who were born in America also earn less than similar non-Hispanic white men.

Earnings and Employment of Foreign-Born Men

As with the native-born, foreign-born Asian men are more likely to be in professional jobs than are non-Hispanic white immigrant men.

When the earnings of foreign-born Asian and non-Hispanic white men are compared—adjusting for education, experience, region of residence, urban location, year of immigration, and other relevant variables—three patterns emerge. First, except for the Japanese, Asian immigrant men initially earn less than non-Hispanic white immigrants with comparable skills and characteristics. Second, with time in the United States, the earnings of Asian immigrants grow more rapidly than the earnings of non-Hispanic white immigrants. Third, the earnings of Asian immigrant men who have been here 11 years or more often approach or surpass the earnings of non-Hispanic white immigrants with similar skills and characteristics.

Japanese immigrant men, unlike immigrant men from other Asian groups, initially earn as much as non-Hispanic white immigrant men. This fact points to the possibility that the motivation for coming to the United States may affect subsequent earnings

patterns. Immigrants who intend to stay here permanently would be expected to undertake more investments, such as starting a business or taking a job with on-the-job training. Such investments typically result in lower earnings at first but pay off over time. Since, with the exception of the Japanese, Asian immigrants tend to be more permanent than non-Hispanic white immigrants, this is one possible explanation for the observed earnings patterns.

Native-Born Asian Women in the Work Force

The characteristics and earnings of native-born married women in the three largest Asian groups were analyzed.³ On average, native-born Chinese and Japanese women who are in the work force have higher levels of education than native-born non-Hispanic white women; native-born Filipino women have somewhat lower levels of education. Native-born Asian women appear to have a greater attachment to the work force than native-born non-Hispanic white women. For instance, a larger percentage of native-born Chinese, Filipino, and Japanese women reported (in 1980) having worked full time in 1975. This would be expected to enhance their earnings relative to non-Hispanic white women.

On average, native-born Chinese women earn 52 percent more per year and 34 percent more per hour than native-born white women, Filipino women earn 14 percent more per year and 4 percent more per hour, and Japanese women earn 44 percent more per year and 30 percent more per hour. Adjusting for education, years of work experience, commitment to the work force, and other relevant characteristics such as geographic location, native-born women in all three groups were found to earn as much as or more than non-Hispanic white women with comparable characteristics.

Foreign-Born Asian Women in the Work Force

The characteristics and earnings of foreign-born married women in all six Asian groups were analyzed. Except for the Vietnamese, foreign-born Asian women have higher levels of education than foreign-born non-Hispanic white women. Vietnamese immigrant women have the same average years of schooling as white immigrant women.

³ Samples of native-born married Indian, Korean, and Vietnamese women in the work force were too small for statistical analysis.

With respect to English-language proficiency, some Asian groups report higher average levels of proficiency than white immigrants, while others report lower levels. Mirroring the results for foreign-born men, English-language proficiency is highest among Indian immigrant women, 68 percent of whom report speaking only English or speaking English very well. Filipino immigrant women also report a higher average proficiency than non-Hispanic white immigrant women. English-language proficiency is substantially lower, however, among Chinese, Vietnamese, and Korean immigrants, less than a third of whom report speaking English well.

As with the native-born, foreign-born Asian women appear to be more committed to the work force than white immigrant women; a higher percentage reported having worked full time in 1975. Filipino immigrant women appear to be the most committed of all immigrant groups, with 76 percent of married women reporting having worked full time in 1975.

Filipino women are also the highest earners; their annual and hourly earnings are, respectively, 47 and 59 percent greater than the earnings of foreign-born white women. The annual and hourly earnings of Chinese, Japanese, and Asian Indian women all exceed the earnings of white immigrant women by 10 percent or more. Only Vietnamese immigrants earn somewhat less: their annual and hourly earnings are 92 and 94 percent of the corresponding measures for white immigrant women.

Adjusting for education, English-language proficiency, commitment to the work force, and other relevant variables reveals that Asian immigrant women earn as much as or more than non-Hispanic white women with comparable characteristics. In contrast to the findings for foreign-born men, the assimilation experience of Asian immigrant women is not marked by lower initial earnings than their white counterparts.

A Statistical Approach to the Measurement of Labor Market Discrimination

This report presents an analysis of the extent to which discrimination has adversely affected Asian economic status. The methodological approach is largely statistical as opposed to qualitative. A qualitative approach is characterized by case studies of personal experiences. Testimony about individual

experiences in applying for jobs and promotions would fall within a qualitative approach. One disadvantage of a qualitative approach is that individuals may perceive certain results, such as failure to get a job or a promotion, as evidence of discrimination when in fact their cause has other origins. Conversely, individuals who lack an appropriate means to compare their personal experiences in the labor market with persons not of their race, sex, or ethnicity may be unaware of discriminatory practices that affect their employment and earnings. Another disadvantage of a qualitative approach is that the individual cases presented are not necessarily representative, making it inappropriate to generalize based on a few examples.

Statistical analysis overcomes individual motivations and perceptions that may bias an investigation of discrimination. It also provides a way to compare the experiences of different groups, and it permits analysis of large national samples that are representative of the groups.

Statistical analysis is limited, however, by the ability of the analyst to control completely and accurately for all of the characteristics that affect performance in the labor market. Since a person's race or ethnicity may statistically stand in for factors that are either unmeasured or unmeasurable, a statistical analysis cannot yield conclusive evidence about the existence or nonexistence of labor market discrimination.

Nevertheless, statistical evidence of large wage differences (controlling for intergroup differences in measured worker characteristics), combined with qualitative evidence of discrimination, would suggest that discrimination was likely to be affecting labor market outcomes, unless evidence on unmeasured differences in skill or work effort was shown to exist. Since the costs of discrimination may be borne in ways other than depressed earnings, the absence of wage differences does not necessarily imply the absence of labor market discrimination. Instead, it may indicate that members of these groups have found ways to circumvent or diminish discrimination's adverse effect on their earnings.

Thus, a statistical overview of the labor market performance of Asians relative to whites provides an important component of any evaluation of discrimi-

nation against members of Asian groups. However, data limitations exist, so that the measurement problems alluded to above should always be taken into account when assessing the presence of discrimination.

Evidence on Anti-Asian Labor Market Discrimination

This study resulted in several findings pertinent to the issue of labor market discrimination and the economic status of Asians.

Asian women, both native and foreign born, were found to earn as much as non-Hispanic white women with similar skills and characteristics. Thus, there is no evidence from this study that Asian women are at a disadvantage in the labor market because of their race. It should be cautioned, however, that men and women are concentrated in different occupations and industries; if women held the same jobs as men, Asian women might not fare as well as white women.

Native-born Chinese, Japanese, and Korean men earn about as much as or more per annum than non-Hispanic white men with comparable skills and characteristics. Native-born Filipinos and Indians earn substantially less. On an hourly basis, only native-born Indians earn less than non-Hispanic white men. The relatively low annual earnings of native-born Indian and Filipino men, and the concomitant lower annual hours worked and higher unemployment, may be caused by labor market discrimination.

All of the nationwide earnings results used to assess the effects of labor market discrimination carefully adjust for region of residence and urban location.⁴ An important outcome of these analyses is earnings comparisons between Asians and non-Hispanic whites, both evaluated at average Asian characteristics, including region of residence. These analyses address the question of whether the average Asian fares as well as non-Hispanic whites when both have the same characteristics.

Adjusted earnings for individual regions reveal, for some Asian groups, considerable diversity across regions in the relative earnings of Asian men. For instance, American-born Chinese men, three-quarters of whom live in the West, earn as much as non-

⁴ The regional variables included in each group- and nativity-specific earnings regression are California, Hawaii, other West, North Central, South, and East; the urban variables are central

city of SMSA, SMSA outside central city, SMSA central city/remainder not, mixed SMSA/non-SMSA area, and outside SMSAs.

Hispanic white men in California and more than whites in Hawaii. Yet, the statistics show that American-born Chinese men earn 17 percent less than non-Hispanic whites in the East. American-born Filipinos, who are also concentrated in the West, earn substantially less than non-Hispanic whites in California, yet earn as much as non-Hispanic whites in the East and the North Central region of the United States. The diversity of results points to the possibility that in certain areas particular groups may face discrimination that is not apparent from their experiences on average.

For all groups that were studied, American-born Asian men are less likely to be in management positions than their non-Hispanic white counterparts. Furthermore, adjusting for occupation and industry, highly educated American-born Asian men in all groups were found to earn less than similarly qualified non-Hispanic white men. These findings raise the possibility that men in all Asian groups face labor market discrimination at the top.

Asian immigrant men initially earn less than non-Hispanic white immigrant men. (Japanese immigrant men are an exception.) As noted above, the earnings differences may reflect different rates of labor market adaptation. However, these results are also consistent with a pattern of labor market discrimination against Asian immigrants. Although immigrant men and women have different labor market experiences, the possibility of discrimination against Asians is increased by the fact that Asian immigrant women do not earn less than their non-Hispanic white counterparts. On the other hand, Asian immigrant men who have been in the United States at least 11 years tend to earn as much as or more than comparable non-Hispanic white immigrants. This suggests that, to the extent that labor market discrimination does affect the earnings of Asian immigrants, its adverse effect is overcome by length of residence.

The set of variables used to analyze Asian groups in this report is more comprehensive than in previous studies. Nevertheless, it should be borne in mind that the conclusions presented here are based on earnings comparisons that adjust only for measured skills and characteristics. More complete information on skill levels might affect the results and the conclusions.

Changes in the Relative Economic Status of Asians: 1960 and 1980

Analysis of the 1980 data results in a complex picture of Asian economic status. Some groups earn, on average, as much per annum as would be expected given their skills and characteristics, and some groups earn substantially less. In general, the relative position of American-born Asian men in 1980 is improved when hourly earnings are compared instead of annual earnings. The 1980 analysis also reveals that the relative earnings of American-born Asian men vary with level of education: highly educated Asian men may face discrimination in obtaining top positions within occupations and industries, whereas the relative position of American-born Asian men with average and lower levels of education is more favorable.

A strikingly different story emerges from the 1960 data. In 1960 native-born Asian men in all groups that were studied earned substantially less than non-Hispanic white men of comparable skills and characteristics. Large earnings differentials were found for both annual and hourly earnings. Furthermore, American-born Asian men earned substantially less than non-Hispanic white men at all educational levels. The analysis also suggests that the lower earnings of Asian men in 1960 were in part a result of Asians being disproportionately employed in lower paying occupations and industries (given their skills and characteristics). Thus, labor market discrimination against Asians in 1960 likely operated by limiting their entry into higher paying occupations and industries.

Adjusting for changing skills and characteristics, the earnings gap between Asian and non-Hispanic white men decreased dramatically between 1960 and 1980. This finding suggests that the economic progress of Asian men was aided by a decline in anti-Asian labor market discrimination. The results further indicate that the improvement in the relative earnings of Asian men (as compared with non-Hispanic white men of similar skills and characteristics) was aided by more occupations opening to Asian men.

Recommendations for Future Research and Data Collection

The primary focus of this report is how individuals of various Asian groups fare in the labor market. As such, the report does not address what Murray

Friedman has termed "the special nature of the group experience."⁵ Yet, research by Ivan Light and Robert Jiobu, among others, suggests that the economic attainment of individuals is inextricably linked to the structure of their communities. Clearly, a more complete understanding of the economic status the various Asian groups have achieved would come from an examination of their mobility strategies, including an analysis of factors such as investment in education and other forms of human capital, entrepreneurial activities, and community structures. This constitutes an important area for future research.

Another area that merits further research is the relationship between education and Asian earnings. This report finds evidence that the relative earnings of American-born Asian men decline with level of schooling. On average, American-born Japanese, Chinese, and Korean men earn about as much as or more than non-Hispanic white men with similar skills and characteristics. Yet, adjusting for occupation and industry, native-born Asian men with high levels of schooling earn less than comparable non-Hispanic white men. Extensive formal schooling enables native-born Asian men to enter high-paying occupations and industries, but within these occupations and industries, Asian men appear to be underrepresented in higher paying positions. Discrimination against Asians is one possible explanation for these results. This hypothesis could be directly assessed by incorporating into an analysis information on the type and quality of education that American-born Asian and non-Hispanic white men receive.

Earnings results for specific regions reveal considerable diversity in the relative earnings performance of some Asian groups. Although there was no evidence of an across-the-board anti-Asian effect in any one region, the diversity of results suggests that particular groups may face difficulties in certain

areas. The extent to which discrimination contributes to this is an area for further research.⁶

It should also be noted that labor market discrimination may not actually affect wages adversely but rather cause segregation. Thus, certain firms and industries may be more receptive to Asian employment than others, leading to concentrations of Asians that would not occur in the absence of labor market discrimination. This, too, is an area for future research.

The census data used in this study are not well suited for evaluating the existence or extent of employment discrimination in particular situations such as high corporate positions. Nevertheless, the preliminary results here on the representation of Asian men in management positions strongly suggest that this is an area that needs further research. Before such research can be done, however, better data need to be collected. For instance, data could be collected on the job experiences of graduates from top-ranking business schools.

The conclusions about the presence or extent of anti-Asian labor market discrimination are made on the basis of measured skills and characteristics. More complete information on skill levels could alter these conclusions and either increase or decrease the measured effect of discrimination. For instance, if native-born Asians had higher unmeasured skills than non-Hispanic whites, then it would be possible that the earnings of Asian groups who earn on a par with non-Hispanic whites are, in fact, dampened by labor market discrimination.⁷ In other research, it has been found that some groups with higher than average levels of education have high earnings even after controlling for measurable characteristics, possibly because these groups receive higher quality education than average or because they receive more parental attention at home.⁸

Finally, data quality and analytical considerations strongly argue for restoring to the 1990 census a question on the birthplace of the parents of the

⁵ Murray Friedman, "Business and Culture," a review of *Ethnic Enterprise in America* by Ivan Light, *Commentary*, December 1973, pp. 93-94.

⁶ For instance, see Victor Nee and Jimmy Sanders, "The Road to Parity: Determinants of the Socioeconomic Achievements of Asian Americans," *Ethnic and Racial Studies*, January 1985, pp. 75-93, and Amado Cabezas, Larry Shinagawa, and Gary Kawaguchi "Income Differentials among Asian Americans, Blacks, and Whites in California," in Sucheng Chan, ed., *Intersections: Studies in Ethnicity, Gender, and Inequality* (Lewiston, New York: Edwin Mellen Press, forthcoming).

⁷ On the other hand, more complete information on skill levels might narrow the earnings differential found between non-Hispanic white men and native-born Asian Indians and Filipinos.

⁸ See U.S. Commission on Civil Rights, *The Economic Status of Americans of Southern and Eastern European Ancestry* (1986); Barry R. Chiswick, "The Earnings and Human Capital of American Jews," *The Journal of Human Resources*, vol. 18 (Summer 1983), pp. 312-36; "Differences in Education and Earnings Across Racial and Ethnic Groups: Tastes, Discrimination, and Investments in Child Quality," *Quarterly Journal of Economics*, August 1988.

individual respondents. Such information is indispensable for identifying generations and for deter-

mining the length of time the family has been in the United States.

PART I

Background Information on the Economic Status of Asians in America

The three chapters comprising part I of this report provide background information on the economic status of Asians in America. Chapter 1 discusses issues pertaining to the study of Asian economic status and contains an outline of the report. Chapter 2 presents the historical background: the immigration of each group is traced in terms of the recency

of its immigration and the characteristics of the immigrants. Chapter 3 concludes part I with an analysis of the current economic status of Asian American families: the family income of Asian groups, family income as a measure of welfare for Asian groups, and who contributes to family income are the foci of discussion.

Introduction

This report presents a statistical analysis of the economic status of American citizens and residents of Asian descent. A key question is whether discrimination has had a negative effect on the economic status of Asian groups.¹ This report attempts to shed light on this issue by examining the earnings and employment patterns of Asian groups compared to non-Hispanic whites in the United States.

The focus of this report is the economic status of the six largest Asian groups in America.² In descending order of population size, these are the Chinese, Filipinos, Japanese, Asian Indians, Koreans, and Vietnamese. Their representation, as a percentage of the total U.S. population, is shown in table 1.1.

¹ It should be noted that the labor market is but one place where anti-Asian discrimination may surface. For instance, before the 1960s, Asians were excluded from highly selective colleges and universities and may still face discrimination in college admissions. (See John H. Bunzel and Jeffrey K. D. Au, "Diversity or Discrimination? Asian Americans in College," *The Public Interest*, Spring 1987.) Asians have also been and continue to be the victims of racially motivated incidents ranging from anti-Asian signs and bumper stickers to serious physical assaults. See U.S. Commission on Civil Rights, *Recent Activities Against Citizens and Residents of Asian Descent* (1986); Los Angeles County Commission on Human Relations, *Hate Crime in Los Angeles County 1987* (February 1988); and Testimony by Congressman Norman Y. Mineta, Congressman Robert T. Matsui, Arthur Soong, Floyd Shimomura, Kim Cook, and James Tso in *Oversight Hearing on Anti-Asian Violence*, Committee on the Judiciary, Subcommittee on Civil and Constitutional Rights, Nov. 10, 1987.

² The definition of Asian groups in this report varies with the data sets that are used. In table 1.1, the Asian population is defined by the race and ancestry information reported to the Census. Analyses of Immigration and Naturalization Service data

Although each of these groups has its own unique American history, there are compelling reasons for jointly examining their economic progress in one report. This chapter provides general background information on issues pertaining to the study of Asian economic status. Discriminatory obstacles faced by Asian groups historically and the relationship of Asians to American civil rights legislation are discussed below.

A History of Discrimination

A common thread running through all Asian groups is their shared history of discrimination, experienced either as a xenophobic response to newcomers or because of their race.³ Chinese immigrants who settled on the West Coast in the 19th century were barred from attending California

in chapter 2 use the INS's information on country of origin to delineate groups. In chapters 3 through 10, groups are defined according to the race reported to the Census.

³ Histories of denial of civil rights to persons of Asian descent in the U.S. upon which this brief summary is based can be found in U.S. Commission on Civil Rights, *Civil Rights Digest*, Fall 1976; R.D. McKenzie, *Oriental Exclusion* (Chicago: University of Chicago Press, 1928); Stuart Creighton Miller, *The Unwelcome Immigrant: The American Image of the Chinese, 1785-1822* (Berkeley: University of California Press, 1969); Harry L. Kitano, *Race Relations* (Englewood Cliffs, N.J.: Prentice-Hall, 1980); Roger Daniels, *Concentration Camps USA: Japanese Americans and World War II* (Hinsdale, Pa.: Dryden Press, 1971); U.S. Commission on Civil Rights, *The Tarnished Golden Door: Civil Rights Issues in Immigration* (1980); U.S. Commission on Civil Rights, *Recent Activity Against Citizens and Residents of Asian Descent* (1986); and in the sections on Asian groups and naturalization and citizenship of the *Harvard Encyclopedia of American Ethnic Groups*, ed. Stephan Thernstrom (Cambridge, Mass.: Belknap Press, 1980).

TABLE 1.1
Representation of Asian Groups in U.S. Population, 1980

Total U.S. population: 226,545,805			
Asian groups examined in this report	Population	Percentage of total U.S. population	Percentage of total Asian population
Chinese	806,040	0.36	0.22
Filipino	774,652	0.34	0.21
Japanese	700,974	0.31	0.19
Indian	361,531	0.16	0.10
Korean	354,593	0.16	0.10
Vietnamese	261,729	0.12	0.07
ALL	3,259,519	1.45	0.89

Notes: The total Asian population, based on census counts by race and ancestry, is estimated to be 3,838,163 persons. In addition to the six major Asian groups specified above, total Asian population includes the following groups (population counts in parentheses): Hawaiian (168,814); Thai (64,024); Laotian (65,598); Samoan (41,948); Guamanian (32,158); and Cambodian (18,102). Population counts for Thais, Laotians,

and Cambodians come from 1980 Census of the Population, *Ancestry of the Population by State*, table 2, "Persons Who Reported at Least One Specific Ancestry Group for the United States," p. 13. Population counts for all other groups come from 1980 Census of Population, *General Population Characteristics, U.S. Summary*, table 38, "Persons by Race and Sex," p. 20.

public schools. Laws and ordinances directed against the Chinese were extended to other Asian groups who entered the United States in the late 19th and early 20th century. For instance, a policy of separate schools for all Asians was pursued by cities in California and Mississippi. Leaders of the Chinese exclusion movement became leaders of the anti-Japanese movement.⁴ Later, when migrants from the Philippines began to enter mainland America in the 1920s, anti-Asian sentiment turned towards the Filipinos, culminating in race riots between Filipinos and whites on the West Coast.

Not only was a substantial amount of popular sentiment leveled against Asian groups at the local level, but anti-Asian prejudice was vented through Federal Government offices as well. In his 1905 annual message to Congress, President Theodore Roosevelt stated that the Chinese laborer must be kept out of this country "absolutely," with no relaxation of the law.⁵ In discussing the immigration of Asian Indians, the 1909 report of the U.S. Commissioner-General of Immigration stated:

⁴ Eldon R. Penrose, *California Nativism: Organized Opposition to the Japanese, 1890-1913* (San Francisco: R and E Research Associates, 1973) and Fukuda Moritoshi, *Legal Problems of Japanese Americans* (Tokyo: Keio Tsushin Co., 1980).

⁵ Theodore Roosevelt, "Fifth Annual Message" (Dec. 5, 1905),

The Hindu laborers are certainly not a class of immigrants who can be allowed to enter the country freely. They are not fitted physically to cope with the more efficient American and European labor. . . . They are clannish to a degree. . . . They are filthy and unsanitary in their habits. . . . They have been driven out of many localities on the coast and the people generally have no use for them. . . . We have race troubles enough of our own without permitting the Hindus to invade our shores. If permitted to come freely, we would certainly have an invasion. There are so many million Hindus in India that they could spare as many as we now have people in the whole United States, never miss them, and be glad to get rid of them.⁶

The history of immigration and naturalization legislation itself provides general evidence of prevailing attitudes towards Asians. According to naturalization legislation adopted in 1870, only free whites and aliens of African descent could apply for citizenship. Although the category "white" was left undefined, this legislation laid the foundation for excluding the foreign born of various Asian groups from citizenship. In 1882 the Chinese Exclusion Act denied foreign-born Chinese the right to apply for

The State of the Union Messages of the Presidents, 1790-1966, vol. III, 1905-1966, ed. Fred L. Israel (New York: Chelsea House, 1966), pp. 2177-78.

⁶ "Report of the Commissioner-General of Immigration" (1909), pp. 148-49.

citizenship. In 1911 the Bureau of Immigration and Naturalization decreed that declarations of intent (to become citizens) be rejected from all aliens who were neither white nor of African descent. Following this order, applications for naturalization by Koreans and Asian Indians were summarily rejected. In 1922 the U.S. Supreme Court ruled that foreign-born persons of Japanese ancestry were ineligible for American citizenship.⁷

From the Federal laws prohibiting citizenship for Asians sprang a proliferation of other civil rights limitations. State laws prohibiting the ownership and leasing of land by noncitizens were offshoots of the discriminatory naturalization legislation.

Even for Asians who were citizens (by birth or through naturalization before anti-Asian restrictions were fully in place), citizenship has not always conferred protection from civil rights abuses. The most glaring of such abuses was the World War II internment of U.S. citizens of Japanese origin.

It was not until 1952, with the McCarran-Walter Act, that the foreign born of all Asian groups became eligible for citizenship. In 1965 immigration legislation that discriminated against Asians was dropped completely.

Citizens and residents of Asian descent still suffer from a variety of anti-Asian activities. For instance, frictions have occurred between Southeast Asian refugees and long term residents with similar occupations, as in the case of Vietnamese fishermen in parts of Florida, Texas, and California. There have also been various incidents of hostility between Korean immigrants who have established businesses in low-income minority neighborhoods and other residents of these communities.⁸ These and other incidents suggest that, although the extent and nature of anti-Asian discrimination has changed over time, it continues to be a subject that merits serious attention and investigation.

Persons of Asian Descent and Civil Rights Programs and Legislation

Today, Asian Americans are entitled to the full panoply of civil rights protections afforded to all

Americans. They also are a protected minority and participate in affirmative action programs.

The most general civil rights legislation relevant to Asian American employment is the Civil Rights Act of 1964. Title VII of the Civil Rights Act prohibits discrimination in all aspects of employment and compensation on the basis of race, color, religion, sex, or national origin. The provisions of Title VII cover all private employers with 15 or more employees. The provisions also cover employment agencies, labor unions, and joint labor-management committees controlling apprenticeship training. In a 1972 amendment, coverage was extended to educational institutions and State and local governments.⁹

Affirmative action programs (established to implement Executive Order 11246 in 1965) have been another measure taken to aid minorities in their employment. As implemented by the Office of Federal Contract Compliance Programs of the Department of Labor, this policy requires that companies with \$50,000 or more in Federal contracts and 50 or more employees take affirmative action with respect to the hiring and promotion of minorities. Such action includes the development of specific plans to promote the employment of persons with protected group status in occupations in which minorities are underrepresented.

With respect to affirmative action policy, protected groups include the following racial and ethnic groups: blacks, Hispanics, Asian Americans, and Native Americans.¹⁰ The category of Asian American has changed over time. Originally called "Orientals," this category included persons of Japanese, Chinese, Korean, and Filipino descent.¹¹ In 1976 Asian Indians, who had been classified as white or Caucasian, lobbied to be included in affirmative action programs.¹² A geographic-based definition—Asian and Pacific Islander—was adopted in 1977. This new classification encompassed several groups that had been previously excluded from affirmative action. As currently defined, an Asian or Pacific Islander is a person having origins in any of the

⁷ Takao Ozawa v. United States, 260 U.S. 178 (1922).

⁸ For further information, see U.S. Commission on Civil Rights, *Recent Activity Against Citizens and Residents of Asian Descent*.

⁹ 42 U.S.C. §2000e *et seq.* (1982).

¹⁰ Office of Management and Budget Directive No. 15 (1985).

¹¹ U.S. Commission on Civil Rights, *To Know or Not to Know: Collection and Use of Racial and Ethnic Data in Federal Assistance Programs* (1973), p. 30.

¹² Nathan Glazer, *Ethnic Dilemmas 1964-1982* (Cambridge: Harvard University Press, 1983), pp. 149-50.

original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.¹³

Set-aside programs constitute a third type of policy aimed at helping socially or economically disadvantaged minorities. In general, these programs "set aside" or funnel government contracts to minority-owned businesses.¹⁴ Until 1980 set-aside programs excluded Asian Americans; they were confined to helping businesses with black, Hispanic, or Native American ownership. However, other groups could petition for designation as socially disadvantaged. Japanese and Chinese Americans gained this status in 1980. They were followed by Asian Indians in 1982. The list of racial and ethnic groups that are considered to be socially disadvantaged under the current Small Business Administration 8(a) guidelines includes blacks, Hispanics, Native Americans, and Asian and Pacific Islanders.¹⁵

Framework of the Analysis

Given the history of discrimination against Asian groups in America, it is important to learn more about the extent and nature of anti-Asian discriminatory behavior in present-day America, as well as its effects on the lives of Asian Americans. This report grapples with two issues pertaining to the relationships between discrimination, civil rights legislation, and the economic status of Asian Americans.

One issue is whether discrimination, despite legal protections, adversely affects the economic status of Asian groups. This report attempts to shed light on this question by examining with 1980 census data how members of Asian groups fare in employment and earnings compared to non-Hispanic whites in the United States. Hispanics are excluded from the comparison group because their earnings may be lowered by labor market discrimination. Thus, a comparison of Asian economic performance with that of whites with Hispanics included could underestimate the presence of labor market discrimination against Asians. Although non-Hispanic whites are used as the benchmark group throughout the report, for brevity's sake this group is referred to in later chapters simply as whites.

¹³ U.S. Equal Employment Opportunity Commission, *Instruction Booklet* (1981), p. 6.

¹⁴ There are three principal types of set-aside programs: the Small Business Administration's 8(a) program that focuses on small business growth, programs operating under individual Federal agencies required by Executive orders to direct govern-

A statistical analysis of the economic status of Asian Americans cannot measure the degree of anti-Asian sentiment that may remain in American society. However, a finding of substantial economic disparities between persons of Asian descent and non-Hispanic whites with similar characteristics may indicate current labor market discrimination against Asian groups, unless there were evidence of skill differentials or other relevant characteristics that could not be measured by the available variables.

Another key question, addressed in this report, is whether the relative economic status of Asian Americans improved over time and, in particular, after the passage of the Civil Rights Act of 1964. As many factors influence the economic mobility of a group, measurement of the effect of civil rights legislation on the economic status of Asian groups is a thorny and difficult problem. This report takes a first brush at this issue by comparing the economic status of Asian Americans relative to that of non-Hispanic whites in 1960, before the 1964 civil rights legislation, with the relative economic status of Asian Americans in 1980, 15 years after passage of the landmark legislation.

Outline of the Report

The outline of the report is as follows. Chapter 2 places the present-day economic status of Asian groups into a historical perspective. A short synopsis of the immigration history of each group is given in terms of the characteristics its members first came with and the recency of their immigration. How recent a group's immigration is, along with the characteristics of the immigrants, undoubtedly influences subsequent economic progress.

Chapter 3 provides a basic statistical profile of the current economic status of the Asian American family: the family income of Asian groups, contributions to family income by family members, and family income as a measure of economic welfare. To evaluate the potential effects of labor market discrimination on economic status, how Asians as individuals fare in the labor market must also be examined. It is to this concern that the rest of the report turns.

ment contracts to minority-owned firms, and percentage set-asides for public works projects and government procurement contracts.

¹⁵ Small Business Administration, 13 CFR, part 124 (Dec. 1, 1980).

The issue of anti-Asian discrimination is explored by comparing the labor market experiences of persons of Asian descent to those of non-Hispanic whites within particular demographic subsets. For instance, the labor market experiences of native-born Asian men are compared to the labor market experiences of native-born non-Hispanic white men.

Of course, intergroup differences in earnings may occur for many reasons other than discrimination. Chapters 4 through 6 describe some of the variables, other than discrimination, that influence earnings. Immigrant status and region of residence are described in chapter 4. Chapter 5 examines skill levels; differences among Asians and non-Hispanic white men in years of schooling, English-language proficiency, and years of work experience are detailed. In chapter 6, the work patterns of Asian and non-Hispanic white men are compared.

Multivariate regression analysis is used to distinguish differences among groups in those factors that affect labor market performance apart from current

labor market discrimination. Adjusting for differences in characteristics (such as region of residence) and skill levels (such as years of schooling), chapter 7 examines the earnings of native-born Asian men relative to native-born white men. The focus of chapter 8 is the relative earnings status of foreign-born Asian men. Chapter 9 follows with a multivariate analysis of the earnings of Asian women. As with men, the earnings of native-born and foreign-born women are separately analyzed.

Chapter 10 compares the relative economic status of Asians in the years 1960 and 1980. In chapter 11 the report's findings are summarized. Chapter 11 also explores the results of the multivariate analyses for indications of the likely presence or absence of labor market discrimination against Asians. Shortcomings of a statistical approach to measuring labor market discrimination are discussed along with recommendations for future research and data collection.

The Migration of Asians to America

Although a small minority, forming less than 2 percent of the American population in 1980, the Asian American community is growing rapidly. This growth stems primarily from a surge in migration to the United States in the past two decades. Indeed, the immigration of persons from Asia is an important part of what could be called America's third great wave of immigration.

More than half of all adult Asians now living in the United States are recent immigrants. On the other hand, many American-born Asians are the descendants of early 20th century immigrants. This chapter traces Asian immigration from its inception to the present day.

The Early Years of Asian Immigration

As can be seen from table 2.1 and figure 2.1, until 1875 the great majority of immigrants to the United States came from Britain and Northern and Western Europe. In the last decade of the 19th century, the immigration from Britain and Northern and Western Europe subsided and was replaced by the second great wave of immigrants from Southern and Eastern Europe.¹ This wave crested in the first decade of the 20th century and then ebbed with the advent of restrictive immigration policies in the 1920s and the Depression years of the 1930s.

Running alongside these other large migration movements was a relatively small stream of Asian migrants to America. Asian immigration before 1920 never exceeded 5 percent of total immigration. In

the mid-19th century, when immigration from Britain and Northern and Western Europe was dominant, Asian immigration was less than 3 percent of the total. When the immigration from Southern and Eastern Europe reached its peak in the first decade of the 20th century, constituting close to 70 percent of the total, the immigration of Asians was less than 4 percent of all American immigration.

Underlying Asian immigration during this period were dramatic swings in its composition. Table 2.2 breaks down Asian immigration into its component groups while figure 2.2 traces the combined Asian immigration. An interplay between selective immigration policies and a demand for cheap labor helped determine the country of origin of early Asian immigrants.

Before 1890 Asian immigration was almost exclusively from China. Chinese immigration started around 1850 and reached a peak in the 1870s, when more than 123,000 Chinese immigrants were recorded. They were primarily unskilled laborers. During the peak years of early Chinese immigration, close to 97 percent of the immigrants who reported an occupational background had been unskilled laborers in China (table 2.3, part A). In America, they worked as unskilled laborers in factories and in mines, in the construction of railways, and as agricultural laborers.

The Chinese Exclusion Act of 1882 restricted the immigration of Chinese laborers. Chinese immigra-

¹ For information on the economic progress of Southern and Eastern European immigrants and their descendants, see U.S.

Commission on Civil Rights, *The Economic Status of Americans of Southern and Eastern European Ancestry* (1986).

TABLE 2.1
Immigration to the United States by Decade, 1850-1980

	1851-1860	1861-1870	1871-1880	1881-1890	1891-1900	1901-1910	1911-1920
Total immigration	2,598,214	2,314,824	2,812,191	5,246,613	3,687,564	8,795,386	6,735,811
Total as a percentage of U.S. population	8.26	5.81	5.61	8.33	4.85	9.56	5.43
<i>Immigration by area as a percentage of total immigration</i>							
Northwestern Europe	89.11	84.53	69.20	68.08	41.66	19.47	14.57
Southern and Eastern Europe	0.42	1.04	6.44	17.82	50.85	68.76	55.02
Asia ¹	1.60	2.80	4.42	1.33	2.03	3.68	4.31
Hispanic origin ²	n.a.	n.a.	n.a.	n.a.	n.a.	0.1	4.1
	1921-1930	1931-1940	1941-1950	1951-1960	1961-1970	1971-1980	
Total immigration	4,107,209	528,431	1,035,039	2,515,479	3,321,677	4,493,314	
Total as a percentage of U.S. population	3.35	0.40	0.69	1.40	1.63	1.98	
<i>Immigration by area as a percentage of total immigration</i>							
Northwestern Europe	28.68	32.17	39.91	31.28	14.57	5.12	
Southern and Eastern Europe	26.32	25.71	11.19	13.99	12.35	8.23	
Asia	2.73	3.04	6.76	5.97	12.88	35.35	
Hispanic origin	12.6	6.8	10.1	20.5	32.2	30.0	

Sources: All data for 1971-1980 for all groups except "Hispanic origin" come from the 1980 *Statistical Yearbook of the Immigration and Naturalization Service*, table 2, p. 4. Included in "Hispanic origin" from 1951-1960 and 1981-1970 are figures for Cubans found in the 1960 and 1970 statistical yearbooks of the INS, respectively. All data used to compute immigration by area for the years 1851-1970 for all groups except "Hispanic origin" come from table 13, 1975 *Annual Report: Immigration and Naturalization Service*.

¹Asia includes China, Japan (after 1860), India, Turkey, and other Asia. Beginning with 1952, Asia includes the Philippines, which until then was recorded elsewhere. Beginning with 1957, China includes Taiwan.

²"Hispanic origin" includes persons from Central America, South America, and Mexico from 1851-1950, after which time Cuban immigrants are added to the original three categories.

FIGURE 2.1
Immigration by Area as a Percentage of Total Immigration

1850-1980 BY DECADE

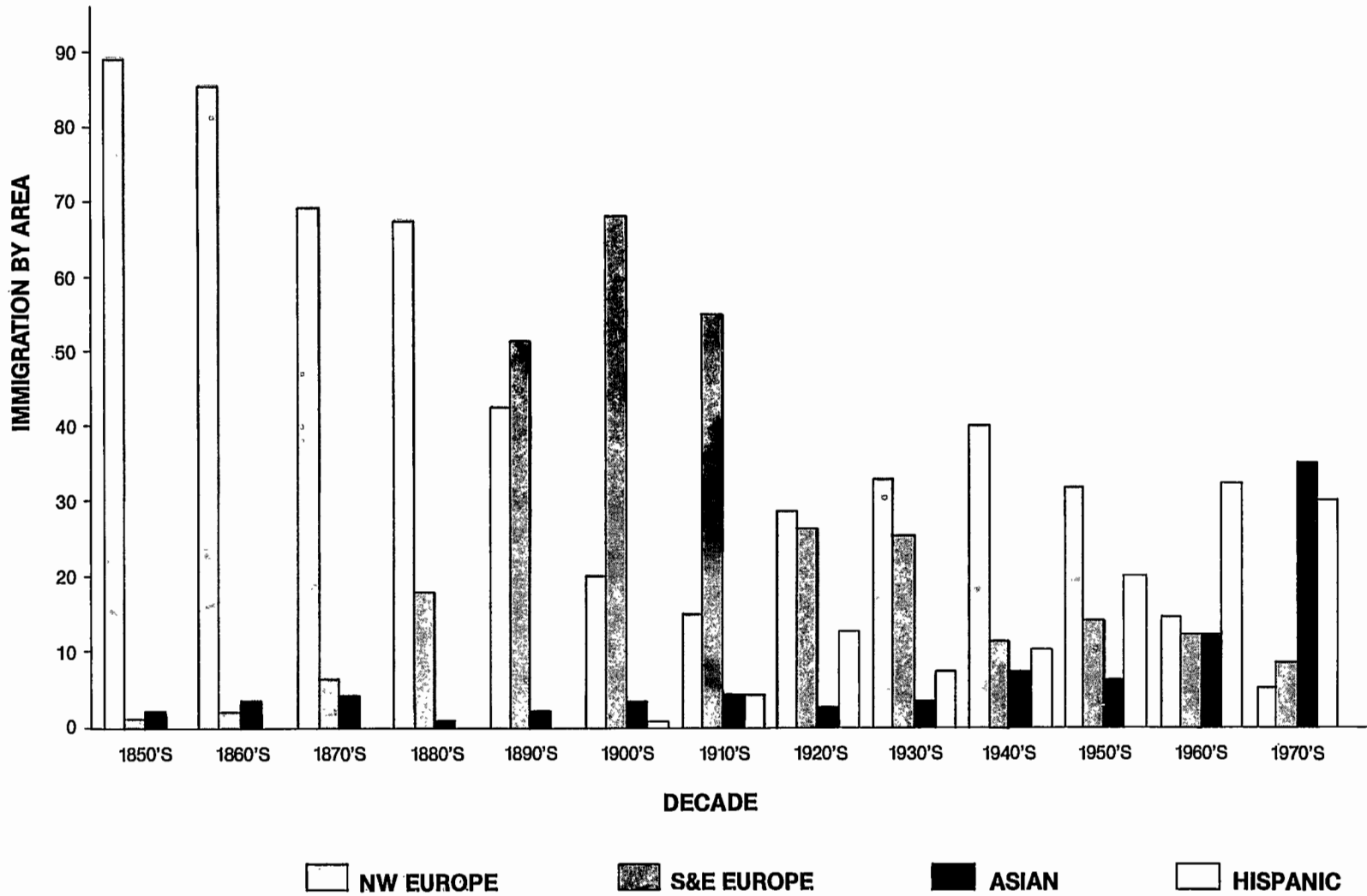


TABLE 2.2
Immigration by Decade of Asian Groups, 1850–1980

	1851–1860	1861–1870	1871–1880	1881–1890	1891–1900	1901–1910	1911–1920
Chinese	41,397	64,301	123,201	61,711	14,799	20,605	21,278
Japanese	—	186	149	2,270	25,942	129,797	83,837
Indian	43	69	163	269	68	4,713	2,082
Korean	—	—	—	—	—	7,697	1,049
Filipino	—	—	—	—	—	—	869
Vietnamese	—	—	—	—	—	—	—

	1921–1930	1931–1940	1941–1950	1951–1960	1961–1970	1971–1980
Chinese	29,907	4,928	16,709	9,657 ¹	34,764	124,326
Japanese	33,462	1,948	1,555	46,250	39,988	49,775
Indian	1,886	496	1,761	1,973	27,189	164,134
Korean	598	60	—	6,231	34,526	271,956
Filipino	54,747	6,159	4,691	19,307	98,376	360,216
Vietnamese	—	—	—	—	3,788	179,681

Sources: All data were derived from various years of the *Statistical Yearbook of the Immigration and Naturalization Service* (INS) and its predecessors. Data for 1971–1980 are from the INS 1980 *Statistical Yearbook*. Data on the Filipino migration to mainland United States for the decades 1911–1940 were derived from the following INS reports: 1911–1920—table 110 of the *Report of the Commissioner General of Immigration*, p. 280; 1921–1930—table 111, n.1, of the 1929 and 1930 reports

and from tables 110 and 111 of the 1931 report; 1931–1940—tables 110 and 111 of the 1931 report and table 64, n.1 of the 1932 report. Data for Korean immigration of 1901–1920 are from the 1921 report. All other data are from the INS *1975 Annual Report*, table 13, pp. 62–64.

¹Chinese total includes immigration from Taiwan starting in 1957.

22 **FIGURE 2.2**
Asian Immigration by Decade

1850 TO 1980

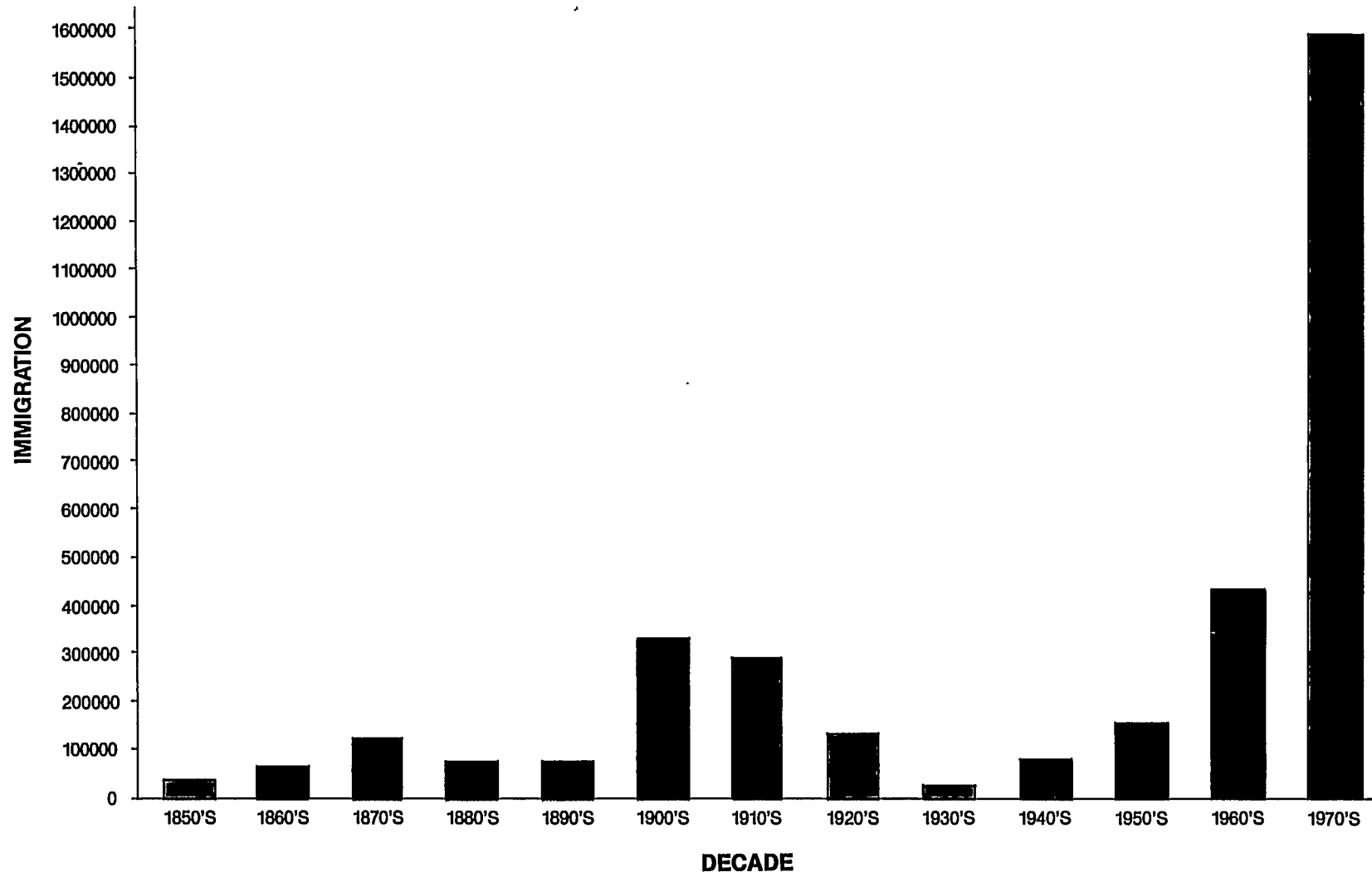


TABLE 2.3
Occupational Background of Asian Immigrant Workers

<i>(A) Laborer (The early years: 1871 to 1935)</i>						
	Chinese	Japanese	Korean	Indian	Filipino	Comments:
1871-1875	93.0% (16,437)					
1876-1880	95.1% (57,773)					
1881-1885	96.9% (59,779)					1882: Chinese Exclusion Act limited Chinese laborers.
1891-1895	0.0% (13,384)					
1896-1900	17.9% (8,322)	45.4% (19,779)				
1901-1905	30.1% (12,537)	51.0% (65,148)	95.7% (7,475)			
1906-1910	4.0% (7,129)	75.9% (67,558)		85.4% (5,172)		1907: Gentlemen's Agreement with Japan—limited Japanese laborers
1911-1915	7.8% (9,760)	60.2% (36,599)				
1916-1920	5.4% (9,505)	51.6% (47,139)				
1921-1925	12.2% (18,947)	35.5% (28,707)			88.7% (11,944)	1924: Immigration Act—origins of national quota system
1926-1930	24.5% (5,398)	2.6% (3,292)			88.7% (42,803)	
1931-1935					88.6% (5,947)	1934: Philippines granted Commonwealth status
<i>(B) Professional (The second wave: 1966 to 1980)</i>						
1966-1970	46.3% (75,748)	53.8% (19,395)	74.8% (25,618)	89.6% (27,859)	66.6% (85,636)	1965: Immigration Act dropped quotas; anti-Asian bias ended
1971-1975	50.5% (85,645)	49.0% (23,809)	62.2% (112,493)	87.6% (72,912)	67.7% (153,254)	
1976-1980	49.8% (84,166)	47.0% (16,494)	59.0% (120,256)	75.5% (76,561)	47.3% (154,908)	

Note: Total admitted in parentheses. These data were mostly compiled from Immigration and Naturalization Service annual reports. See appendix A for further information on their construction.

tion numbered 39,579 in 1882; 2 years later it had dropped to 279. (Although the immigration of Chinese laborers was strictly limited, other groups of Chinese, such as merchants and, later, the wives and families of Chinese Americans, continued to immigrate.)

With the curtailment of Chinese labor migration, other Asian groups filled the demand for inexpensive unskilled labor. The immigration of Indians, Koreans, and particularly Japanese increased as the Chinese were excluded; the Japanese migration in the 1900s was as large as the Chinese migration of the 1870s.

As with the earlier Chinese immigration, the immigrants from Japan, Korea, and India were primarily unskilled laborers. Although the occupational backgrounds of Japanese immigrants were more diverse than those of the Chinese, fully 75 percent of working Japanese entrants reported laborer as their occupational background during the peak years of Japanese immigration. During the peak years of Korean and Indian immigration, 96 percent of Korean immigrants and 85 percent of Indian immigrants reported having worked as laborers in their countries of origin (table 2.3).

Resentment towards the Japanese, particularly in California, led to a U.S.-Japanese agreement—the 1907 Gentlemen's Agreement—in which the Japanese government consented to use self-imposed quotas to limit emigration to America. Japanese immigration dropped from 30,824 in 1907 to 3,275 in 1909, rebounding later during the years 1911–1920 to about two-thirds its level before the agreement.²

The Immigration Act of 1924 (Johnson-Reid Act) declared that all aliens ineligible for citizenship were also ineligible for immigration. Since foreign-born Asians did not qualify for citizenship, being neither “free whites” nor of “African descent,”³ this law effectively barred Asians from immigrating to the United States.⁴

The 1924 law did not, however, restrict immigration from the Philippine Islands which, at this time, were part of U.S. territory.⁵ With the labor shortage caused by the law, the demand for Filipino labor

increased sharply. Between 1921 and 1932, immigration from the Philippines averaged 5,000 per annum, reaching a peak of 11,360 in 1929. As with the other early Asian immigrant groups, the Filipino immigrants were predominantly unskilled laborers (table 2.3).

In 1934 the Philippines were granted commonwealth status, and with this, Filipinos became aliens for immigration purposes. Their immigration quota was set at 56 persons per year. With the end of Filipino immigration, Asian immigration had all but ceased, a state that persisted for 30 years.

Asian Immigration After World War II

During the Second World War, the United States Congress began to chip away at discriminatory barriers to Asian immigration imposed by earlier legislation, and by 1965 the last vestige of anti-Asian discrimination was removed from the immigration laws. As immigration laws were relaxed, the migration of Asians to America grew steadily (figure 2.2). During the 1950s, Asians made up only 6 percent of all U.S. immigration (table 2.1 and figure 2.1). By the 1960s, this rate had climbed to 13 percent, and after legal barriers had been completely removed, it continued to accelerate, reaching 25 percent between 1971 and 1980.

A key feature of the immigration reform of 1965 was the preferential treatment it gave to family members and skilled immigrants. This reform applied to immigrants from all countries. However, the virtual cessation of Asian immigration for 30 years meant that new Asian immigrants were more likely to be admitted under the provision granting preference to skilled immigrants than as family members. Consequently, Asian workers who have arrived in the most recent wave tend to be highly skilled.

The high skill levels of Asian immigrants who arrived after 1965 is borne out by part B of table 2.3, which shows that a large percentage of recent Asian immigrants were in professional occupations in their country of origin. Indeed, close to 90 percent of working Indian entrants from 1966 through 1975 reported professional backgrounds. Nearly 50 per-

² The 1907 Gentlemen's Agreement between the U.S. and Japan gave the Japanese the right to select immigrants and, as a result, severely limited Korean immigration, as Korea was controlled by Japan at that time.

³ The Naturalization Act of 1790 granted the right to apply for American citizenship to “free white persons.” Citizenship privileges were extended to “aliens of African nativity and persons of African descent” in 1870.

⁴ Immigration for Asians other than Filipinos was limited to wives and dependent children of American-born Asians or Asians who had become citizens before anti-Asian restrictions were in place.

⁵ The Treaty of Paris of 1899 transferred possession of the Philippine Islands from Spain to the United States.

TABLE 2.4
Percentage of Asian Immigrants Reporting
Laborer Occupations, 1966 to 1980
(Total Admitted in Parentheses)

	Chinese	Japanese	Korean	Indian	Filipino
1966-1970	2.5% (75,748)	4.9% (19,395)	1.0% (25,618)	0.7% (27,859)	8.3% (85,636)
1971-1975	4.4% (85,645)	3.4% (23,809)	1.7% (112,493)	0.9% (72,912)	4.9% (153,254)
1976-1980	9.4% (84,166)	2.9% (16,494)	4.3% (120,256)	4.2% (76,561)	9.6% (154,908)

Notes: These data were compiled from Immigration and Naturalization Service annual reports. See appendix A for further information on their construction.

TABLE 2.5
Characteristics of Vietnamese Immigrants, 1966-1980

	1966-1970	1971-1975	1976-1980
Total recorded during 5-year period	3,788	16,250	118,766
Percent reporting no occupation	83.1%	92.9%	63.4%
<i>Of those reporting an occupation:</i>			
Percent reporting professional occupations	57.5%	43.0%	15.5%
Percent reporting laborer occupations	0.5%	1.6%	13.6%

Notes: These data were compiled from INS annual reports. See appendix A for further information on their construction.

cent or more of the working immigrants in the other Asian groups reported professional occupations in the post-1965 period, and only small percentages reported laborer as their occupational background (table 2.4).

For most Asian groups, the percentage of high skilled immigrants has declined in recent years, and the percentage of low-skilled immigrants has increased. (The change reflects a shift toward a greater admission of relatives, as the population base of foreign-born Asian Americans has grown.) Yet, recent Asian entrants remain highly skilled. Close to half or more of working immigrants admitted during the years 1976 to 1980 reported professional occupa-

tions, and no more than 10 percent of any Asian group reported laborer occupations. Thus, in contrast to early Asian immigrants, who were predominantly unskilled laborers, recent Asian immigrants have been and continue to be highly skilled.

The Vietnamese

Refugees from Indochina have also contributed to the recent growth of Asians in America. Under special legislation for refugees, sizable numbers of Vietnamese, Cambodian, and Laotian refugees have resettled in the United States. The largest group of Indochinese refugees comes from Vietnam.

Before 1975 Vietnamese immigration was small. Between 1966 and 1975, 20,038 Vietnamese arrived in the United States. According to INS statistics compiled in table 2.5, more than 80 percent of Vietnamese immigrants reported no occupation—an indication of the predominance of women and children in this immigration. (Many of these immigrants, particularly between 1968 and 1971, were the wives and children of American servicemen.)⁶ Of those reporting an occupation, more than 40 percent reported professional occupations and less than 2 percent were laborers.

The collapse of the South Vietnamese government in April 1975 caused a mass exodus from Vietnam. About 130,000 refugees, mostly Vietnamese, arrived at American receiving stations in Guam and the Philippines. These are the “first wave” of Vietnamese refugees, most of whom arrived on the U.S. mainland by 1977. Statistics collected at refugee camps found that slightly over half of the refugees were male. The statistics also revealed the Vietnamese refugees to be fairly well educated: among household heads, 27 percent had some university training, 48 percent had some secondary education, and only 1 percent of those responding had not received any schooling.⁷

The “second wave” (referred to in the popular press as “boat people”) was comprised of small groups that often left Vietnam in fishing vessels. Less educated than the first wave, the number of these refugees arriving in the United States had, by 1981, surpassed the number who arrived immediately after the fall of Saigon.

Although immigration records provide imperfect data on refugees, the statistics presented in table 2.5 suggest that, overall, recent Vietnamese immigrants are much less skilled than the other Asian immigrant groups examined in this report (table 2.3).⁸ Only 16 percent of Vietnamese immigrants recorded during the years 1976–80 reported a professional occupational background.

⁶ Mary Bowen Wright, “Indochinese” in Stephan Thernstrom, ed., *Harvard Encyclopedia of American Ethnic Groups* (Cambridge, Mass.: Belknap Press, 1980), p. 509.

⁷ These statistics are discussed in Mary Bowen Wright, “Indochinese,” *ibid.*

⁸ The INS records presented include all immigrants to the U.S. where an immigrant is defined as a nonresident alien admitted to the U.S. for permanent residence. However, refugees are not

Summary

Asian immigration can be divided into two major periods: one starting in the 1850s and lasting through the 1920s and a second starting in the 1950s and continuing to today.

The early stream of Asian immigrants was largely composed of unskilled laborers. For instance, during the peak years of early Chinese immigration, close to 97 percent of Chinese immigrants reported having been laborers in China; approximately 85 percent of early Asian Indian immigrants reported laborer as their occupational background.

Immigration laws, however, greatly affected both the size and composition of subsequent Asian immigration. The Chinese Exclusion Act of 1882 and the Gentlemen’s Agreement with Japan in 1907 restricted the immigration of Chinese and Japanese laborers. Legislation in 1924 effectively barred most Asians (with the exception of Filipinos) from entering the United States. By 1934 Asian immigration had all but ceased.

During the Second World War, Congress began to eliminate discriminatory barriers to Asian immigration, and by 1965 the last vestige of anti-Asian discrimination was removed from the immigration laws. Relaxation of the immigration laws was followed by a large growth in the migration of Asians to America. In contrast to the earlier immigration, the recent entrants have been highly skilled; a large proportion of Asian immigrant workers reported professional occupations in their countries of origin while only a small proportion were laborers.

Refugees from Cambodia, Laos, and Vietnam have also contributed to the recent growth of Asians in America, with the largest group coming from Vietnam. Overall, recent Vietnamese immigrants are much less skilled than the other Asian immigrant groups examined in this report. According to INS statistics, only 16 percent of Vietnamese immigrants arriving in the United States between 1976 and 1980 reported professional backgrounds.

The recent increase in Asian immigration has increased substantially the presence of persons of Asian descent in the United States. Between 1970

included as immigrants, but are admitted under a separate process. Starting in 1977, refugees from Vietnam who arrived after March 31, 1975, were eligible to apply for permanent resident status after 2 years in the U.S. (This period was changed to 1 year under the Refugee Act of 1980.) Thus, the immigration statistics show information on the Vietnamese refugees with a lag.

and 1980, the number of persons of Asian descent in America more than doubled, from 1.5 million (0.8 percent of the U.S. population) to 3.7 million (1.6 percent). With the steady decline in birthrates, at least one out of every five new Americans is a first-generation immigrant, and of these, one out of every three is Asian. Recent figures suggest that the importance of Asian immigration will continue in years to come.

The following chapters document the economic status that the six principal Asian groups in America

have achieved. Reflecting the important and continuing role of immigration in Asian American history, statistical analyses in this report separately detail the economic status of native-born Asians—primarily the descendants of the early immigrants—and foreign-born Asians—a majority of whom are recent immigrants. The next chapter examines the economic status of native- and foreign-born Asians by focusing on family income and how the family as a unit is used to achieve this income.

The Current Economic Status of the Asian American Family

The family income of Asian groups and the number of family members supported by that income are discussed in the sections that follow, as well as who contributes to family income, particularly the role that married women play in its generation.

Throughout much of this chapter, indices of family well-being for Asian groups are compared with corresponding measures for white families in which the household head is American born; the economic status of the latter group serves as a benchmark from which the economic welfare of Asian families is gauged. Throughout the report, the terms "native born" and "American born" are used interchangeably. The terms "foreign born" or "immigrant" denote a country of origin other than the United States. Native-born and foreign-born families are families in which the household head is native born or foreign born, respectively.

Average Family Income

Table 3.1 indicates that the average family in most Asian groups has an income that is higher than, or nearly as high, as the average white family. Koreans have slightly less family income, on average, than whites, while Indian, Filipino, Chinese and, in particular, Japanese families have higher average incomes. In stark contrast to the other Asian groups are the Vietnamese, whose average family income is only 60 percent that of native-born white families.

¹ Sample size considerations precluded analysis of native-born Vietnamese families.

Dividing families according to whether the head of household is native or foreign born reveals a more complex picture. Native-born Chinese, Japanese, and Korean families have exceptionally high incomes, exceeding by more than 40 percent the benchmark average. Foreign-born families in these groups, on the other hand, have incomes that fall somewhat below the average for white families.

This pattern is reversed among Filipino and Indian families. The average incomes of native-born Filipino and Indian families are between 70 and 80 percent of the benchmark average.¹ Among the foreign born, however, Filipino and Indian families have the highest average incomes of any group, exceeding by 11 to 15 percent the average income of native-born white families.

As is discussed further in chapter 4, Asians are more heavily concentrated in certain areas of the country than is the population as a whole. Thus, the relative family incomes of Asians may reflect regional patterns of residence as well as ethnicity.

To examine these effects, expected region-specific family income statistics were calculated to reflect the regional distributions of the various Asian groups. Shown in table 3.2, these statistics suggest that if non-Hispanic white families had the same regional distribution as native-born Chinese families, for instance, their average family income would be \$28,246 instead of \$26,514; if their geographic

TABLE 3.1
Average Income of Native-Born and Foreign-Born Families

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
All							
Average family income	\$28,377	\$28,514	\$35,207	\$29,961	\$25,234	\$15,859	\$26,535
Relative to non-Hispanic white	1.07	1.07	1.33	1.13	0.95	0.60	1.00
Native born							
Average family income	\$39,805	\$21,190	\$38,324	\$18,789	\$38,610	¹	\$26,514
Relative to native-born non-Hispanic white	1.50	0.80	1.44	0.71	1.46	¹	1.00
Foreign born							
Average family income	\$26,230	\$29,400	\$25,094	\$30,465	\$24,895	\$15,873	\$27,006
Relative to native-born non-Hispanic white	0.99	1.11	0.95	1.15	0.94	0.60	1.02

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

Notes: All Asian-group families in this study have both head and spouse of the same race and nativity. The Census definition of family is adopted here; a family is defined as two or more persons, including the household head, who are related by birth, marriage, or adoption, and who live together as one household. Individuals living

alone or with unrelated persons are not considered families by Census definition. The Census variable H112 was used to examine family income in this table and tables 3.2 and 3.3. The Pareto method of estimation was used to impute family income above the Census truncation level.

¹Less than 20 families in sample.

TABLE 3.2
Regionally Adjusted Average Income of Native-Born and Foreign-Born Families

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese
Native born						
Asian average family income	\$39,805	\$21,190	\$38,324	\$18,789	\$38,610	¹
Expected U.S. average family income for native-born non-Hispanic white families ²	\$28,246	\$26,687	\$26,716	\$26,697	\$25,821	¹
Asian average family income relative to expected native-born non-Hispanic white family income	1.41	0.79	1.43	0.70	1.49	¹
Foreign-born						
Asian average family income	\$26,230	\$29,400	\$25,094	\$30,465	\$24,895	\$15,873
Expected U.S. average family income for native-born non-Hispanic white families ²	\$28,961	\$29,016	\$28,584	\$27,452	\$28,532	\$28,409
Asian average family income relative to expected native-born non-Hispanic white family income	0.91	1.01	0.88	1.10	0.87	0.56

Estimates based on 1980 Census of Population, 5 percent "A" Public Use Sample.

¹Fewer than 20 families in sample.

²These statistics show what the average family income for native-born non-Hispanic whites families would be if they had the regional distribution of each native-born and foreign-born Asian group. Thus expected U.S.

average family income for native-born non-Hispanic whites are weighted by the regional distribution of the relevant native-born or foreign-born Asian group. Regional average family income statistics for native-born non-Hispanic white families are: East, \$27,426; North Central, \$26,139; South, \$24,943; West excluding California and Hawaii, \$26,671; California, \$31,536; and Hawaii, 23,182.

distribution paralleled that of native-born Japanese, the corresponding average family income would be \$26,716 instead of \$26,514. Thus, table 3.2 indicates that if native-born Asians and non-Hispanic whites shared the same regional distribution, the relative average family incomes of most Asian groups would be slightly lower. For instance, the average family income of native-born Chinese families is 41 percent higher than that of non-Hispanic whites, instead of 50 percent higher as reported in table 3.1. The relative family income for most other native-born groups changes only 1 percentage point. For the foreign born, the changes in relative Asian family income are larger. For instance, the income of foreign-born Filipino families, relative to native-born non-Hispanic white families, is 1.01 instead of 1.11, for Japanese, it is 0.88 instead of 0.95, for Indians it is 1.10 instead of 1.15, and for Koreans it is 0.87 instead of 0.94.

Although providing a concise measure of economic status, average income may mask important differences among groups with respect to the number of persons at the extremes of the income distribution. Of particular concern is the low end of that distribution—the share of persons who live in poverty. To learn how Asians and whites compare in this regard, the poverty rates of Asian and white families were examined.

Poverty Rates

The poverty rate is the percentage of families whose incomes fall below a certain threshold level; this threshold varies with family size and number of children.² According to the statistics presented in table 3.2, native-born Chinese, Japanese, and Korean families are less likely to be poor than native-born white families. American-born Filipino and Indian families, however, have substantially higher poverty rates; compared to a white poverty rate of 6.6 percent, their poverty rates are 15.8 and 20.2 percent, respectively.

The opposite pattern emerges for the foreign born. Paralleling their high average family incomes, Filipino and Indian families have the lowest poverty rates of any foreign-born group (including whites), whereas the poverty rates of foreign-born Chinese, Japanese, and Korean families exceed those of white families.

² For information on the poverty threshold, see appendix C.

As with family income, the relative poverty picture for Asian families may reflect regional patterns of residence as well as ethnicity. To examine regional effects, table 3.3 also presents the poverty rates that non-Hispanic white families would be expected to have if their geographic distribution paralleled that of each native-born and foreign-born Asian group. These effects are small and tend to improve the relative position of native-born Asian groups relative to non-Hispanic whites, whereas the relative position of the foreign-born Asian groups is somewhat diminished.

Poverty Rates by Years of Immigration

The higher poverty rates of some of the foreign-born Asian groups may result from the recency of their immigration. It would not be surprising, for instance, to find that many immigrant families—regardless of their national origin—go through a difficult period of adjustment that (at least initially) results in low family income. To explore the relationship between the incidence of poverty among Asian families and their date of immigration, immigrant families were separated according to the year the household head came to America.

For most groups, immigrant families who have been here 5 years or less are much more likely to be poor than longer term residents (table 3.3). For instance, among white families, recent immigrants are three to four times more likely to be poor than families that have resided in the United States for at least 6 years. The poverty rate of recent Korean immigrant families in 1980 was more than twice the rate of Korean families who came to the United States before 1975. Similar declines in the poverty rate with years in the United States occur for most groups.

Taking year of immigration into account, thus, helps to explain why foreign-born Asian families in some groups have higher poverty rates than white immigrant families. Indeed, when families are divided according to their year of entry into the United States, Asian groups often have lower poverty rates than white families who have lived in the United States for comparable periods of time.

Family Dissolution and Family Income

In American society as a whole, family breakups resulting in female-headed households are a major

TABLE 3.3
Percentage of Families in Poverty in 1980

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Native born							
Poverty rate	3.7	15.8	2.6	20.2	3.5	'	6.6
Asian poverty rate relative to native-born white rate	0.56	2.39	0.39	3.06	0.53	'	1.00
Native-born white rate adjusted for regional distributions of native-born Asian groups ²	6.8	7.2	7.2	6.8	7.3	'	
Asian poverty rate relative to regionally adjusted native-born white rate	0.54	2.19	0.36	2.97	0.48	'	
Foreign born							
Poverty rate	12.1	5.2	12.5	7.6	12.8	34.0	9.3
Asian poverty rate relative to native-born white rate	1.83	0.78	1.89	1.15	1.94	5.15	1.41
Native-born white rate adjusted for regional distribution of foreign-born Asian groups ²	6.3	6.0	6.4	6.4	6.4	6.5	
Asian poverty rate relative to regionally adjusted native-born white rate	1.92	0.87	1.95	1.19	2.0	5.23	
Poverty rates of foreign born by year of immigration							
1975-1980	28.1	9.4	13.9	15.0	19.6	35.1	23.3
1965-1974	6.8	3.8	14.1	3.8	7.2	18.8	5.1
Before 1965	4.8	4.3	9.8	4.3	7.4	'	7.7

Estimates based on 5% Public Use "A" Sample of the 1980 Census of Population.

'Fewer than 20 observations.

²These statistics show what the poverty rate for native-born non-Hispanic white families would be if they had the regional distribution of each native-born and foreign-born Asian group. Thus, expected U.S. average family

income for native-born non-Hispanic whites is weighted by the regional distribution of the relevant native-born or foreign-born Asian group. Regional average family income statistics for native-born non-Hispanic white families are: East, 6.7; North Central, 6.4; South, 7.6; West, excluding California and Hawaii, 5.3; California, 6.1; and Hawaii, 6.3.

TABLE 3.4
Family Dissolution Among Asian Groups and Non-Hispanic Whites:
Percentage of Ever-Married Women Who Are Divorced or Separated

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Native born							
25-64 years old	11.5	16.3	8.5	13.8	15.8	1	12.5
25-34 years old	13.8	18.5	11.6	13.0	17.5	1	15.2
Foreign born							
25-64 years old	4.2	6.5	9.5	2.8	7.2	7.3	9.6
25-34 years old	3.5	6.9	8.1	2.0	7.7	6.4	14.0

Estimates based on the 5 percent Public Use "A" Sample of the 1980 Census of Population.

¹Less than 20 observations.

Notes: Divorce rates were derived by dividing the number of women who were divorced or separated in 1980 by the number of women in that age category who were ever married.

cause of poverty and lower family income. It is, therefore, of considerable interest to examine the extent of family dissolution among Asian groups and whites; differential rates of family separation may help explain intergroup variations in family poverty rates. Table 3.4 shows the percentage of ever-married women, by group, who are divorced or separated.

Among American-born women, family dissolution rates are higher for Filipino, Indian, and Korean women than for white women. Somewhat smaller percentages of Chinese and Japanese women are divorced or separated than is the case for white women.

For almost all groups, divorce and separation rates are lower among the foreign born than they are among the native born.³ The contrast between the foreign and native born is particularly acute for the Asian groups. Whereas foreign-born whites have a dissolution rate that is three-quarters the corresponding native-born rate, foreign-born Asian women are less than half as likely to be divorced or separated as their American-born counterparts. Examining rates across foreign-born groups reveals that family dissolution rates are lower among all Asian groups than among whites.

Conceivably, the low divorce rates among the foreign-born Asian groups may underlie their relatively high average family incomes and (adjusting for year of immigration) low poverty rates. To explore this issue, table 3.5 presents the average family incomes of Asian and white families headed by couples with intact marriages; excluding single head-of-household families, family dissolution is eliminated as a source of intergroup variation in average family incomes.

Comparing table 3.5 with table 3.1 reveals that the average family incomes of all groups increase when only married-couple families are considered. Of particular interest, however, is whether the exclusion of broken families explains the relatively high family incomes of some Asian groups and the relatively low family incomes of others.

The relative economic status of native-born Filipino and Indian families improves when only married-

³ The only exception to this generalization is the Japanese. There is a greater tendency for foreign-born Japanese women, 25-64 years of age, to be divorced or separated than native-born women. When divorce rates are related to year of immigration, it appears that the higher than usual divorce rates of Japanese foreign-born women occurred among World War II marriages.

couple families are considered. The average incomes of all Filipino and Indian families, shown in table 3.1, are 80 percent and 71 percent, respectively, the average income of white families. When only married-couple families are compared, the corresponding percentages are 94 and 84 percent of white family income.

Restricting the analysis to married-couple families does not, however, diminish the relatively high incomes of the foreign-born Asian groups. When all families are considered, the family incomes of most foreign-born Asian groups lie between 94 percent and 111 percent of the average income of white families; when only married-couple families are considered, the corresponding range is 95 and 112 percent.

Excluding single-headed households also has very little effect on the relatively poor position of the foreign-born Vietnamese. When all families are included, Vietnamese family income is 60 percent of the average family income of native-born white families; excluding single heads of households, the ratio is 62 percent.

In summary, although differences in family dissolution appear to contribute to the relatively low average incomes of native-born Indian and Filipino families, they do little to explain the relatively high family incomes of most Asian groups or the low average family income of the Vietnamese.

Who Contributes to Family Income?

Another factor to consider in trying to explain intergroup differences in family income is the extent to which the family members of various groups work and contribute to family income. The first entry in table 3.6, under each native-born and foreign-born group, is the percentage of family income that is generated by family members other than the husband.⁴

The earnings of other family members generally make up a larger fraction of total family income in Asian families than in white families. More than 30 percent of family income in native-born Chinese, Filipino, Japanese, and Korean families is generated by family members other than the husband, com-

⁴ Family income is the sum of earnings from all family members. This includes the earnings of the husband, the wife, all children living with the family, and all relatives living with the family who are related by birth or marriage. For further information on the family income computations reported in this chapter, see appendix C.

TABLE 3.5
Average Income of Native-Born and Foreign-Born Married-Couple Families

	Chinese	Fillpino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Native born							
Average family income	\$47,188	\$26,739	\$41,711	\$23,828	\$52,871 ¹	²	\$28,324
Relative to native-born non-Hispanic white	1.67	0.94	1.47	0.84	1.87	²	1.00
Foreign born							
Average family income	\$27,672	\$31,829	\$30,222	\$31,234	\$26,881	\$17,447	\$29,755
Relative to native-born non-Hispanic white	0.98	1.12	1.07	1.10	0.95	0.62	1.05

Estimates based on 5 percent Public Use "A" Sample of the 1980 Census of Population.

¹Based on 25 families
²Less than 20 families in sample.

TABLE 3.6
Contribution of Family Members to Family Income
 (Married-Couple Families Only, Expressed as Percentage of Total Family Earnings)

	Chinese	Fillpino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Native born							
All family members							
other than husband	32.52	30.71	35.63	26.01	35.21 ¹	²	24.80
Children	7.69	6.81	8.73	2.86	18.68	²	4.67
Other relatives	0.50	1.22	0.94	1.02	0	²	0.35
Wife	24.34	22.69	25.99	22.13	16.53	²	19.81
Foreign born							
All family members							
other than husband	32.42	42.29	10.70	22.74	29.08	37.13	23.07
Children	7.00	4.48	1.19	2.26	3.08	7.76	5.00
Other relatives	1.86	4.15	0.27	1.62	1.12	5.50	1.15
Wife	23.62	33.66	9.24	18.86	24.88	23.91	16.92

Estimates based on 5 percent Public Use "A" Sample of the 1980 Census of Population.

Notes: Total family earnings here are defined as the sum of all family member earnings (including wage and salary income and farm and nonfarm self-employment income). See appendix C for further information on the

— income measures used in this table.

¹Based on 25 families
²Less than 20 families in sample.

pared with 25 percent among native-born white families. Among the foreign-born, 43 percent of Filipino family income, 37 percent of Vietnamese family income, and 32 percent of Chinese family income comes from the combined labor income of wives, children, and other relatives. This compares to 23 percent among foreign-born white families.

Table 3.6 also shows the separate contribution to family income of children living at home, other relatives living with the family, and wives. Each of these groups is discussed below.

Children

Among the native born, the earnings of children appear to play a more important role in Asian families than in white families. Among the foreign born, however, no particular pattern stands out. Since Asian immigrant families tend to be younger than the white families, this may simply reflect fewer working-age children among the Asian families.

Other Relatives

The contribution to family income from other relatives—parents, aunts, uncles, parents-in-law, etc.—is small for all groups, although it plays a more important role among immigrant families than among the native born. For both the native and foreign born, the earnings of other relatives make up a larger fraction of Asian family income than of white family income. (Foreign-born Japanese families are an exception.)

Contributing to the greater role of other relatives' earnings in Asian family income is the greater tendency for Asian families to have working relatives living in the same home (table 3.7). However, Asian families are also more likely to have nonworking relatives living with the nuclear family. Indeed, as can be seen in table 3.7, the proportion of other relatives living with the family who work is not necessarily greater among foreign-born Asian families than it is among white families. Thus, although the greater number of relatives living with foreign-born Asian families enhances their potential working pool, the contribution to Asian family income from this source is dominated by the increased burden their family income must support.

⁵ Married women, here, include only women who are in marriages where husband and wife are of the same race and nativity. A person is defined as "working" if she reports on the census positive earnings, positive weeks worked, and positive hours per week. For an analysis of the labor force participation of

Wives

Next to the husband, the largest contributor by far to married-couple family income is the wife. Across all groups, married women contribute between 9 and 34 percent of total family income (table 3.6). The earnings of women tend to make up a larger fraction of family labor income in Asian families than in white families. Among most native-born Asian groups, wives contribute between 22 and 26 percent of family income, in comparison to 20 percent in native-born white families. Among foreign-born Asian families, the wife's contribution generally ranges from a low of 19 percent in Indian families to a high of 34 percent in Filipino families, whereas in white families, wives contribute 17 percent of family income. In sharp contrast to the other foreign-born Asian groups, the earnings of Japanese wives make up only 9 percent of family income.

The amount a woman contributes to family income is determined by the rate at which she earns—her wage rate—and the extent to which she works; the greater contribution to family income by Asian women could stem from either or both factors. As a focus of this chapter is family labor supply dynamics, the labor supply of Asian women is examined here. The wage rates of Asian women in comparison to white women are examined in chapter 9.

The Labor Supply of Asian and White Married Women

Table 3.8 shows that Asian married women are more likely to work than white married women.⁵ For instance, 61 percent of native-born white women worked at some point during 1979 while for most Asian groups the rate was between 66 and 76 percent. Similarly, among foreign-born married women, 52 percent of white women worked, as compared to rates between 54 and 83 percent for most Asian groups. Only Indian and foreign-born Japanese women are less likely than white women to take a job outside the home.

Indicating further the importance of wives' work decisions, the participation rates of married women (table 3.8) and the amounts they contribute to family income (table 3.6) are ranked across groups in almost

Asian women using 1970 census data, see Morrison G. Wong and Charles Hirschman, "Labor Force Participation and Socioeconomic Attainment of Asian-American Women," *Sociological Perspectives*, vol. 26, no. 4 (October 1983), pp. 423-46.

TABLE 3.7
Other Relatives Per Family: Number Per 1,000 Families

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Native born							
Working relatives	20	60	40	60	0 ¹	²	10
All relatives	70	230	140	210	120	²	60
Ratio of working to all relatives	0.29	0.26	0.29	0.29	0	²	0.17
Foreign born							
Working relatives	80	210	10	80	50	150	30
All relatives	290	570	50	230	230	600	110
Ratio of working to all relatives	0.28	0.37	0.20	0.35	0.22	0.25	0.27

Estimates based on the 5 percent Public Use "A" Sample of the 1980 Census of Population.

Notes: Other relatives are defined as persons, living with the family, other than spouse or children, who are related by birth or marriage. A working relative is defined as anyone who reported positive earnings, positive weeks worked, and positive hours per week.

¹Based on 25 families.

²Less than 20 families in sample.

TABLE 3.8
Percentage of Married Women Who Work

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Native born	70	66	76	48	72	¹	61
Foreign born	65	83	27	51	61	54	52

Notes: Married women, here, include only women who are in marriages where husband and wife are of the same race and nativity.

¹Less than 20 married women in sample.

the same order. This relationship holds even at the extremes. It is evident, for instance, that foreign-born Filipino women contribute more to family income (34 percent) than any other group in large measure because they have, by far, the highest participation rate (83 percent). Conversely, only 27 percent of foreign-born Japanese women work, which helps to explain why their average contribution is only 9 percent of family income.

Many factors affect whether a woman works in the labor market or not. Family responsibilities (such as having young children to care for or helping as an unpaid worker in a family-owned business), the availability of alternative sources of income, and the wage a woman expects to earn are important determinants of this decision.

Table 3.9 shows the estimated effects of Asian descent on the probability of married women working, holding constant variables measuring family responsibilities, other sources of income, and a wife's potential wage. When relevant factors are taken into account via regression analysis, there is not, for most native-born groups, a statistically significant effect of Asian descent on the probability of a wife working.⁶ For foreign-born women, however, the estimated effects of Asian descent are found to be positive and generally statistically significant. (Japanese married women are an exception.)

The persistence of a greater propensity for foreign-born Asian women to work suggests that foreign-born Asian and white women react differently to variables generally believed to affect female labor force participation. To explore this issue, the effects of the explanatory variables listed in table 3.9 were estimated for each group separately.

When group-specific regressions were estimated, several differences between foreign-born Asian and white married women became apparent. Of particular interest are the differences in the effect of having children on the probability that a woman works. As shown in table 3.10, the negative effect of having young children on the decision to work is about half as large for Chinese foreign-born women as it is for foreign-born white women. The effect is even

⁶ It should be cautioned that the regression analyses presented in table 3.9 are exploratory. A more refined analysis (which took into account the interaction between the expected wage and the decision to work) and estimation (which corrected for heteroskedasticity) might lead to a different set of conclusions. Furthermore, due to a coding error, the variable "children under 6" measures whether there were only children under 6, and does not include the presence of children under 6 when older children

smaller for Korean, Indian, and Vietnamese women and is insignificant for foreign-born Filipino women. These results suggest that there may be factors that mitigate the effect of young children on the labor force participation of foreign-born Asian women. A potential candidate, in this regard, is the presence of other relatives in the home.

For all Asian groups, except the Japanese, between 15 and 33 percent of immigrant families with working wives have other relatives living with the family. In contrast, other relatives are found in only 8 percent of white immigrant families with working wives (table 3.11).

When the "presence of other relatives" is added to the list of explanatory variables, its effect in each group-specific regression is positive for all Asian groups. In contrast, the presence of other relatives in the home appears to have no effect on the labor supply of white immigrant women.⁷ This suggests that the reason families have relatives living with them differs for Asian and white families. For white families, other relatives may share the home because the relatives themselves require care. In Asian families, the greater prevalence of other relatives, and their effect on the labor force participation of married women, help to explain why children deter fewer Asian immigrant women from working. Conceivably, the greater tendency among foreign-born Asian families to live with relatives reflects a way to augment family income by facilitating the labor force participation of married women.

Per Capita Family Income

The preceding sections have shown the important role family members play in producing the relatively high incomes of Asian families. The statistics on average family income indicate that Asians—with the exception of the Vietnamese and native-born Filipinos and Indians—do fairly well. If, however, Asian families have an above-average number of persons to support, average family income may overstate their economic welfare. Using native-born white family income as the benchmark measure of

were also present. Additional work on this particular subject was beyond the scope of this project.

⁷ The coefficients for the Asian groups range in value from 0.04 to 0.10, suggesting that for foreign-born Asian married women the effect of having a relative in the home increases their probability of working by 4 to 10 percentage points. The coefficient on "other relatives" for white women is 0.001.

TABLE 3.9
The Effect of Asian Descent on the Probability of
Working, Married Women, 1980

(T-statistics in parentheses)

	Native born		Foreign born	
Asian descent				
Chinese	.073	(0.43)	.095	(6.35)*
Filipino	.070	(0.28)	.246	(14.39)*
Japanese	.170	(2.05)*	-.222	(7.55)*
Indian	-.143	(0.59)	.022	(1.19)
Korean	.190	(0.23)	.074	(3.63)*
Vietnamese		N/A	.106	(4.05)*

Factors affecting decision to work:

Constraints				
Children under 6		X		X
Self-employed husband		X		X
Alternative sources of income				
Husband's earnings		X		X
Husband's unemployment experience		X		X
Return on assets		X		X
Potential wage of wife				
Education of wife		X		X
English language proficiency		X		X
Years potential work experience		X		X
Number of children ever born		X		X
Age at first marriage		X		X
Region		X		X
Location		X		X
Year of immigration				X

Notes: Includes married women in which husband and wife are of the same race and nativity.

*Significant at .05 level.

TABLE 3.10

Estimated Effect of Children Under the Age of Six on the Propensity to Work, Foreign-Born Married Women, 1980
(T-statistics in parentheses)

Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
-.104*	.021	-.176*	-.065	-.077*	-.064	-.188*
(5.08)	(1.23)	(5.24)	(2.80)	(2.44)	(1.80)	(2.38)
Percentage of the non-Hispanic white estimated effect						
0.55	0	0.94	0.35	0.41	0.34	1.00

Notes: The estimated coefficients are from separate regressions that were run for each group. The full regression results from the group-specific regressions are shown in table D.3 of appendix D.

*Significant at .05 level.

TABLE 3.11

Percentage of Foreign-Born Families with Other Relatives Present, Married Couple Families in Which the Wife Reports Working

Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
21%	33%	8%	15%	17%	33%	8%

economic welfare, the issue of family size and economic welfare is further explored in table 3.12.

The average number of family members living at home is fairly uniform across groups for families in which the household head is American born. With the exception of Asian Indians, all native-born groups have about three family members per household. Consequently, the relative economic status of these groups is essentially the same whether measured in terms of total family income, as above, or income per family member. With both measures, native-born Chinese, Japanese, and Korean families do significantly better than white families, while native-born Filipino families do significantly worse. Because Asian Indian families are comparatively small, their relative economic status appears much improved when measured by per capita income.⁸

⁸ The high poverty rate of native-born Indian families combined with their high per capita family income suggests the presence of two very different populations. The well-off population may be the young descendants of the recent immigrant wave, whereas the

Foreign-born Asian families (with the exception of the Japanese) tend to be bigger than white families. Therefore, the relative economic standing of most foreign-born Asian groups drops precipitously when family income is adjusted to reflect family size. For instance, the average family income of foreign-born Chinese families is 99 percent of the benchmark group's family income, while their per capita family income is only 84 percent. The average family income of foreign-born Indian families is 15 percent greater than the average for native-born white families, but the per capita family incomes of the two groups are almost equal.

Adjusting for family size produces even greater declines in the relative economic status of foreign-born Filipino, Korean, and Vietnamese families. In comparison to native-born white families, the aver-

poorer population may be made up of descendants of the first immigration wave. Because the 1980 census did not ask parental origin, the large sample size of the 1980 5 percent Public Use Sample cannot be used to resolve this issue.

TABLE 3.12
Average Number of Persons Per Family and Per Capita Family Income

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Native born							
Number of persons per family	3.21	3.47	3.31	2.37	3.09	'	3.34
Per capita family income	\$12,999	\$6,872	\$12,456	\$10,169	\$13,458	'	\$8,879
Relative to native-born non-Hispanic white ²	1.46	0.77	1.40	1.14	1.52	'	1.00
Foreign born							
Number of persons per family	3.91	4.32	3.01	3.75	3.93	4.88	2.94
Per capita family income	\$7,480	\$7,421	\$8,908	\$8,881	\$6,600	\$3,775	\$10,616
Relative to native-born non-Hispanic white	0.84	0.83	1.00	1.00	0.74	0.42	1.19

Estimates based on 5% Public Use "A" Sample of the 1980 Census of Population.

Notes: Average per capita family income was derived by dividing each family's income by the number of related persons in the household and then averaging across families in each group.

¹Less than 20 families in sample.

²Per capita family income as a percent of per capita family income for native-born non-Hispanic white families.

age Filipino family has greater total income but only 83 percent as much income per family member. The average Korean family has 94 percent as much income as the benchmark group but only 74 percent as much income per member, and the average Vietnamese family has only 60 percent as much total income but only 42 percent as much income per member.

Generally speaking, then, foreign-born Asian families (excluding the Vietnamese) do about as well as or better than native-born white families when average family incomes are compared. However, when family incomes are adjusted for family size, the economic status of foreign-born Japanese and Indian families equals that of native-born white families, and foreign-born Chinese, Filipino, Korean, and Vietnamese families fall below the benchmark measure.

Summary

The average family incomes of some Asian groups rank among the highest of all racial and ethnic groups in the United States. The average incomes of native-born Chinese, Japanese, and Korean families exceed by more than 40 percent the average for native-born white families. Perhaps more extraordinary, however, are the relatively high family incomes of the foreign-born Asian groups. The average family incomes of most foreign-born Asian groups approach or exceed the average income of white families in which the head of household is American born. This is true despite the large number of recent immigrant families among the Asian groups. Exceptions to this generally positive picture are native-born Filipinos and Indians, whose average family incomes are 80 and 70 percent, respectively, of the white average, and Vietnamese immigrant families, whose average income is only 60 percent of the benchmark average.

Family breakups are often cited as a major cause of low family income. Although low family dissolution rates might be expected to underlie the relatively high average incomes of Asian families, divorce and separation rates among native-born Asians differ little from white rates. Even though family dissolution rates are lower for foreign-born Asians than whites, most Asian groups still are observed to have relatively high incomes when only married-couple families are compared.

What does appear to be a crucial factor underlying Asian family income is the propensity of family

members other than the male head of household to work. As a result, family members other than the husband generally contribute a larger fraction of family income in Asian families than in white families. (Among foreign-born Filipino families, fully 42 percent of family labor income is generated by family members other than the husband.)

The added work effort among Asian families stems primarily from wives. Asian women, and particularly foreign-born Asian women, are more likely to work than white women. The greater propensity to work among foreign-born Asian women persists even after adjusting for variables generally assumed to affect the decision to work. Group-specific regressions reveal that the effect of children on the decision to work is much weaker in foreign-born Asian families than it is in foreign-born white families. This difference may stem in part from the presence of other relatives, allowing increased work effort by the wife.

Taking the number of persons who share family income into account has little or no effect on the relative economic status of native-born families. Whether measured by total family income or income per capita, the relative economic status of native-born Asian families is essentially the same, since Asian and white families are of approximately the same size. Foreign-born Asian families, however, tend to be comparatively large. Consequently, the relative economic status of foreign-born Asian families is significantly reduced when measured on a per capita basis instead of on a total income basis.

Comparing economic welfare across groups in which family size differs is difficult. If, for instance, things were truly "cheaper by the dozen," then in a comparison of two families, both with the same per capita income but one with 12 members, the other with 11, the family with 12 members would be the better off of the two. Although the price per unit of products does not necessarily decline with the quantity bought, families do incur fixed expenditures, the costs of which are defrayed with additional family members. As per capita income takes no account of such economies of scale, the comparisons based on per capita family income understate the economic welfare of foreign-born Asian families in comparison with white families. On the other hand, average family income, which takes no account of family size, tends to overstate their relative economic welfare. Thus the comparisons with per capita family income and average family income could be

viewed as lower and upper bound estimates of the relative economic status of foreign-born Asian families.

In computing poverty rates, consideration is given to both the composition of families (whether family members are children or adults) and to the decline in fixed expenditures per person as family size increases.⁹ This chapter found a lower percentage of native-born Chinese, Japanese, and Korean families falling below the poverty threshold than that of non-Hispanic white families. The poverty rates of native-

⁹ See table C.1, Poverty Level Thresholds in 1979 by Size of Family and Number of Related Children Under 18 Years Old, appendix C.

born Filipino and Indian families were found to be higher than the comparison group's rate. When the year of immigration is taken into account, the percentage of foreign-born families in poverty was often found to be lower than the corresponding percentage of white families. The Vietnamese are a clear exception; their poverty rates are substantially higher than the poverty rates of white families who have been in the United States for similar periods of time.

PART II

**The Labor Market Status of Asians
Relative to Whites**

Although the study of family income and its determination contributes to understanding Asian economic welfare, a study of labor market discrimination requires examining how Asians as individuals fare in the labor market. The chapters in part II of this study look at the extent to which labor market discrimination affects the earnings and employment of individuals of Asian descent.

Chapters 4 through 6 lay the groundwork for a statistical analysis of labor market discrimination. These chapters document differences between Asian and white men in factors that affect labor market performance. Chapter 4 describes characteristics such as immigrant status and region of residence.

Chapter 5 examines differences among Asian and white men in skill levels as measured by years of schooling, English-language proficiency, and years of work experience. Chapter 6 describes the work patterns of Asian and white men.

Chapter 7 then compares the earnings of native-born Asian and white men, taking into account the previously discussed characteristics and skills. If Asian men are found to earn less than similarly qualified white men, it could indicate the presence of anti-Asian labor market discrimination. Following a similar line of analysis, chapter 8 examines the earnings of foreign-born men, and chapter 9 looks at the relative earnings of Asian women.

Immigrant Status and Region of Residence

Any meaningful comparison of economic status between Asians and whites requires taking into account group differences in characteristics that affect labor force outcomes. For instance, earnings differences among groups may reflect recency of immigration. Because of regional cost-of-living variations, group location is another factor to consider when comparing their economic status. This chapter examines the extent to which Asian and white populations are foreign or native born, how recently the foreign born immigrated, and the areas of the country where Asians and whites have settled.

Immigrant Status

With the exception of the Japanese, the majority of working-age men in Asian groups are foreign born (table 4.1). More than 75 percent of Chinese men, about 80 percent of Filipino men, and more than 93 percent of Korean, Indian, and Vietnamese men are immigrants. About a quarter of Japanese men, 25 to 65 years old, were born outside the United States. In contrast to the Asian groups, only 7 percent of white men are foreign born.

Among the foreign born, Asians are more likely to be recent immigrants than whites. Over 70 percent of the foreign born in each Asian group immigrated after 1965, whereas the majority of whites immigrated before 1965. Vietnamese immigrants have the highest proportion of recent arrivals; in 1980, 95 percent had immigrated during the years 1975 to 1980. Between 28 and 50 percent of the foreign born

in the other Asian groups were post-1975 arrivals in 1980. Among whites, however, only 14 percent of the foreign born had immigrated after 1975.

Thus, a majority of working-age men in most Asian groups are foreign born, and among the foreign born, a majority immigrated after 1965. Among whites, most are native born, and among the foreign born, a majority immigrated before 1965.

Where Asians Live

Table 4.2 compares the regional distributions of Asians and whites. Table 4.3 gives for each Asian group the proportion living in each of the five States with high Asian concentrations.¹ These statistics show that Asians are disproportionately located in the West, especially California and Hawaii, but with major concentrations elsewhere, particularly in the Northeast.

About half of all Chinese live in the West, with 40 percent of the national population in California. Persons of Chinese descent are also concentrated in the Northeast; New York, with 18 percent of the population, is the State with the second highest concentration of Chinese.

Almost 70 percent of the Filipino population lives in the West. With 46 percent of the population, California has the highest concentration of Filipinos, followed by Hawaii. Like the Filipinos, the Japanese are overwhelmingly located in the West. More than 80 percent reside there, with more than a third of the population in California and Hawaii, each.

¹ Table 4.2 is estimated from a 1980 census Public Use Sample and refers to working-age men. Table 4.3 is from published census figures and refers to all persons of Asian descent.

TABLE 4.1
Percentage Distribution by Immigrant Status and Year of
Immigration, Men 25-64 Years Old, 1980

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Native born	23.9	19.8	77.0	4.7	6.4	1.6	93.0
Foreign born	76.1	80.2	23.0	95.3	93.6	98.4	7.0
Foreign born by year of immigration							
1975-1980	31.0	27.8	49.6	36.7	48.5	95.0	14.3
1970-1974	22.3	27.9	16.9	34.8	32.1	3.1	10.0
1965-1969	19.4	21.9	8.7	18.7	10.4	1.2	12.8
Before 1965	27.3	22.3	24.3	9.9	9.1	0.6	62.9

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.
 Notes: Persons born in a foreign country were asked to indicate when they came to the United States to stay.
 Persons who had entered the U.S. more than once were asked to give the first year they came to stay

permanently. (*Technical Documentation, Public-Use Microdata Samples, 1980 Census of Population and Housing, p. K-21.*)

TABLE 4.2
Percentage Distribution by Region of Residence, Men 25-64 Years Old, 1980

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Northeast	27.0	10.4	6.9	34.9	21.0	8.1	23.1
North Central	9.9	9.7	5.7	23.9	16.2	13.1	27.5
South	11.7	10.9	4.3	22.7	15.6	30.1	30.5
West	51.4	69.0	83.1	18.5	47.2	48.7	18.9

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

TABLE 4.3
Numbers and Percentage of Each Asian Group Residing in
Five States Most Populated by Each Asian Group, 1980

Group	Numbers	Percent of each group's total U.S. population	Group	Numbers	Percent of each group's total U.S. population
Chinese			Indian		
Total U.S.	806,040	100.0	Total U.S.	361,531	100.0
California	322,309	40.0	New York	60,505	16.7
New York	48,105	18.4	California	57,901	16.0
Hawaii	56,285	7.0	Illinois	35,749	9.9
Illinois	28,597	3.5	New Jersey	29,510	8.2
Texas	25,461	3.2	Texas	22,231	6.1
Filipino			Korean		
Total U.S.	774,652	100.0	Total U.S.	354,593	100.0
California	357,492	46.1	California	103,845	29.3
Hawaii	133,940	17.3	New York	34,157	9.6
Illinois	43,857	5.7	Illinois	23,989	6.8
New York	33,956	4.4	Hawaii	17,962	5.1
New Jersey	24,377	3.1	Maryland	15,089	4.3
Japanese			Vietnamese		
Total U.S.	700,974	100.0	Total U.S.	261,729	100.0
California	261,822	37.4	California	89,631	34.2
Hawaii	239,748	34.2	Texas	29,112	11.1
Washington	26,378	3.8	Louisiana	10,884	4.2
New York	24,524	3.5	Virginia	10,000	3.8
Illinois	18,571	2.6	Washington	9,838	3.8

Source: 1980 Census of Population, *General Population Characteristics*, U.S. Summary, table 62, p. 125.

Notes: These statistics are from published Census statistics and refer to all persons, including women and children.

Forty-seven percent of Koreans live in the West. California, with close to 30 percent of the population, has the highest Korean concentration, followed by New York.

Nearly half of all Vietnamese live in the West, and over 30 percent live in California. However, persons of Vietnamese descent are heavily represented in the South as well. After California, the States with the highest concentrations of Vietnamese are Texas, Louisiana, and Virginia.

Asian Indians differ from the other Asian groups in that they are fairly evenly spread across all regions of the country: 35 percent live in the Northeast, about 23 percent are in the North Central region and the South each, and less than 20 percent reside in the West. New York and California are the States with the highest concentrations of Asian Indians, each with about 16 percent of the total Indian population.

Far from being evenly dispersed across the Nation, these statistics demonstrate that Asian groups are concentrated in certain areas of the United States. Whites, by contrast, are more evenly dispersed across the Nation, with large concentrations in the North Central region and the South.

Asians are also more urban than whites. As shown in table 4.4, more than 90 percent of Asians reside in SMSAs in comparison to 80 percent of whites.

Region of Residence and Immigrant Status

Historically, immigrants from Asia arrived in the West, and, as shown in table 4.5, the West remains home for most of today's native-born Asian population. Between 74 and 92 percent of native-born Chinese, Korean, Filipino, and Japanese men live in the West. (Asian Indians, whose native-born population is fairly evenly distributed across the Nation, are an exception.)

Like their predecessors, today's Asian immigrants are more likely to live in the West than in other regions of the country. However, there has been a marked movement eastward in their location. Com-

² The average cost-of-living indexes by region are: Northeast—105.75, North Central—99.14, South—93.1, and West—102. Across all regions, the average cost-of-living index is 102 for metropolitan areas and 90 for nonmetropolitan areas. U.S. Department of Labor, *Handbook of Labor Statistics* (1979), table 139.

³ Weighting the regional cost-of-living indexes for metropolitan areas by the group-specific regional distributions (table 4.5), the cost-of-living indexes for foreign-born groups are as follows:

pared to the native born, Asian immigrants are much less likely to live in the West and much more likely to live in all other regions of the country, particularly the Northeast.

Asian immigrants are also more urban than their native-born counterparts (table 4.6). Although the native born are comparatively urban (more than 84 percent live in SMSAs compared with 79 percent of native-born whites), more than 94 percent of the foreign born in all Asian groups live in SMSAs. However, as white immigrants are also very urban (94 percent live in SMSAs), there is less of a difference in urban residence between foreign-born Asians and whites than between native-born Asians and whites.

Cost-of-Living Differences

Where Asians and whites live is relevant to a comparison of their economic status, since living costs vary with location; groups that are heavily concentrated in high cost-of-living areas will have higher nominal earnings than groups in low cost-of-living areas, even if their earnings, in real terms, are the same.

According to an index of comparative costs for families living in metropolitan areas, living costs are highest in the Northeast, followed by the West, the North Central region, and the South. Within regions, living expenses tend to be greater in metropolitan than in nonmetropolitan areas.²

Based on regional residential patterns, there appears to be little difference, on net, in the cost of living that foreign-born Asians and whites face.³ Among the native born, however, Asians (with the exception of native-born Indians) likely face a higher cost of living than whites. Although they are less concentrated in the Northeast, they are also less concentrated in the low-cost Southern and North Central regions. On net, their regional distribution alone suggests a somewhat higher cost of living.⁴ In addition, the native born in several Asian groups are much more likely to live in urban areas than whites.

white—101.5; Chinese—101.7; Filipino—101.0; Indian—100.6; Japanese—101.7; Korean—101.0; and Vietnamese—99.3. Foreign-born Asians are, however, a bit more likely to reside in urban areas.

⁴ Using the same weighting procedure as above, the metropolitan cost-of-living indexes for native-born groups are: white—99.2; Chinese—101.7; Filipino—101.4; Indian—99.0; Japanese—101.7; and Korean—101.2.

TABLE 4.4
Percentage Distribution by Urban and Rural Residence, Men 25–64 Years Old, 1980

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Urban	97.2	92.6	90.3	95.6	96.8	93.9	80.3
Rural	2.8	7.4	9.7	4.4	3.2	6.1	19.7

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

Notes: Urban is defined as residence in an SMSA or a mixed SMSA/non-SMSA area.

TABLE 4.5
Percentage Distribution by Residence and Immigrant Status, Men 25–64 Years Old, 1980

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Native born							
Northeast	13.1	3.8	1.7	21.7	4.3	12.5 ¹	21.8
North Central	5.4	4.7	4.0	19.8	5.7	9.4	28.1
South	7.5	6.7	2.3	36.8	10.0	46.9	31.8
West	74.0	84.8	92.0	21.7	80.1	31.3	18.3
Foreign born							
Northeast	31.0	11.8	22.8	35.5	22.1	8.1	39.1
North Central	11.2	10.7	11.2	24.1	16.9	13.1	20.6
South	12.9	11.8	10.3	22.0	16.0	29.8	14.4
West	44.9	65.6	55.8	18.3	45.1	49.0	25.8

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

¹The estimates for native-born Vietnamese are based on only 32 observations.

TABLE 4.6
Percentage Distribution by Urban and Rural Residence and
Immigrant Status, Men 25-64 Years Old, 1980

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Native born							
Urban	96.6	84.2	88.2	86.6	89.6	90.6 ¹	79.1
Rural	3.4	15.8	11.8	13.4	10.4	9.4	20.9
Foreign born							
Urban	97.3	94.5	97.0	96.0	97.2	93.9	94.0
Rural	2.7	5.5	3.0	4.0	2.8	6.1	6.0

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.
 Notes: Urban is defined as residence in an SMSA area or a mixed SMSA/nonSMSA area.

¹The estimates for native-born Vietnamese are based on only 32 observations.

Given the Asian patterns of residence, average nationwide earnings statistics that fail to adjust for regional cost-of-living differences may overstate the real economic well-being of some Asian groups relative to whites. In light of this possibility, region of residence and urban location are two important factors that are taken into account in this report's comparative analysis of Asian economic status.⁵

Summary

Asians and whites differ dramatically in the extent to which their populations are foreign or native born. With the exception of the Japanese, Asians in America are predominantly foreign born. Immigrants make up more than 75 percent of the Chinese and Filipino populations, more than 93 percent of the Korean and Indian populations, and more than 98 percent of the American Vietnamese population. In contrast, only 7 percent of whites were born abroad.

Asians and whites also differ in how recently the foreign born immigrated. Over 70 percent of the foreign born in each Asian group arrived after 1965, and many foreign-born Asians are recent arrivals.

⁵ Since nonpecuniary benefits may be positively correlated with cost of living, incomes were not deflated by location-specific cost-of-living indexes. Rather, the question the report tried to answer

The majority of white immigrants are pre-1965 entrants and only 14 percent immigrated after 1975.

Asians originally settled, and remain concentrated, in the West, particularly California and Hawaii. Like their predecessors, current Asian immigrants are more likely to live in the West than in other regions of the country. There has, however, been a marked movement eastward in their location. Today's Asian immigrants are much less likely to live in the West and much more likely to live in all other regions of the country, particularly the Northeast.

Asians are heavily concentrated in urban areas. In each Asian group, more than 84 percent of the native born live in SMSAs, compared to 79 percent of whites. Chinese Americans are the most urban; nearly 97 percent of their native-born population lives in SMSAs. Although foreign-born Asians are more urban than their native-born counterparts (over 94 percent of the foreign born in each Asian group lives in SMSAs), the difference between Asian and white immigrants in urban residence is small, since white immigrants are also very urban (94 percent live in SMSAs).

by adjusting for region and urban location in its earnings estimations was whether Asians earn as much as whites within regions and locations.

Skill Differentials

In addition to characteristics such as region of residence and nativity, the skills individuals possess affect performance in the labor market. Skills, such as those derived from formal education or on-the-job training, enhance an individual's productivity and, hence, earnings potential.¹

Thus, the earnings of the highly educated usually exceed the earnings of the less educated. Similarly, individuals who have been on the job longer and, thereby, have accumulated more work-related experience earn more than workers with less time on the job. There are also skills, such as English-language proficiency, that are particularly relevant to the study of groups with immigrant populations. This chapter examines levels of schooling, work experience, and English-language proficiency among Asian and white men.

Schooling Levels of the Native Born

The educational levels of all Asian groups considered in this report either approach or surpass the average level of schooling for whites. Among the native born (table 5.1), Chinese Americans have the highest educational attainment, with an average of nearly 15 years of schooling. Koreans, Japanese, and Indians follow—all with educational levels exceeding 13 years. Whites rank fifth in this comparison,

¹ Seminal research on the relationship between human capital investment and earnings can be found in T.W. Schultz, "Investment in Human Capital," *American Economic Review* vol. 51 (1961), pp. 1-17; Jacob Mincer, "On-The-Job Training: Costs, Returns, and Some Implications," *Journal of Political Economy* vol. 70 (1962), pp. S50-S79; Walter Oi, "Labor as a Quasi-Fixed Factor," *Journal of Political Economy* vol. 70 (1962), pp. 538-55;

with a little less than 13 years of schooling on average. Slightly below whites are the Filipinos and Vietnamese.

When broken down into their underlying distributions, the data in table 5.1 reveal that significant proportions of native-born Filipino, Indian, and Vietnamese men have only an elementary school education. Filipino and Vietnamese men are also much less likely than whites to have received a college education.

Although the percentage of Indian men with 7 years or less of schooling exceeds that of whites, so does the percentage of college graduates. This bifurcated distribution among the native-born Indian population may reflect the educational levels of descendants from two very different immigrant streams: descendants of the early immigration and descendants of the more recent, highly skilled immigration (chapter 2).²

The distributional data also reveal that native-born Chinese, Japanese, and Korean men are more likely to have completed college than whites. Native-born Chinese men are more than twice as likely to be college graduates.

and Gary S. Becker, *Human Capital* (New York: Columbia University Press, 1964).

² As the 1980 census did not collect information on parental country of origin, it is impossible to separate second-generation persons (the children of immigrants) from third- or more generation persons.

TABLE 5.1
Schooling Completed for Native-Born Men, 25-64 Years Old, 1980

	Average years of schooling	Percentage distribution of years of schooling			
		0-7	8-11	12-15	16+
Chinese	14.90	2.0	5.6	41.3	51.2
Filipino	12.40	6.2	13.5	65.8	14.5
Japanese	13.73	1.6	9.6	56.9	32.0
Indian	13.42	7.9	17.8	39.5	34.8
Korean	13.82	1.9	8.5	60.2	29.4
Vietnamese ¹	12.34	12.5	12.5	56.3	18.8
Non-Hispanic white	12.86	4.5	17.9	53.0	24.5

Estimates based on 1980 Census of Population, 5 percent "A" sample.

¹Estimates based on only 32 observations.

TABLE 5.2
Schooling Completed for Foreign-Born Men, 25-64 Years Old, 1980

	Average years of schooling	Percentage distribution of years of schooling			
		0-7	8-11	12-15	16+
Chinese	13.58	13.9	11.0	28.7	46.5
Filipino	13.96	7.4	9.1	41.0	42.6
Japanese	14.99	2.0	4.5	35.4	58.1
Indian	16.65	3.0	5.1	18.8	73.1
Korean	14.93	2.8	5.5	36.0	55.6
Vietnamese	12.14	12.4	13.7	56.3	17.5
Non-Hispanic white	12.77	10.1	16.1	45.4	28.4

Estimates based on 1980 Census of Population, 5 percent "A" sample.

Schooling Levels of the Foreign Born

The educational attainments of foreign-born men, shown in table 5.2, confirm the impressions conveyed by the immigration data in chapter 2. Excluding the Vietnamese, men who have immigrated from Asia tend to be highly skilled. Compared with slightly over 25 percent of white immigrants who are college graduates, over 40 percent of Chinese and Filipinos, over 55 percent of Japanese and Koreans, and nearly 75 percent of Asian Indians are college graduates. Significantly below whites in educational attainment are the Vietnamese: only 17 percent of Vietnamese immigrants are college graduates, while more than 12 percent have less than 8 years of schooling.

The data presented in chapter 2 also showed that the proportion of Asian immigrants with professional occupational backgrounds has declined in recent years. A similar trend is apparent in the educational data (table 5.3). Separating the foreign born by year of immigration shows that the percentage of highly educated immigrants has declined for all Asian groups except the Japanese. In contrast to the Asian trend, the percentage of college graduates among white immigrants has increased. In fact, whites in the most recent wave of immigrants are as likely to be college graduates as are immigrants from China, the Philippines, and Korea; Japanese and Indian immigrants continue to be much more highly edu-

TABLE 5.3
Percentage of College Graduates Among Foreign-Born
Men, 25–64 Years Old, by Year of Immigration

	1975–1980	1970–1974	1965–1969	Before 1965
Chinese	41.61	50.14	54.36	44.31
Filipino	44.66	55.07	44.59	23.73
Japanese	69.78	51.83	55.14	43.68
Indian	61.12	76.54	84.40	85.47
Korean	44.90	55.60	81.36	83.73
Vietnamese	15.09	58.33	79.31	71.43
Non-Hispanic white	43.11	30.86	21.76	23.66

TABLE 5.4
Average Years of Work Experience for Men, 25–64 Years Old, 1980

Category	Chinese	Filipino	Japanese	Indian
Native born	18.73	19.66	24.65	23.59
Foreign born	21.92	20.20	15.97	14.54
	Korean	Vietnamese	Non-Hispanic white	
Native born	23.21	14.70 ¹	22.84	
Foreign born	18.84	18.23	25.44	

Estimates based on 1980 Census of Population, 5 percent "A" sample.
¹Estimates based on only 32 observations.

cated than whites, while the most recent Vietnamese immigrants are substantially less educated.

In summary, although the schooling levels of Asian immigrants have fallen in recent years, the overall educational achievements of most Asian groups, native as well as foreign born, surpass the educational level of white men. In the absence of other differences, these higher than average educational attainments would be expected to translate into higher than average earnings.

Work Experience

After completing their formal education, men enter the workplace and ordinarily continue to work until they retire or become disabled. While in the work force, they acquire experience that makes them more valuable to their specific jobs as well as to employment situations in general.

Census data do not directly measure the number of years an individual has worked, much less the skills actually acquired on the job. However, a man's years of work experience can be closely approximated by an estimate of the years a person has been out of school. Estimates of years of work experience, calculated as age minus years of schooling minus 6 (to account for preschool years), are presented in table 5.4.

Years of work experience for native-born Chinese, Filipino, and particularly Vietnamese men are lower than the average for white men. On the other hand, native-born Japanese, Indian, and Korean men average more years of work experience than whites.

For the foreign born, all of the Asian groups have significantly lower levels of work experience than is the case for white men. Foreign-born white men have, on average, about 25 years of work experience. Chinese and Filipino immigrants average 22

TABLE 5.5
English-Language Proficiency for Men, 25–64 Years of Age, 1980

Group	Percentage Distribution by English Language Proficiency				
	Only English	Very well	Well	Not well	Not at all
Chinese	16.3	33.5	28.8	16.6	4.7
Filipino	19.9	49.4	26.2	4.1	0.4
Japanese	57.4	20.7	15.3	6.1	0.4
Indian	18.1	62.3	16.5	2.7	0.4
Korean	8.9	24.7	38.5	25.7	2.2
Vietnamese	2.4	19.3	41.3	30.4	6.6
Non-Hispanic white	92.9	4.5	1.9	0.7	0.1

Estimates based on 1980 Census of Population, 5 percent "A" sample.

Notes: Proficiency in English is measured by the 1980 census question, Ability to Speak English.

and 20 years of work experience, respectively; Korean and Vietnamese men, 19 and 18 years; and Japanese and Indian immigrants, only 16 and 14 years, respectively.

The relatively low levels of work experience among the Asian foreign born stem from the large numbers of recent immigrants in these groups (as persons are more likely to immigrate when they are young) and, to a lesser degree, from their high levels of schooling (since schooling delays entry into the work force). Holding other variables such as education constant, the lower experience levels of Asian immigrants would be expected to result in lower earnings relative to whites.

English-Language Proficiency

Almost all whites—97 percent—speak English very well or have English as their only language (table 5.5). The high level of English-language proficiency reflects the fact that most whites were born in the United States, and of the foreign born, only a small fraction are recent arrivals. Moreover, many of the white immigrants come from Canada or the United Kingdom.

Among Asian groups, levels of English-language proficiency vary enormously. The Japanese have the highest percentage who speak only English. This high rate undoubtedly stems from their long history in the United States, combined with the relatively low representation of foreign born in the Japanese American population; as pointed out in chapter 4, 77

percent of all Japanese men in America are native born.

In contrast to the Japanese, most Indian and Filipino men are immigrants and many are recent entrants. Nevertheless, 80 percent of all Asian Indians and over 69 percent of all Filipinos speak only English or report speaking English very well. The high percentages reflect the fact that English is commonly spoken in both countries, particularly among the highly educated who have dominated recent immigration from India and the Philippines.

Those reporting the lowest levels of English language proficiency are Korean and Vietnamese men. Two-thirds of Korean men and over three-quarters of Vietnamese men report not speaking English very well. The low level of English-language proficiency among Koreans and Vietnamese reflects the extremely high percentage of recent immigrants in their populations. Vietnamese and Koreans, who rank last and next to last among Asian groups in terms of their English-language proficiency, rank first and second, in terms of their percentages of recent arrivals (see table 4.2).

Table 5.6 breaks down the ability to speak English by native and foreign born. Not surprisingly, most persons born in the United States speak only English or speak English very well. There are, however, small but significant departures from this generalization. Specifically, 16 percent of Vietnamese men, nearly 10 percent of native-born Indian and Chinese men, and 7 percent of native-born Filipino men are

TABLE 5.6
English-Language Proficiency for Native- and Foreign-Born Men, 25–64 Years of Age, 1980

Group	<i>Percentage Distribution by English-Language Proficiency</i>					
	All		Native born		Foreign born	
	Very proficient	Less proficient	Very proficient	Less proficient	Very proficient	Less proficient
Chinese	49.8	50.2	90.1	9.9	38.2	61.8
Filipino	69.4	30.6	93.3	6.7	64.1	35.9
Japanese	78.2	21.8	97.6	2.4	42.9	57.1
Indian	80.3	19.7	90.1	9.9	79.9	20.1
Korean	33.6	66.4	96.2	3.8	29.5	70.5
Vietnamese	21.7	78.3	84.4 ¹	15.6 ¹	20.8	79.2
Non-Hispanic white	97.4	2.6	99.3	0.7	73.5	26.5

Estimates based on 1980 Census of Population, 5 percent "A" sample.

Notes: Proficiency in English is measured by the 1980 Census question, Ability to Speak English. Very Proficient is defined as Speaks Only English or Speaks Very Well. Less Proficient is defined as Speaks English Well, Speaks English Not Well, or Speaks English Not at All.

¹Estimates based on only 32 observations.

TABLE 5.7
Percentage of Foreign-Born Men (25–64 Years Old) Who Are
“Very Proficient” in Speaking English, by Years
Since Migration

Group	Years since migration		
	1–5	6–15	16 years or more
Chinese	23.6	40.3	49.7
Filipino	51.0	67.3	72.6
Japanese	25.2	43.7	65.8
Indian	70.0	85.2	91.7
Korean	15.4	35.4	76.6
Vietnamese	18.7	59.4	71.4 ¹

Estimates based on 1980 Census of Population, 5 percent “A” sample.
 Notes: “Very Proficient” is defined as “Speaks Only English” or “Speaks English Very Well,” according to the 1980 Census question, Ability to Speak English.

¹Based on only 14 observations.

in the “less proficient” category, compared to fewer than 1 percent of native-born whites.

Among the Asian foreign born, Indian and Filipino immigrants have the highest levels of English-language proficiency. The percentage of very proficient English speakers among the other Asian groups (whose countries lack the English-language history of India or the Philippines) is directly correlated with their percentages of recent arrivals among the foreign born (table 4.2). Japanese foreign born, with the lowest percentage of recent arrivals, have the highest proportion of very proficient English speakers, followed by the Chinese, Koreans, and Vietnamese.

For all Asian groups, the percentage of proficient English speakers among immigrants appears to increase with time in the United States (table 5.7). For instance, 24 percent of Chinese immigrants who have been here 5 years or less report being English proficient; this rises to 40 percent among those who have been here 6 to 15 years. Similarly, 15 percent of Korean recent arrivals are proficient, yet over 35 percent are proficient among 6- to 15-year residents. The most dramatic change is observed for Vietnamese immigrants: only 19 percent of the recent arrivals are proficient in English, compared to 60

percent of those who have been in the United States 6 to 15 years.

These differences, however, also reflect changes over time in the type of immigrant. Since the most recent Asian immigrants tend to be less educated than immigrants who migrated 6 or more years ago, it is unlikely that the English-language proficiency of earlier immigrants was as low, upon entry to the United States, as the level of proficiency currently observed among the most recent immigrants. Accordingly, the comparisons in table 5.6 may exaggerate the rate of English-language improvement for the most recent cohorts.³

Summary

The average schooling levels of native-born men of Asian descent surpass or approach the average for white men. Data on the distribution of completed schooling years reveal a higher percentage of college graduates among Chinese, Indian, Japanese, and Korean men than among white men. Outstripping all native-born groups, Chinese men are twice as likely to have completed 16 or more years of schooling than are white men. Although the average educational levels of native-born Filipino and Vietnamese men approach the average for white men, men in these groups are less likely to be college graduates.

³ Data that follow immigrants over time is needed to measure English-language improvement with time in the United States.

Native-born Filipino, Indian, and Vietnamese men are also more likely than white men to have completed only an elementary school education.

The average schooling levels of all foreign-born Asian groups—with the notable exception of the Vietnamese—exceed the average for whites. The percentage of foreign-born Asian men who have completed college far exceeds that of whites. Asian Indians outpace all other groups with 73 percent of immigrant men reporting 16 or more years of schooling.

Although the overall schooling level of Asian foreign-born men is extremely high, the most recent immigrants tend to be less educated than their immediate predecessors. At the same time, the educational level of white immigrants has risen. Until 1975 Asian immigrants in all groups were much more likely to be college graduates than were white immigrants. Among immigrants who entered after 1975, however, the proportion of college graduates among Chinese, Filipino, and Korean immigrants roughly equals the proportion of white

immigrants who are college graduates. The most recent Japanese and Indian immigrants continue to be much more highly educated than white immigrants, while the educational level of post-1975 Vietnamese immigrants falls far below the schooling level of recent white immigrants.

Compared to white men, years of work experience are lower for native-born men of Chinese, Filipino, and Vietnamese descent and somewhat higher for native-born men of Japanese, Indian, and Korean descent. For all foreign-born Asian groups, years of work experience are substantially lower than for whites.

English-language proficiency is high among all native-born groups. There appear, however, to be small but significant numbers of American-born Vietnamese, Indians, Chinese, and Filipinos whose command of English is not strong. English-language proficiency among the foreign born varies enormously. It is highest for Indian, white, and Filipino immigrants (in that order), and lowest for foreign-born Chinese, Korean, and Vietnamese men.

Patterns of Work

This chapter compares various elements of labor force behavior of Asian and white men: statistics on hours and weeks worked, unemployment, and labor force participation are separately presented for the native and foreign born. These statistics are generally measured for persons who worked at least 1 week in 1979. With this restriction, the sample size is reduced for all groups. Since there are only 20 observations for native-born Vietnamese men, a sample too small to ensure statistically reliable results, estimates of their work behavior are not presented.

Work Patterns of the Native Born

Hours and Weeks Worked

Average weeks worked per year, average hours worked per week, and total hours worked in a year for native-born men are displayed in table 6.1.¹ The last row shows average annual hours for each Asian group as a percentage of the hours worked by whites.

Native-born Chinese, Japanese, and Korean men work somewhat fewer annual hours than whites. Although they work as many weeks as whites, these groups tend to work fewer hours per week. Filipino and Indian men work significantly fewer annual hours than whites, both because they work fewer

¹ This information comes from the census questions on weeks worked in 1979 and usual hours worked per week.

² The unemployment rate is calculated as the number unemployed at the time of the census divided by the number in the

hours per week and because they work fewer weeks out of the year.

Unemployment Rates

The relatively low number of hours and weeks worked by native-born Filipino and Indian men may reflect a difficulty in finding work, as opposed to a preference for working less. To explore this issue, the unemployment experiences of Asian groups and whites were compared.

Unemployed individuals, according to census definitions, are persons without a job who are looking for work. As such, these persons would like to work but have been unable to find a job meeting their expectations.

Table 6.2 shows the percentage of men in each group who were unemployed at the time of the 1980 census as well as the percentage who experienced at least some unemployment during the year.² According to these statistics, native-born Chinese, Japanese, and Korean men are less likely to be unemployed than white men: whereas 4 percent of whites reported they were unemployed at the time of the census, less than 2 percent of the Chinese, Japanese, and Koreans reported being unemployed. These groups were also less likely to have experienced any unemployment during the preceding year.

Native-born Filipinos and Indians, on the other hand, experience greater unemployment than

labor force as defined by the census question on labor force status. The statistics on unemployment experienced during the year are based on a census question ascertaining weeks unemployed in 1979.

TABLE 6.1
Average Weeks Worked Per Year, Hours Worked Per Week, and
Annual Hours for Native-Born Men, 25–64 Years Old, 1980

	Chinese	Filipino	Japanese	Indian	Korean	Non-Hispanic white
Weeks worked	48.56	47.70	49.34	45.87	47.76	48.30
Hours worked	42.09	40.81	42.44	41.81	42.02	43.78
Annual hours	2,059	1,963	2,104	1,937	2,017	2,129
Annual hours relative to non-Hispanic white	0.97	0.92	0.99	0.91	0.95	1.00

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

Notes: The sample includes native-born men, 25–64 years old, excluding the military and students, who worked at least one week and had nonzero earnings in 1979.

TABLE 6.2
Unemployment Experience for Native-Born Men 25–64 Years Old, 1980

	Chinese	Filipino	Japanese	Indian	Korean	Non-Hispanic white
Unemployment rate (% reporting unemployment)	1.4	5.3	1.6	7.6	1.8	4.0
Percent ever unemployed	9.4	16.4	7.9	17.3	10.2	11.8

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

Notes: The sample includes native-born men, 25–64 years old, excluding the military and students, who worked at least one week and had nonzero earnings in 1979.

TABLE 6.3**Average Weeks Worked Per Year and Usual Hours Worked Per Week for Men with Full-Year Employment, Native-Born Men 25-64 Years Old, 1980**

Category	Filipino	Indian	Non-Hispanic white
Weeks worked	50.39	49.86	50.14
Hours worked	41.35	42.68	44.17
Annual hours	2,091	2,141	2,223
Annual hours relative to non-Hispanic whites	0.94	0.96	1.00

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample. Notes: The sample includes native-born men, 25-64 years old, excluding the military

and students, who were not unemployed at the time of the census and who had not experienced any unemployment during the year 1979.

whites. More than 16 percent of the men in these groups experienced some unemployment during the year, compared to 12 percent of whites.

To assess the effect of unemployment on the relative hours and weeks worked by Filipino and Indian men, hours and weeks worked were measured for persons who had experienced no unemployment during the year. When the comparison is limited to men who were employed throughout the year (table 6.3), Filipino and Indian men work about the same number or more weeks than whites. The difference in hours worked between these groups and whites is decreased as well.³ The comparison suggests that the lower annual hours worked by native-born Filipino and Indian men are caused in part by higher than average unemployment.

Labor Force Participation

Employed and unemployed individuals make up the labor force. Persons outside of the labor force, by definition, do not work and are not looking for work. Table 6.4 shows the percentage of native-born Asian and white men who are not in the labor force.

The percentage of white men outside the labor force differs very little from the corresponding percentages for Chinese, Filipino, Japanese, and Korean men. Native-born Indian men, however, are much more likely to be nonparticipants.

³ The persistence of lower hours for Indian and Filipino men may suggest underemployment. It is impossible to determine using decennial census data to what extent remaining differences in annual hours worked reflect preferences or underemployment—people who are employed but would like to work more.

Being disabled or enrolled in school often prevents or limits labor force participation; labor force participation also declines at older ages. On the other hand, persons may drop out of the labor force if they feel there is little hope of finding suitable employment. As such, nonparticipation may signify hidden unemployment.

To help determine the causes of low labor force participation among native-born Indian men, each group's labor force participation was examined, excluding students and the disabled, and separating by age. According to the statistics shown in table 6.4, native-born Indians are still more likely than other groups to be outside the labor force. This suggests that discouragement because of higher than average unemployment may contribute to their relatively low labor force participation.⁴

Work Patterns of the Foreign Born

Most foreign-born Asian groups do relatively well with respect to their annual hours worked and unemployment rates. The average hours and weeks worked by foreign-born Asian men often exceed or approach the hours and weeks worked by white immigrants (table 6.5). The percentage of immigrants who reported being unemployed at the time of the census is also lower for all Asian groups than for whites.

⁴ On the other hand, high unemployment and nonparticipation are not necessarily correlated; native-born Filipinos experience relatively high unemployment, yet their labor force participation is on a par with white men.

TABLE 6.4
Percentage of Men Outside the Labor Force, Native-Born Men,
25-64 Years Old, 1980

	Chinese	Filipino	Japanese	Indian	Korean	Non-Hispanic white
All	8.5	7.1	7.2	19.4	8.0	9.8
Excluding students and the disabled						
25-64 years old	5.5	3.9	4.5	11.8	5.7	4.7
25-44 years old	3.0	3.2	2.3	9.3	4.2	2.2
45-64 years old	9.9	5.7	6.5	14.9	7.5	8.6

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

TABLE 6.5
Work Patterns of Foreign-Born Men, 25-64 Years Old, 1980

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Weeks worked	46.80	46.77	48.34	47.60	45.71	44.03	47.24
Hours worked	44.04	41.19	43.66	43.80	44.55	41.57	43.30
Annual hours	2,073	1,941	2,121	2,096	2,054	1,846	2,059
Annual hours relative to non-Hispanic white	1.01	0.94	1.03	1.02	1.00	0.90	1.00
Unemployment rate (%)	2.1	2.8	1.8	3.0	2.9	3.6	4.3
Percent ever unemployed	14.5	16.6	9.2	13.1	19.6	22.8	15.7

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

Notes: The sample includes foreign-born men, 25-64 years old, excluding the military and students, who worked at least one week and had nonzero earnings in 1979.

TABLE 6.6
Percentage of Men Outside the Labor Force, Foreign-Born
Men, 25-64 Years Old, 1980

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
All	12.7	6.6	10.4	5.8	10.5	21.5	9.9
Excluding students and the disabled							
25-64 years old	7.2	4.5	3.8	3.0	5.6	16.5	5.0
25-44 years old	4.9	2.5	3.4	2.5	5.3	14.2	2.3
45-64 years old	10.8	9.6	5.3	5.4	6.6	24.0	7.8

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

TABLE 6.7
Percentage of Men Outside the Labor Force by Years Since Migration,
Foreign-Born Men, 25-64 Years Old, 1980

Years since migration	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
1-5	24.6	10.0	14.9	11.3	16.1	22.1	16.4
6-15	6.7	3.3	5.7	2.5	5.6	8.9	8.2
16 years or more	8.6	10.0	7.3	3.8	3.7	1	9.2

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

There are only 14 observations for Vietnamese immigrants who, in 1980, had been in the U.S. 16 years or more.

The Vietnamese are an exception to the generally favorable employment situation of foreign-born Asian men: Vietnamese immigrants work significantly fewer annual hours than white immigrants. They also are more likely to have experienced some unemployment during the year.⁵

Compared to white immigrants, labor force participation is lower for Chinese and especially Vietnamese foreign-born men (table 6.6); these differences persist when students and the disabled are excluded, and when year of immigration is taken into account (table 6.7). For all other groups, the labor force participation rates of Asian and white immigrants are similar. Even among the most recent immigrants, Filipino, Japanese, Indian, and Korean men are less likely to be out of the labor force than white men.

Summary

According to work patterns reported in the 1980 census, native-born Asian men work, on average, fewer hours in a given year than white men. This is particularly true for men of Filipino and Indian

⁵ The low education of recent Vietnamese immigrants likely contributes to their unfavorable employment patterns. In an analysis of weeks worked by immigrants, Chiswick found that populations with a disproportionate number of refugees tend to

descent, who also experience higher unemployment than whites. All other native-born Asian groups have lower unemployment rates than whites.

The average hours and weeks worked by foreign-born Asian men often exceed or approach the hours and weeks worked by white immigrants, the exception being Vietnamese immigrants, who report significantly lower annual hours. Immigrants in all Asian groups have lower unemployment rates than whites, although a greater percentage of Vietnamese immigrants reported having experienced some unemployment during the year.

Even if two groups earn at the same hourly rate, the group that experiences higher unemployment will have lower annual earnings. Thus, differences among groups in unemployment and underemployment will be reflected in their annual earnings. This chapter has documented variations in the hours and weeks worked by Asian groups and whites. As these differences may conceivably reflect barriers to employment, both hourly and annual earnings are used in this report to assess the relative economic status of Asian groups.

work fewer weeks than other immigrant populations. See Barry Chiswick, *The Employment of Immigrants in the United States* (Washington, D.C.: The American Enterprise Institute, 1982).

The Earnings and Employment of Asian Men

It is difficult to predict the combined effect of factors such as schooling, work experience, region of residence, and English-language proficiency on the relative economic status of Asian men. Asian men tend to have more years of schooling than white men. Within educational categories, therefore, their earnings relative to whites would be expected to decline. The high concentration of Asians in metropolitan areas would also be expected to augment the earnings of Asian men; adjusting for urban location should decrease their earnings status vis-à-vis whites. Average years of work experience, however, are less for many Asian groups than for whites, and a larger percentage of Asian men report not speaking English well; adjusting for these variables, the relative earnings status of Asian men should increase.

Multiple regression analysis is used in the following chapters to account jointly for the complex and sometimes countervailing effects of the variables described in chapters 4 through 6. The analysis tries to determine whether the earnings of Asians depart significantly from those of whites once characteristics such as education, experience, English-language proficiency, and area of residence have been taken into account. Since groups vary in their unemployment rates and hours worked, and these differences may signify barriers to employment, both annual and hourly earnings results are presented.

¹ Due to small sample size, the earnings analysis (which is restricted to men who worked at least 1 week in 1979) does not include native-born Vietnamese.

Different considerations influence the earnings and employment of immigrants and of the native born. Therefore, native-born Asian men are compared with native-born white men, while the experiences of Asian immigrants are contrasted with those of white immigrants. The basic questions addressed by the multiple regression analyses are:

- Do native-born Asian men do as well as native-born white men with similar characteristics?
- Do Asian immigrants do as well as otherwise similar white immigrants?

Analyses of native-born Asian men—primarily the descendants of early 20th century immigrants—are presented in this chapter.¹ The status of Asian immigrant men relative to white immigrants is the subject of chapter 8.

Earnings Differences Among Native-Born Men: Basic Results

Although the early Asian immigrants were largely unskilled laborers, the descendants of several Asian groups now earn as much as or more than native-born white Americans. Table 7.1 presents the annual and hourly earnings of native Asian Americans. On average, Chinese, Japanese, and Korean Americans have both higher hourly earnings and higher annual earnings than native whites. The annual earnings of Americans of Asian Indian and Filipino descent are lower; these two Asian groups earn, on average, 20

TABLE 7.1
Annual and Hourly Earnings of Native-Born Men, Ages 25-64, 1980

	Chinese	Filipino	Japanese	Indian	Korean	Non-Hispanic white
Annual earnings						
Average	\$21,301	\$16,805	\$21,059	\$16,341	\$23,137	\$20,445
Relative to native-born non-Hispanic white	1.04	0.82	1.03	0.80	1.13	1.00
Hourly earnings						
Average	\$12.44	\$10.93	\$11.22	\$10.35	\$11.87	\$10.64
Relative to native-born non-Hispanic white	1.17	1.03	1.05	0.97	1.11	1.00
Sample size	1,971	1,245	5,975	184	165	17,494

Estimates based on 1980 Census of Population, 5 percent "A" Public Use Sample.
 Notes: The sample includes men, 25-64 years old, excluding the military and students, who worked at least one week and had nonzero earnings in 1979.

The small sample size of native-born Vietnamese who worked at least one week in 1979 (20 observations) precludes statistically reliable estimates for this group.

TABLE 7.2
Adjusted Earnings Evaluated at Asian-Specific Values of Skills and Characteristics, Native-Born Men, Ages 25-64, 1980

	Chinese	Filipino	Japanese	Indian	Korean
Annual earnings					
Asian	\$16,457	\$13,127	\$17,000	\$11,366	\$17,152
Non-Hispanic white	17,280	14,449	16,706	16,263	15,943
Asian relative to non-Hispanic white	0.95	0.91	1.02	0.70*	1.08
Hourly earnings					
Asian	\$8.70	\$7.30	\$8.60	\$6.80	\$9.20
Non-Hispanic white	8.70	7.30	8.30	8.30	7.90
Asians relative to non-Hispanic white	1.00	1.00	1.04	0.82*	1.16

*Differences in predicted earnings is statistically significant at .05 level.
 Notes: This table shows the anti-logs of predicted earnings based on group-specific regressions in which the dependent variable is the natural logarithm of earnings. The

predicted earnings are evaluated at Asian-specific mean levels of all explanatory variables. The Asian earnings shown here are geometric means. The separate hourly and annual earnings regressions run by racial group are given in appendix E.

percent less than whites. However, as shown in table 7.1, Indian and Filipino Americans are near parity with whites in hourly earnings.

The lower annual earnings of Indian and Filipino Americans are caused not by lower wage rates, but by fewer annual hours worked. As discussed in chapter 6, native-born Indians and Filipinos work 91 percent and 92 percent, respectively, as many hours per year as native-born whites. Higher unemployment and underemployment are likely reasons for their lower average annual hours, as the unemployment rates of these two groups exceed those of whites (table 6.2).²

Earnings Differences: Regression Analysis

Although the earnings of several Asian groups exceed the earnings of whites, these results do not account for any differences among groups with respect to their productive characteristics. Asians tend to be more educated than whites; adjusting for high educational attainment may eliminate the earnings advantage of several Asian groups found in the preceding section. On the other hand, while virtually all native-born whites speak English well, a small but significant number of native-born Chinese and Indian Americans report some deficiency in English-language proficiency. Other Asian groups have somewhat greater, but not nearly complete, English-language proficiency. Experience levels also vary across the groups considered. In addition to skill level differences, the geographic location of native-born Asian groups, who are heavily concentrated in the urban areas of California, Hawaii, and New York, will affect earnings comparisons with whites as well.

Multiple regression is used to adjust statistically for the various factors that affect earnings.³ These

² Asian Indians are identified by the race question on the census. Using ancestry and language spoken at home information, the possibility was examined that some of the Asian Indian observations were actually American Indians. Of a total of 184 observations, 3 persons listed American Indian as one ancestry but Asian as their other ancestry. So it seems likely that the race classification, Asian Indian, is correct. Seventeen persons who were single ancestry and identified themselves as Asian Indian on the census race question gave American Indian as their ancestry. However, the information on language spoken at home suggests that these ancestry responses are, for the most part, in error rather than the race response. Of the 17 reporting American Indian ancestry and no Asian ancestry, 13 reported a language other than English spoken at home. Of these, eight were Asian Indian languages. Only one was classified as an American Indian language and this person earned \$74,000. The other languages that were reported are not inconsistent with an Asian Indian background.

³ More specifically, separate regressions were estimated for each

factors include education, years of work experience, ability to speak English, region, and urban residence.⁴ The first line of table 7.2 shows the adjusted annual earnings of each Asian group for men with the average skills and characteristics of that group. Directly under the Asian adjusted earnings are the earnings predicted for white men if they had the average skills and characteristics of each Asian group. For instance, the second entry under "Japanese" shows the expected earnings of white men who have the skills and characteristics of the average Japanese man. The third entry gives the adjusted Asian earnings as a percentage of the adjusted white earnings.

According to the estimated earnings in table 7.2, the "average" Japanese or Korean man earns somewhat more than a white man with average Japanese or Korean skills and characteristics. The average Chinese man earns 5 percent less than whites with comparable skills and characteristics; Filipino men earn 9 percent less, and Indian men earn about 30 percent less.

Since Asian men tend to work fewer hours than white men, the relative economic status for all Asian groups increases when hourly earnings are compared. With the exception of Indian men, the average Asian man in each group, on an hourly basis, earns as much as or more than a white man with each Asian group's average skills and characteristics.

Earnings Adjusted for Schooling Attainment

Conceivably, the effect of labor market discrimination on the earnings of Asian men could vary according to level of education. If Asian men are denied advancement into high-level positions, highly

Asian group and for non-Hispanic whites in which the natural logarithms of annual and hourly earnings were regressed on a set of explanatory variables. The regressions are shown in appendix E. Using the coefficients from the group-specific regressions, earnings were predicted for each Asian group. The predicted earnings were evaluated at each Asian group's mean level of all explanatory variables; thus, they are geometric means. Earnings for non-Hispanic whites were also predicted using the coefficients from the estimated non-Hispanic white earnings regression. However, the non-Hispanic white predicted earnings were evaluated at each Asian group's mean levels of the explanatory variables.

⁴ Since being disabled generally lowers earnings, and being married is correlated with higher earnings, these two variables were also adjusted in the regressions discussed in this chapter. The full set of explanatory variables is given in appendix E, table E.1.

TABLE 7.3
Earnings of Asian Men by Years of Schooling Relative to Non-Hispanic Whites,
Native-Born Men, Ages 25-64, 1980

	Not adjusting for occupation and industry					Adjusting for occupation and industry				
	Chinese	Filipino	Japanese	Indian	Korean	Chinese	Filipino	Japanese	Indian	Korean
Annual earnings										
8 years of school	1.03	.93	1.22*	.69*	1.25*	1.10*	.95	1.25*	.76*	1.28*
12 years of school	.96	.90	1.07	.72*	1.19**	1.01	.92	1.09	.77*	1.21*
16 years of school	.93**	.81*	.98	.70*	1.09	.93**	.84*	.98	.68*	1.11
20 years of school	.96	.56*	1.03	.53*	.89	.88*	.62*	.93	.44*	.89
Hourly earnings										
8 years of school	.87*	1.11**	1.15*	.82*	1.21*	.91*	1.10*	1.17*	.79*	1.24*
12 years of school	.95	.99	1.07	.84*	1.18**	.97	1.00	1.10	.92**	1.20*
16 years of school	1.02	.87*	1.04	.79*	1.14	1.02	.91	1.04	.87*	1.14
20 years of school	1.02	.73*	1.10	.58*	1.04	.96	.83*	1.01	.46*	.98

Notes: The results show Asian predicted earnings as a percent of non-Hispanic white predicted earnings (evaluated at Asian-specific values of the explanatory variables). The predicted earnings are based on group-specific regressions evaluated at various years of schooling, 20 years of experience, and Asian group-specific mean levels of all other explanatory variables. In order to adjust for the possibility that the return on education varies with the level, a two-part spline was used to capture the effect of years of schooling on earnings. The

dependent variable in the earnings regression is the natural logarithm of earnings. The full regression results are available from the author.

*Difference in predicted log earnings is statistically significant at .05 level.

**Difference in predicted log earnings is statistically significant at .10 level.

TABLE 7.4
Earnings of Asian Men by Region of Residence Relative to
Non-Hispanic Whites, Native-Born Men, Ages 25-64, 1980

	Chinese	Filipino	Japanese	Indian	Korean
Annual earnings					
East	0.83	1.09	1.08	0.73	0.74 ¹
North Central	0.89	1.01	1.03	0.50	1.31
South	0.98	0.80	0.88	0.84	1.13
West (excluding California and Hawaii)	0.83	0.83	1.02	0.50	1.14 ¹
California	0.97	0.84	0.99	0.74	1.10
Hawaii	1.05	0.97	1.05	0.75	1.05
Hourly earnings					
East	0.91	1.07	1.16	0.86	0.94
North Central	1.00	1.11	0.99	0.67	1.00
South	1.00	0.92	0.89	0.98	0.93
West (excluding California and Hawaii)	0.89	0.95	0.94	0.60	1.40
California	1.00	0.93	0.92	0.71	1.08
Hawaii	1.18	1.09	1.16	0.96	1.24

Notes: The results show Asian predicted earnings as a percentage of non-Hispanic white predicted earnings (evaluated at Asian-specific values of the explanatory variables). The predicted earnings are based on group-specific regressions evaluated for the various regions of residence. All other explanatory variables are set equal to the

Asian group-specific means. The dependent variable in the earnings regression is the natural logarithm of earnings.

¹Less than 10 observations in particular area.

educated Asians may suffer more, in terms of earnings not commensurate with their education and experience, than persons with less schooling. On the other hand, if anti-Asian discrimination is present in unions or other circumstances surrounding blue-collar employment, then the earnings of less educated Asians may be more adversely affected by labor market discrimination than is true for more highly educated individuals.

To explore the possibility of a discrimination effect that varies according to educational level, the earnings of Asian and white men were evaluated at different levels of education, adjusting for inter-group differences in all other measured skills and characteristics.⁵ According to the earnings ratios in table 7.3, the relative annual and hourly earnings of

⁵ Using the estimated coefficients from group-specific regressions, earnings were evaluated at various levels of schooling, 20

Asian men tend to decline with higher levels of education. This pattern becomes more pronounced adjusting for occupation and industry.

Earnings Adjusted for Region of Residence

The relative earnings of Asian men were also examined by region of residence. A finding that all Asian groups earn less than whites in certain regions of the country could indicate the presence of anti-Asian labor market discrimination in those regions.

According to the earnings ratios in table 7.4, the relative earnings of each Asian group (adjusting for skills and characteristics) vary according to region of residence.⁶ However, no consistent pattern emerges from these statistics. For instance, Filipino

years of experience, and Asian group-specific mean levels of all other explanatory variables.

men and Japanese men earn more than white men in the East, whereas they earn relatively less in California. On the other hand, Chinese and Korean men earn less than whites in the East, whereas they earn almost as much as or more than whites in California. Taken together, the results do not suggest an anti-Asian earnings effect that is consistently correlated with region of residence across all groups. However, the diversity of results suggests that particular groups may face difficulties in certain areas.

Occupational Distribution

In addition to what people are paid for a living, what they do for a living is also important. Occupation is another relevant measure for assessing the economic status of Asian men.

Table 7.5 compares the occupational distribution of Asian and white native-born men. With the exception of Americans of Filipino and Vietnamese descent, Asian American men are more heavily represented in white-collar occupations and less concentrated in blue-collar occupations than are white men. Forty-one percent of white men are employed in blue-collar work in comparison with 19 percent of Chinese men and about 30 percent of Indian, Japanese, and Korean men.

Among the Asian groups with high white-collar representations, over 30 percent are employed in professional occupations. Chinese American men have the highest employment in such positions (43 percent), followed by Korean, Indian, and Japanese men. About 26 percent of white men have professional vocations.

Filipino and Vietnamese men are more likely to be blue-collar workers and less likely to be professionals than whites: less than 19 percent of these two groups report managerial or professional occupations and more than 44 percent report blue-collar occupations.

Table 7.5 also shows the percentage of men for whom no occupational data were recorded in the census. These are men who, in 1980, had been unemployed since 1975. A high percentage of Indians are in this category. Given the large representation of Asian Indian men in professional jobs, this last statistic is another piece of evidence show-

ing the highly varied pattern of economic status among native-born Asian Indian men.

The Representation of Asian Men in Management Positions: An Issue for Future Research

Despite their generally favorable occupational status, Asian men may be denied access to high rungs of the corporate ladder. To the extent that such discrimination exists, Asian groups may be excluded from spheres of power and influence, although the overall effects of this type of discrimination on occupational status and money earnings could be negligible.

Unfortunately, appropriate data to examine this issue do not currently exist. Census data are flawed in three major respects. One problem is that the category "manager" includes a diversity of occupational positions ranging from high corporate positions to managers of small retail stores. The census data do not permit distinguishing high-status management positions from other types of management positions. Thus, a particular group may be underrepresented in low-ranking management positions yet overrepresented in high-ranking management positions. With the census data, there is no way to ascertain a group's relative representation in high-ranking managerial positions.

As the census data provide no information on type of manager, individuals may be in professional jobs because they prefer professional jobs over managerial jobs. If a group is overrepresented in professional occupations, but underrepresented in managerial positions, the census data do not make it possible to determine whether such a pattern is caused by discrimination or choice.

A third problem is that in determining individuals' occupations, the census does not distinguish between a person's job responsibilities and the nature of her or his work. Managers whose work reflects specific fields of training may be more likely to list the occupations pertaining to their specific fields of work than to list manager as their occupation, whereas managers whose work is less tied to a

An earnings regression was also estimated for California; the predicted earnings from this regression were very similar to the predicted earnings for California given in table 7.4.

⁶ The earnings ratios in table 7.4 are derived from Asian and white predicted earnings evaluated for different regions; all other explanatory variables are set equal to Asian group-specific means.

TABLE 7.5
Occupational Distribution, Native-Born Men, 25-64 Years Old, 1980
 (Percent)

	Professional	Technical sales and administrative	Service	Farming, forestry and fishing	Precision production, craft and repair	Operators fabricators, laborers	Unemployed, no civilian work experience since 1975
Chinese	42.6	26.5	7.5	0.9	12.2	7.6	2.6
Filipino	15.6	18.2	11.7	3.1	23.3	25.1	3.1
Indian	31.1	21.1	5.7	2.6	14.5	16.2	8.8
Japanese	31.1	22.4	5.8	7.2	20.1	11.1	2.3
Korean	40.0	17.2	5.6	3.9	18.9	12.2	2.2
Vietnamese ¹	18.5	11.1	3.7	0.0	25.9	33.3	7.4
Non-Hispanic white	25.9	18.2	6.1	3.3	21.8	20.8	3.9

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

Notes: The sample includes native-born men, 25-64 years old, excluding students and the military. The category "professional" includes managerial occupations.

¹Sample size for native-born Vietnamese is only 32 observations.

TABLE 7.6
Representation of Managers Among
Native-Born Men Ages 25-64, 1980
 (Percent of each group)

Chinese	Filipino	Japanese	Non-Hispanic white
11.9%	6.5%	10.5%	12.0%

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.
 Notes: The sample is limited to men who reported an occupation.

specific field of training may be more inclined to list manager as their occupation.⁷ This ambiguity will likely affect the results of any analysis with census data of intergroup differences in managerial representation.

In the absence of more appropriate data, census data were used in this study to examine the relative representation of native-born Asian men in management positions. However, because of the measurement problems discussed above, the results of this investigation must be viewed as preliminary steps into an area that requires more attention with better data.

Table 7.6 shows the percentage of American-born men of Japanese, Chinese, and Filipino descent who reported manager as their occupation on the census in comparison to white men.⁸ According to these statistics, American-born Asian men are less likely to be managers than are native-born white men. Twelve percent of whites identified themselves as managers in the census as opposed to 11.9 percent of Chinese men, 6.5 percent of Filipino men, and 10.5 percent of Japanese men.

These statistics, however, fail to account for characteristics that affect the probability of becoming a manager. As in the earnings analysis, the central question to be answered is whether Ameri-

⁷ Would, for example, an economist, who is also a manager, identify herself or himself as a manager or as an economist?

⁸ The study of who becomes a manager is limited to the native born, since many factors might account for why immigrants, other than the self-employed, would be less represented in managerial positions. Furthermore, this analysis is limited to the three largest native-born Asian groups. Since there is a great deal of variation surrounding who becomes a manager, larger sample sizes are needed to investigate this issue than were required for the earnings analysis. Also, only persons who possess a certain level of experience and education will be considered candidates for managerial positions. Thus, the potential pool of managers

can-born men of Asian descent are as likely to attain management positions as are native-born white men with similar qualifications and characteristics. It would be expected, for instance, that irrespective of race, the greater an individual's education and work experience, the more likely he or she is to become a manager. Where a person lives may also affect the likelihood of becoming a manager: managers are more commonly found in urban than in rural localities.⁹

To adjust for the effects of these variables on the likelihood of becoming a manager, multivariate regression analysis was used to examine the representation of Asian American men in management positions. The regression results on the left-hand side of table 7.7 show the effect of Asian descent on the probability of being a manager, in comparison to whites. The results reveal that Asian descent has a negative effect on the probability of being manager for all three groups, although the results are not statistically significant at conventional levels.

To help adjust for differences in the propensity to report "manager" among different fields of work, industry of employment was added to the list of control variables in the multiple regression analysis.¹⁰ The results of the estimation including industry as an explanatory variable are shown on the right-hand side of table 7.7.

When industry of employment is taken into account, the estimated effect of Asian descent for each group becomes more negative, and the statistical significance of the estimated effects increase. The estimated effects for both Chinese and Japanese men are significant at conventional levels of statistical significance. The results suggest that the probability of becoming a manager for native-born Chinese, Filipino, and Japanese men is 7 to 11 percentage points lower than it is for white men. Whether this outcome is the result of discrimination, choice, or simply a greater propensity to report field of specialization on the census instead of manager

from any group is smaller than the number of persons in the group. This, along with the variation surrounding who becomes a manager, warrants larger sample sizes than were required for the study of earnings. Sample sizes for native-born men are given at the bottom of table 7.1.

⁹ As married men tend to do better in the labor market than unmarried or divorced men, marital status is also a relevant characteristic to take into account when analyzing who becomes a manager.

¹⁰ Adjusting for industry also helps to adjust for possible differences among industries in the likelihood of becoming a manager.

TABLE 7.7
Effect of Asian Descent on Probability of Being a Manager,
Native-Born Men, Ages 25-64, 1980

Group	Regression results (T-statistics in parentheses)	
	1	2
	Across industries	Controlling for industry
Chinese	- .028 (0.55)	- .104 (2.19)*
Filipino	- .050 (1.19)	- .070 (1.35)
Japanese	- .018 (0.63)	- .109 (4.36)*
<i>Control variables</i>		
Education	X	X
Work experience	X	X
English ability	X	X
Region	X	X
Location	X	X
Marital status	X	X
Disability	X	X
Industry		X

Estimates based on the 1980 Census of Population, 5 percent "A" Public Sample.
 Notes: Weighted Least Squares estimation was used to correct for heteroskedasticity.
 Ordinary Least Squares estimation by sector of employment found the most negative effects of Asian descent in private wage and salary employment (excluding the self-employed). Given the 0-1 nature of the dependent variable, a logit model was also

estimated with maximum likelihood estimation. The results from the logit model estimation, shown in appendix E, are similar to the results from the Weighted Least Squares estimation.

*Significant at a .05 level.

remains an issue for future research. These findings, nevertheless, suggest that the representation of Asian men in managerial positions is an area that deserves additional study.

Summary

This chapter examined the earnings of native-born Asian men relative to native-born white men. The results reveal considerable variation in the relative annual earnings of Asian groups. The average Japanese or Korean man earns as much as or more than white men with similar skills and characteristics. Chinese men tend to earn somewhat less. Filipinos earn 9 percent less than whites, and Indian and Vietnamese men earn 30 percent less. These patterns were found adjusting for intergroup differences in education, experience, region of residence, urban location, and other earnings-related variables. Comparing hourly, instead of annual, earnings increased the relative earnings of all Asian groups.

This was particularly true for Filipino, Indian, and Vietnamese men, who work significantly fewer annual hours than whites. When the relative earnings of Asian men were examined by level of schooling, the relative annual and hourly earnings of Asian men tended to decline as the level of schooling increases. This is particularly true when occupation and industry are taken into account.

The occupational distributions of Asian and white men revealed that Chinese, Japanese, Indian, and Korean men are more likely to be employed in white-collar occupations and to have professional vocations than whites. Filipino and Vietnamese men are less likely to be employed in white-collar occupations and less likely to be in professional occupations.

The census data are ill suited for examining whether Asian men face obstacles in attaining access to high rungs of the corporate ladder. For native-born Asian groups with reasonably large sample

sizes, however, this study found that Asian men are less likely to be in managerial positions than white men with comparable skills and characteristics.

The Earnings and Employment of Foreign-Born Men

Comparing the occupational distributions of foreign-born Asian men with white men leads to the conclusion that Asian immigrants in America are doing extremely well (table 8.1). With the exception of the Vietnamese, the representation of Asian immigrant men in professional occupations surpasses or approaches that of white immigrants. Asian Indians top the list, with almost 60 percent of Indian immigrant men employed in professional occupations. Japanese, Chinese, and Korean men follow, all with higher percentages of professionals than is true of whites.

The large representation of professionals among Asian immigrants is not so surprising, however, considering their high educational attainments and the large number who identified themselves as professionals upon entry into the United States. Recall, for instance, that over three-quarters of working Indian entrants reported a professional background, (table 2.3) and that over 70 percent of Asian Indian immigrants are college graduates (table 5.3).

This chapter explores whether foreign-born Asian men fare as well in the labor market as white immigrants with similar characteristics and skills. To address this question, the earnings of foreign-born

Asian and white men are compared, adjusting for differences in education, experience, region of residence, and other relevant variables, including the number of years immigrants have been in the United States.

A Multivariate Analysis of the Earnings of Foreign-Born Men

On both an annual and hourly basis, Japanese and Indian immigrants earn more than whites (table 8.2). Their high earnings likely reflect the high skill levels of recent immigrants from Japan and India. On the other hand, despite large numbers of entering professionals and high levels of schooling, immigrants from China, the Philippines, and Korea earn less than white immigrants.

Research indicates that immigrants go through a period of adjustment, characterized by lower earnings, in which skills relevant to the U.S. labor market are learned.¹ Therefore, groups with large percentages of recent arrivals could be expected to do worse, on the whole, than groups with smaller fractions of recent entrants, even if the earnings of immigrants across groups were the same after similar periods of U.S. residency. Since all Asian groups have larger percentages of recent entrants

¹ See Barry R. Chiswick, "The Effect of Americanization on the Earnings of Foreign-born Men," *Journal of Political Economy* vol. 86, no. 5 (October 1978), pp. 897-921; Gregory DeFreitas, "Occupational Mobility among Recent Black Immigrants," *Proceedings of the Thirty-third Annual Winter Meetings, Industrial Relations Research Association* (1981), pp. 41-47; George J. Borjas,

"The Earnings of Male Hispanic Immigrants in the United States," *Industrial and Labor Relations Review*, vol. 35, no. 3 (April 1982), pp. 343-53; Geoffrey Carliner, "Wages, Earnings, and Hours of First, Second and Third Generation American Males," *Economic Inquiry* vol. 18, no. 1 (January 1982), pp. 87-102.

TABLE 8.1
Occupational Distribution, Foreign-Born Men, 25-64 Years Old, 1980
 (Percent)

	Professional including managerial	Technical sales and administrative	Service	Farming, forestry and fishing	Precision production, craft and repair	Operators fabricators, laborers	Unemployed, no civilian work experience since 1975
Chinese	38.4	16.8	26.3	0.5	7.0	7.5	3.4
Filipino	26.9	24.2	13.8	1.5	12.2	17.4	3.9
Indian	59.9	19.0	4.1	0.7	6.6	8.2	1.5
Japanese	49.3	19.2	8.9	4.7	7.9	7.9	2.2
Korean	33.9	23.2	7.0	0.9	14.6	17.1	3.2
Vietnamese	14.4	15.9	9.2	1.4	19.8	29.0	10.4
Non-Hispanic white	29.4	16.6	8.0	1.5	23.3	18.2	3.0

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

Notes: The sample includes foreign-born men, 25-64 years old, excluding students and the military.

TABLE 8.2
Average Annual and Hourly Earnings of Foreign-Born Men, Ages 25-64, 1980

	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Annual earnings							
Average	\$17,452	\$18,344	\$24,785	\$23,624	\$19,826	\$11,658	\$21,163
Relative to non-Hispanic white men	0.82	0.87	1.17	1.12	0.94	0.55	1.00
Hourly earnings							
Average	\$9.25	\$10.93	\$12.91	\$12.03	\$13.72	\$7.25	\$11.06
Relative to non-Hispanic white men	0.84	0.99	1.17	1.09	1.24	0.65	1.00

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

Notes: The sample includes men, 25-64 years old, excluding the military and students, who worked at least one week and had nonzero earnings in 1979.

TABLE 8.3
Percentage Effect of Asian Descent on Annual and Hourly
Earnings of Foreign-Born Men, Ages 25-64, 1980
 (Benchmark Group is Foreign-Born, Non-Hispanic White Men)

Group	Regression Results (T-statistics in parentheses)			
	Not controlling for English proficiency		Controlling for English proficiency	
	Annual earnings	Hourly earnings	Annual earnings	Hourly earnings
Chinese	-.264 (12.65)*	-.277 (14.35)*	-.179 (8.42)*	-.211 (10.71)*
Filipino	-.208 (8.52)*	-.142 (6.26)*	-.199 (8.10)*	-.143 (6.28)*
Japanese	.178 (4.69)*	.104 (2.96)*	.253 (6.67)*	.159 (4.54)*
Indian	-.113 (4.49)*	-.098 (4.21)*	-.130 (5.13)*	-.119 (5.09)*
Korean	-.190 (5.97)*	-.170 (5.77)*	-.096 (3.01)*	-.100 (3.37)*
Vietnamese	-.191 (4.35)*	-.146 (3.58)*	-.117 (2.68)*	-.092 (2.26)*
<i>Control variables</i>				
Year of immigration	X	X	X	X
Education	X	X	X	X
Work experience	X	X	X	X
Region	X	X	X	X
Location	X	X	X	X
Marital status	X	X	X	X
Disability	X	X	X	X
English proficiency			X	X

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample. Notes: Results derived from regression estimates that include listed "controls" as independent variables. The dependent variable in the earnings regressions is the natural logarithm of earnings. The results indicate the approximate proportionate amount by which the earnings of a particular Asian group differ from the earnings of non-Hispanic white men controlling for various factors that affect earnings. The data set

used for this analysis is restricted to foreign-born men, 25-64 years old, excluding the military, students, and foreign-born men with American parents, who worked at least one week and had nonzero earnings in 1979. Full regression results are presented in table F.1 of appendix F.

*Significant at a .05 level.

than is true for whites (table 4.1), the relatively low earnings of some Asian immigrant groups may reflect the high representation of recent arrivals.

In addition to the recency of their immigration, foreign-born Asian and white men differ in their levels of human capital and other earnings-related characteristics. Asian immigrants tend to be more highly educated than white immigrants. On the other hand, their average years of work experience (as measured by age minus years of schooling minus 6) are substantially lower (table 5.4).

To adjust for differences in skill levels and other earnings-related characteristics, the earnings of

Asian immigrants and white immigrants are compared within a multivariate regression framework. The first two columns of table 8.3 show the estimated earnings effects of Asian descent from an analysis that pools Asian and white observations. Asian descent has a large and statistically significant negative effect on both annual and hourly earnings for all Asian groups, with the notable exception of the Japanese. The estimated coefficients indicate that Asian descent generally lowers earnings by more than 11 percent.

It is useful to estimate separate earnings regressions for each group in order to explore reasons for

TABLE 8.4
Percentage Effect of Years Since Migration on Annual
Earnings of Foreign-Born Men, Ages 25-64, 1980
 (Benchmark Group is Foreign-Born Men, of Each Group, Who Immigrated Before 1950)

Estimated Effect on Annual Earnings (T-statistics in parentheses)												
<i>Not controlling for English language proficiency</i>												
Year of Immigration	Chinese		Filipino		Japanese		Indian		Korean		Non-Hispanic white	
1975-1980	-	.686 (17.28)*	-	.744 (14.02)*	-	.095 (0.79)	-	.548 (3.56)*	-	.758 (1.99)*	-	.272 (3.16)*
1970-1974	-	.364 (9.17)*	-	.381 (7.09)*	-	.168 (1.35)	-	.186 (1.21)	-	.368 (0.97)	-	.102 (1.16)
1965-1969	-	.251 (6.28)*	-	.237 (4.39)*	-	.069 (0.53)	-	.022 (0.14)	-	.221 (0.58)	-	.040 (0.50)
1960-1964	-	.137 (3.01)*	-	.136 (2.07)*	-	.068 (0.53)	-	.039 (0.25)	-	.116 (0.30)	-	.070 (0.89)
1950-1959	-	.123 (2.78)*	-	.114 (1.87)	-	.122 (1.03)	-	.042 (0.26)	-	.187 (0.49)	-	.058 (0.93)
<i>Controlling for English language proficiency</i>												
1975-1980	-	.512 (12.37)*	-	.717 (13.06)*	-	.032 (0.25)	-	.537 (3.50)*	-	.586 (1.55)	-	.136 (1.50)
1970-1974	-	.239 (5.91)*	-	.361 (6.54)*	-	.096 (0.75)	-	.191 (1.24)	-	.267 (0.71)	-	.028 (0.31)
1965-1969	-	.145 (3.59)*	-	.221 (4.01)*	-	.016 (0.12)	-	.035 (0.22)	-	.154 (0.41)	-	.045 (0.55)
1960-1964	-	.052 (1.14)	-	.125 (1.88)	-	.027 (0.21)	-	.024 (0.15)	-	.049 (0.13)	-	.016 (0.21)
1950-1959	-	.064 (1.46)	-	.107 (1.76)	-	.064 (0.54)	-	.017 (0.10)	-	.124 (0.33)	-	.103 (1.63)

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

Notes: The results are derived from separate regression estimations for each group in which education, work experience, region, location, marital status, and disability are controlled for. Full regression results, controlling for English language proficiency are presented in table F.2 of appendix F. The dependent variable in the earnings regressions is the natural logarithm of earnings. The results presented above indicate the approximate

proportionate amount by which the earnings of immigrants, who immigrated during a specified time period, differ from the earnings of immigrants in the same group who have resided in the U.S. 30 years or more. The Vietnamese are excluded from this analysis since there were insufficient numbers of Vietnamese in the 1980 sample who immigrated prior to 1950 to serve as a benchmark group.

*Significant at .05 level.

the earnings differences revealed in table 8.3. The group-specific regressions show that the large negative effects of most Asian ethnic variables stem from differences among groups in the effect of year of immigration on earnings. The estimated coefficients for the year of immigration variables, for each group, are shown in table 8.4.

In each regression of table 8.4, the benchmark group is the foreign born of each group who came to the United States before 1950 and, as of 1980, had been here for at least 30 years. Thus, the coefficients in the first line of table 8.4 show the estimated effect on earnings, for each group, of U.S. residence for 5 years or less versus 30 years or more.

According to the year-of-immigration parameters, recent immigrants in all groups earn less than immigrants (of the same group) who have been in the United States for longer periods of time. However, this gap is much larger for most Asian groups than for white immigrants. Recent immigrants from China, the Philippines, India, and Korea earn about half as much as longer term residents from these countries with similar skills and characteristics, whereas recent white immigrants earn about three-quarters as much as their long term counterparts.²

U.S.-Specific Skills and Immigrant Earnings

The level of U.S. labor market skills among immigrants provides a likely explanation both for the apparent growth in immigrant earnings (with length of residence) within groups, and for differences in immigrant earnings among groups. According to this hypothesis, Asian immigrants tend to do worse than their white counterparts because they are likely to be, at least initially, more deficient in skills specific to the U.S. labor market. Such "assimilation skills" could range from highly specialized ones, such as knowledge of American laws and government resources, to the very basic, such as the way to find a job in the American labor market. Unfortunately, little information exists about the

² The exception to this pattern are the Japanese: the earnings of their recent entrants appear to be less adversely affected than is the case for white immigrants.

³ Analyses of English-language proficiency and immigrants' earnings include Sherrie A. Kassoudji, "English Language Ability and the Labor Market Opportunities of Hispanic and East Asian Immigrant Men," *Journal of Labor Economics*, April 1988; Evelina M. Tainer, "English Language Proficiency and the Determination of Earnings among Foreign-Born Men," *The Journal of Human Resources*, Winter 1988; Barry R. Chiswick,

level of knowledge among immigrants of such mechanics of assimilation.

The 1980 census did, however, collect information on one U.S.-specific skill, the ability to speak English, which might be expected to be essential for finding employment and advancing on the job.³ Differences in the ability of immigrants to speak English could possibly explain the lower earnings of immigrant men in most Asian groups compared with their white counterparts. To measure the importance of English-language proficiency in explaining earnings differences among Asian and white immigrants, English-language proficiency was incorporated into the regression analysis.⁴

Columns 3 and 4 of table 8.3 show the estimated earnings and wage effects of Asian origin adjusting for the ability of immigrants to speak English. Comparing these coefficients with the corresponding coefficients in the first two columns of table 8.3 shows that adjusting for English-language proficiency significantly reduces the estimated negative effect on earnings of Chinese, Korean, and Vietnamese origin, but has little or no effect on the coefficients of Filipino and Indian origin. In the group-specific regressions (table 8.4), adjusting for English proficiency significantly lowers the negative effect on earnings of recent immigration for Chinese, Korean, and Vietnamese immigrants but, again, has little effect on the corresponding coefficients for Filipino and Indian immigrants.

Therefore, although English-language proficiency explains a substantial portion of the earnings gap for some Asian groups, large differences persist between the earnings of these groups and white immigrants. Furthermore, since the level of English-language proficiency among Indian and Filipino immigrants exceeds or comes close to the level for white immigrants (table 5.6), English-language proficiency does not explain their lower relative earnings. These unexplained differences led to exploration of another potential explanation for the earnings gap between Asian and white immigrants.

"The Labor Market Status of Hispanic Men," *The Journal of American Ethnic History*, Fall 1987; Walter McManus, William Gould, and Finis Welch, "Earnings of Hispanic Men: The Role of English Language Proficiency," *Journal of Labor Economics*, April 1983; and Cordelia W. Reimers, "Labor Market Discrimination Against Hispanic and Black Men," *Review of Economics and Statistics*, November 1983.

⁴ Five levels of English proficiency, as measured in the 1980 census, were added to the analysis by using categorical variables.

Permanence and Immigrant Earnings Patterns

Conceivably, the motivation for coming to the United States varies between Asian and white immigrants, and this, in turn, affects investment patterns and earnings profiles. More specifically, immigrants who intended to stay here permanently might be expected to undertake more investments than immigrants who do not. Such investments as starting a business or taking jobs with on-the-job training generally result in lower earnings at first. These investments would only be undertaken if the benefits for making them could be reaped in the future. (Being a part of a permanent community of immigrants, with its attendant networks and associations, would also be expected to facilitate investments.)⁵

Following their different investment patterns, the earnings profiles of permanent immigrants would differ from those of less permanent immigrants. The earnings of immigrants who anticipated staying in the United States would tend to be lower at first, to rise more sharply with length of residence, and eventually to surpass those of less permanent immigrants as the benefits of initial investments accrued.

Analysis of the rates at which immigrants become U.S. citizens strongly suggests that Asian immigrants are more permanent than white immigrants (table 8.5).⁶ Using immigration records to follow the cohort of immigrants who entered the United States in 1971 reveals that 55 percent of the entering Asian immigrant cohort had become naturalized by 1980. The corresponding percentage for immigrants from Western Europe, including immigrants from the United Kingdom, was 16 percent; less than 7 percent of Canadian immigrants had become U.S. citizens during this 10-year period.⁷

If greater initial investment underlies the lower initial earnings of Asian immigrants, then the earnings among Asian immigrants should rise more steeply, compared to whites, with Asian earnings

eventually surpassing those of white immigrants. Examining the average earnings of Asian and white immigrants by year of immigration (table 8.6) provides circumstantial evidence that such a pattern exists. These statistics suggest that the earnings of Chinese, Filipino, Indian, and Korean immigrants grow faster than the earnings of white immigrants. Immigrant men in most Asian groups also appear eventually to earn more than white immigrants. (The earnings of Chinese immigrants approach, but do not surpass, white immigrant earnings.) Vietnamese immigrants are an exception to this pattern: although their earnings appear to increase with time in the United States, they are substantially lower, at every stage, than the earnings of white immigrants.

Rather than being caused by greater initial investments, the greater earnings mobility of the Asian groups may simply reflect their higher educational levels and younger age composition. Persons with high education and those beginning their careers tend to have steeper age-earnings profiles than less educated and more experienced persons. If Asian and white immigrants of similar ages and schooling levels were compared, the earnings growth of Asian immigrant men might resemble the earnings growth of white immigrants.

To determine whether the earnings patterns observed in table 8.6 persist after adjusting for differences in education and work experience, predicted earnings from the group-specific regressions were computed as a function of years since migration. The predicted values (presented in table 8.7 as a percentage of the corresponding white predicted earnings) show greater earnings mobility among Chinese, Filipino, Indian, and Korean immigrants. The earnings of all Asian groups, except the Chinese and Vietnamese, eventually surpass the earnings of their white counterparts. Thus, Asian immigrants generally experience greater earnings mobility than white immigrants even taking into account their higher schooling levels and younger age composition.

⁵ The potential importance of permanence as a factor affecting the progress of immigrants has been discussed and explored in a variety of contexts. See Charlotte Erickson, *Invisible Immigrants: The Adaptation of English and Scottish Immigrants in 19th Century America* (Miami: University of Miami Press, 1972); Michael J. Piore, *Birds of Passage: Migrant Labor and Industrial Societies* (Cambridge: Cambridge University Press, 1979); and George J. Borjas, "The Earnings of Male Hispanic Immigrants in the United States," *Industrial and Labor Relations Review*, April 1982; and Alejandro Portes and Robert L. Bach, *Latin Journey: Cuban and Mexican Immigrants in the United States* (Berkeley and Los Angeles: University of California Press, 1985).

⁶ The naturalization rates reflect both the propensity of immigrants to become naturalized and the propensity of immigrants to stay in the U.S., since they are calculated as the percentage of *all* entering immigrants in a particular year who subsequently became citizens.

⁷ The differences in U.S. attachment may be associated with the cost of migration, including the cost of expected adjustments: the greater the cost of migration, the more time it would take to recoup those costs and the longer the anticipated stay in the U.S. Hence, persons with high costs of migration would be more likely to stay in the U.S. permanently.

TABLE 8.5
Naturalization Rates of 1971 Cohort of Asian and Non-Hispanic White Immigrants

	Cumulative percentage of cohort that is naturalized by year									
	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
Asia	0.40	1.62	2.31	3.58	7.73	11.22	31.44	45.03	51.13	55.31
Western Europe (including U.K.)	0.05	0.07	0.18	0.48	1.64	2.75	7.76	12.18	14.88	16.55
Canada	0.17	0.29	0.38	0.67	1.66	2.60	3.99	5.13	5.88	6.79

Based on statistics from *Immigration and Naturalization Service Annual Reports*. Presented in Alejandro Portes and Rafael Mozo, "The Political Adaptation Process of Cubans and Other Ethnic Minorities in the United States: A Preliminary Analysis," *International Migration Review*, vol. 19, no. 1.

TABLE 8.6
Average Earnings for Foreign-Born Men, 25-64 Years Old, by Years Since Migration to the United States

Years since migration	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
1-5	\$11,156	\$11,198	\$27,112	\$14,769	\$12,493	\$11,320	\$17,803
6-10	16,169	17,675	21,936	24,287	21,726	16,731	20,533
11 years or more	20,722	23,719	24,128	31,988	31,647	17,456	21,751

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample.

Notes: The sample includes men, 25-64 years old, excluding the military and students, who worked at least one week and had nonzero earnings in 1979.

TABLE 8.7**Predicted Hourly Earnings of Asian Foreign-Born Men Relative to Non-Hispanic White Foreign-Born Men by Years Since Migration**

Years since migration	Chinese	Filipino	Japanese	Indian	Korean
0-5	0.65	0.69	1.61	0.82	0.72
11-15	0.73	0.95	1.46	1.15	0.96
16-20	0.82	1.04	1.49	1.23	1.11

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample. Notes: Predicted annual earnings based on group-specific regressions that control for previously cited variables. The entries are derived by dividing the predicted annual

earnings of each group by the corresponding predicted annual earnings of foreign-born non-Hispanic white men.

The "Selection" of Immigrants

Another explanation for why Asian immigrant men eventually earn more than white immigrants (of similar skills and characteristics) is that Asian immigrants may be more favorably "selected" in terms of unmeasured characteristics such as work motivation. In general, persons will only migrate if they expect to recoup the costs of migration. Hence, the higher the costs of migration, the more select immigrants would be in terms of their earnings potential.⁸ Because the costs of migration (including costs associated with subsequent adjustment to the American labor market) are likely to be higher for Asian than white immigrants, Asians might be expected to be a more select group.⁹ According to this hypothesis, the higher earnings of Asian immigrants with time in the United States reflects their more favorable selection in terms of earning abilities.

⁸ This hypothesis was formulated and explored by Barry R. Chiswick, "The Economic Progress of Immigrants: Some Apparently Universal Patterns," in William Fellner, ed., *Contemporary Economic Problems, 1979* (Washington, D.C.: American Enterprise Institute, 1979).

⁹ A potential caveat to the above hypothesis should be noted. Higher costs of migration will lead to more select migrants; *other things equal*. In general, persons will migrate if the discounted expected stream of *net* benefits with migration exceeds the discounted expected stream of benefits in the country of origin. That is, a person will only migrate if (discounted) earnings in the U.S. exceed the (discounted) earnings in the country of origin by at least the (discounted) costs of immigration. Since the difference in earnings opportunities between some Asian countries and the U.S. is greater than the difference between Europe or Canada and the U.S., it does not necessarily follow that Asian immigrants will

Following Cohorts Over Time

The discussion so far has revolved around results from a cross-sectional analysis of 1980 census data. In this type of analysis, earnings mobility is inferred from earnings differences across different waves of immigrants. An implicit assumption is that the earnings of the most recent entrants will, with time in the United States, equal the earnings of longer term immigrants with similar skills and characteristics.¹⁰ To test the findings based on the cross-sectional analyses, cohorts of immigrants were followed over time using 1970 and 1980 census data.

Table 8.8 shows, by group, the percentage change in earnings from 1970 to 1980 of the cohort of immigrants who came to the United States during the years 1965-1970.¹¹ Although it is not possible to follow the same cohort of immigrants for more than 10 years, this analysis does find, as in the cross-sectional analysis, that the earnings of Asian immigrants grow faster than the earnings of white immigrants. The percentage change in both annual

be more select *in terms of earnings potential in the United States* even given higher costs of migration.

¹⁰ A problem with the cross-sectional analysis is that successive waves of immigrants may differ in ways that cannot be measured by available census variables but that, nevertheless, influence observed earnings patterns. Thus, differences in the earnings of immigrants across different waves of immigrants may reflect unmeasured differences across immigrant waves rather than the earnings path of individual immigrants. This point has been illustrated by George Borjas in his article, "Assimilation, Changes in Cohort Quality, and the Earnings of Immigrants," *Journal of Labor Economics*, vol. 3 (October 1985), pp. 463-89.

¹¹ Other cohorts were followed as well and the same results were found.

TABLE 8.8**Percentage Change in Annual Earnings from 1970 to 1980 of the Cohort of Immigrants Who Came to the United States During 1965-1970**

	Chinese	Filipino	Japanese	Indian	Korean	Non-Hispanic white
All						
Annual earnings	248	228	222	256	292	130
Hourly earnings	210	306	169	179	294	98
By years of schooling (hourly earnings)						
Four years or more of college	196	345	179	174	398	122
Less than 16 years of schooling	151	253	257	130	31 ¹	94
By age at immigration (hourly earnings)						
25-34	322	356	262	237	293	111
45-54	85	200	66	146	213	183

Estimates based on the 1980 Census of Population, 5 percent "A" Public Use Sample. Notes: The sample includes men, 25-54 years old in 1970, excluding the military and students, who worked at least one week and had nonzero earnings in both 1970 and

1980. Each entry in the table is computed as ((Earnings in 1980-Earnings in 1970)/Earnings in 1970) X 100.

¹Based on only 10 observations.

and hourly earnings is greater for all Asian groups than it is for white immigrants.¹² As expected, earnings growth with length of residence is also greater for the more educated than it is for the less educated. Nevertheless, the greater percentage change in earnings among Asians persists within educational categories.

Earnings growth by age at immigration is also examined in table 8.8. To the extent that Asian immigrants are more deficient than white immigrants in U.S.-specific human capital, age at immigration would be a more salient determinant of future earnings growth for Asian immigrants than it is for white immigrants; not only should assimilation skills be more difficult to learn at older ages but also the incentive to learn them should decline as the age at immigration increases.

In table 8.8, the percentage change in earnings of immigrants who were 25 to 35 years old at entry is compared with the percentage change in earnings of immigrants who migrated when they were 45 to 55

years old. For all Asian groups, earnings growth is lower for immigrants who came to the United States at older ages; the reverse is true for white immigrants.

Exceptions to the Rule

The cross-sectional and cohort analyses of immigrants showed that Asian immigrant men initially earn less than white immigrants of similar skills and characteristics. Nevertheless, the earnings of Asian immigrants grow rapidly in the United States—more rapidly than the earnings of white immigrants—and, with time, often surpass the earnings of white immigrants. Exceptions to these general patterns are discussed below.

Japanese Immigrants

The cohort analysis revealed that the earnings of Japanese immigrant men tend to grow at a faster rate than the earnings of white immigrant men (table 8.8). However, unlike the other Asian groups, the most

¹² Vietnamese were not included in the cohort analysis because of an insufficient sample size in the 1970 census Public Use Sample.

recent Japanese immigrants (persons who immigrated between 1975 and 1980) earn more than white immigrants. The recent Japanese immigrants also earn somewhat more than Japanese immigrants of similar skills and characteristics who have been in the United States for a longer period of time (table 8.7). These cross-sectional results suggest that Japanese immigrant men, unlike other immigrants, do not go through an adjustment period characterized by low earnings.

The likely explanation for this anomaly is that many recent Japanese immigrants work in Japanese firms located in the United States or in firms with Japanese interests. These immigrants suffer no earnings loss, as there is no adjustment in terms of finding a job, and the skills that they acquired in Japan are immediately relevant to their U.S.-based jobs.¹³ They are simply relocated. Their higher than average earnings (given their education and experience) may reflect compensation for the move.

Table 8.9 replicates for the Japanese the analysis of table 8.4. The coefficients shown here are the estimated percentage differences between the earnings of immigrants in each cohort and the earnings of immigrants who arrived 30 years ago or more, net of differences in skills and characteristics. For instance, the coefficient in the first line shows the estimated effect on earnings of having been in the United States 5 years or less versus 30 years or more.

The second column of table 8.9 shows the results of the same analysis but limited to Japanese immigrants who had become U.S. citizens by the year 1980. By excluding immigrants who have retained their Japanese citizenship, most people who intend to return to Japan are eliminated; thus, the focus is on those who have been, or are, in the process of assimilating into the U.S. labor market. When this is done, recent Japanese immigrants are found, like other Asian immigrants, to earn substantially less than Japanese immigrants of longer U.S. residence. (The coefficient on the most recent year of immigration is statistically significant and similar in magnitude to the coefficients for other Asian groups shown in table 8.4.)

Refugees and Economic Migrants

Most of the immigrants studied in this report are economic migrants—immigrants who came to the

¹³ Similarly, these individuals would not undertake investments in the U.S. that would result in higher earnings only with

TABLE 8.9
Percentage Effect of Years Since Migration on Annual Earnings of Foreign-Born Japanese Men, Ages 25–64, 1980
 (Benchmark Group is Foreign-Born Japanese Men Who Immigrated Before 1950)

Year of Immigration	Estimated effect on annual earnings (T-statistics in parentheses)	
	All	U.S. citizens only
1975–1980	.032 (0.25)	– .541 (2.41)*
1970–1974	– .096 (0.75)	– .336 (1.74)**
1965–1969	.016 (0.12)	.113 (0.65)
1960–1964	– .027 (0.21)	– .126 (0.76)
1950–1959	– .064 (0.54)	– .127 (0.93)

Estimates based on the 1980 Census of Population, 6 percent "A" Public Use Sample. Notes: The results are derived from a regression estimation for Japanese foreign-born men only in which education, work experience, region, location, marital status, disability, and English-language proficiency are taken into account. The results indicate the approximate proportionate amount by which the earnings of Japanese immigrants, who immigrated during a specified time period, differ from the earnings of Japanese immigrants who have resided in the U.S. 30 years or more. Full regression results available upon request.

*Significant at .05 level.

**Significant at .10 level.

United States for economic reasons. Refugees, on the other hand, come because of a political upheaval that forces an unanticipated move. As such, refugees would be expected to be less well equipped for earning a living in the United States than economic migrants. In making this distinction, Barry Chiswick writes:

Since the earning power of one's skills plays a primary role in economic migration and a secondary role in refugee migration, a cohort of the latter is likely to include a larger proportion of workers with skills that have little international transferability. Refugee migration generally arises from a sudden or unexpected change in political conditions, which appear to change more suddenly and more sharply than economic conditions. As a result, refugees are less likely than economic migrants to have

permanent residence in the U.S., since their intention would be to return to Japan.

acquired readily transferable skills and are more likely to have made investments specific to their country of origin.¹⁴

In comparison to economic migrants, refugees are [also] less likely to be self-selected on the basis of high labor market ability and work motivation, because factors other than labor market success are important determinants of their migration.¹⁵

The distinction between refugees and economic migrants provides a possible explanation for the earnings patterns of Vietnamese immigrant men. Analysis of the 1980 census data suggests that the earnings of Vietnamese immigrant men increase with U.S. residence but remain substantially lower than the earnings of whites with comparable levels of education and experience. Their earnings growth also appears to be lower than the earnings growth of other Asian groups.¹⁶

According to the refugee/economic migrant hypothesis, Vietnamese immigrant men earn less and experience less growth in earnings than other Asian groups because they have, on the whole, fewer skills that are transferable to the U.S. labor market. Their status as refugees may also mean that they are less self-selected as a group in terms of high labor market ability, and this too would diminish their progress vis-a-vis other Asian groups.

Distinguishing between political and economic migration may also help illuminate some of the results for Chinese immigrant men. Following cohorts of immigrants over time reveals higher earnings growth for Chinese immigrants than for white immigrants, particularly among men who immigrated (in 1970) when they were 25 to 35 years old (table 8.8). These results suggest that young men coming from China in recent years experience earnings growth as high as immigrant men in other Asian groups. On the other hand, Chinese immigrants who arrived between 1960 and 1964 earned about 18 percent less than white immigrants in 1980, after 16–20 years in the United States (table 8.7). Many of the immigrants in this wave, however, were refugees who left China because of the Civil War and the communist victory in late 1949. The fact that the early waves of post-World War II Chinese immigrants have not done as well as other Asian

immigrants, or as well as later Chinese immigrants, may reflect a predominance of refugee migration.

Summary

Immigrant men in most Asian groups are well represented in professional occupations. Their high representation undoubtedly reflects high levels of education and the large number who identified themselves as professionals upon entry to the United States.

When the earnings of Asian and white immigrants are compared—adjusting for education, experience, year of immigration, and other relevant variables—three patterns emerge. First, except for the Japanese, Asian immigrant men earn less initially than white immigrants of comparable skills and characteristics. Second, with time in the United States, the earnings of Asian immigrants grow more rapidly than the earnings of white immigrants. Third, the earnings of Asian immigrant men who have been here 11 years or more approach or surpass the earnings of white immigrants with similar skills and characteristics; the pattern suggests that Asian immigrants not only catch up with, but often surpass white immigrants. The Vietnamese are an exception: although their earnings appear to increase with length of residence, they remain substantially below the earnings of white immigrants.

Several factors or a combination of factors may explain the differential earnings patterns of Asian and white immigrants. The lower initial earnings of Asian immigrants may reflect lower levels of U.S.-specific skills. Adjusting for English-language proficiency, for instance, reduces the gap in earnings between white immigrants and immigrants from China, Korea, and Vietnam. Migrating at older ages and with lower levels of schooling decreases the earnings mobility of Asian immigrants. Age has no detrimental effect and lower schooling levels have less of an effect on the earnings mobility of whites. The difference between Asian and white immigrants may reflect a greater deficiency of U.S.-specific skills, or greater difficulty in obtaining them once here, for older and less educated Asian immigrants. The combination of low initial earnings and high eventual earnings for Asian immigrant men may also reflect earnings patterns associated with

immigrant men must await data that would permit following a cohort of Vietnamese immigrants. There were not enough observations on Vietnamese immigrants in the 1970 census data to permit a cohort analysis.

¹⁴ Barry R. Chiswick, "The Economic Progress of Immigrants: Some Apparently Universal Patterns," p. 125.

¹⁵ *Ibid.*, p. 128.

¹⁶ Firm conclusions about the earnings growth of Vietnamese

greater investment. Asian immigrants tend to be more permanent than white immigrants. They would, therefore, be more likely than white immigrants to undertake investments—such as starting a business or taking a job with on-the-job training—that result in lower earnings at first but pay off with

time in the United States. Finally, owing to relatively high costs of migration, Asian immigrants may be more highly selected in terms of earnings potential, and this may contribute to their eventual success relative to white immigrants.

The Earnings of Asian Women

This chapter compares the earnings of Asian and white women, adjusting for skills and other factors that may account for earnings disparities. As with men, the earnings of native-born and foreign-born women are analyzed separately. For the native born, sample sizes only permit the analysis of the three largest Asian groups. For the foreign born, the earnings of women in all six Asian groups are analyzed.

The focus throughout the chapter is on married women only. Both annual and hourly earnings results are presented and discussed. However, since preferences and family responsibilities play such a major role in determining whether a woman works, and how much she works, primary emphasis should be placed on the rate of compensation, as measured by hourly earnings, to gauge the relative position of Asian women in the labor market.

Average Earnings

Table 9.1 presents the average annual and hourly earnings of Asian and white married women. These average statistics reveal a relatively high earnings profile for Asian women. Among native-born groups, Chinese women earn 52 percent more on average than native-born white women; on an hourly basis, they earn 34 percent more. The annual earnings of Filipino women are 14 percent higher and their hourly earnings 4 percent higher than the corresponding white measures. The annual and hourly earnings of native-born Japanese women surpass those of white women by 44 and 30 percent, respectively.

Among the foreign born, Filipino women are the highest earners; their annual and hourly earnings are, respectively, 47 and 59 percent greater than the earnings of foreign-born white women. The annual and hourly earnings of Chinese, Japanese, and Asian Indian women all exceed white earnings by 10 percent or more. Only Vietnamese immigrants earn somewhat less: their annual and hourly earnings are 92 and 94 percent, respectively, of the corresponding measures for white immigrant women.

Skill Levels

The high earnings of Asian women clearly reflect comparatively high skill levels. As shown in table 9.2, the schooling levels of Asian women generally exceed those of white women. The level of education among native-born women is particularly high for women of Chinese descent who, on average, completed 14.3 years of schooling in comparison with 12.6 years for white women. Among the foreign born, educational attainments are highest for Indian and Filipino immigrant women. Only Vietnamese immigrants and native-born Filipinos have schooling levels that equal or fall below the average attained by non-Hispanic white women.

With respect to English-language proficiency, the statistics of table 9.2 suggest the presence of small pockets of poor proficiency in native-born Asian populations. Among the foreign born, some Asian groups report higher average levels of proficiency than white immigrants, while others report lower levels. Mirroring the results for foreign-born men, English-language proficiency is highest among Indi-

TABLE 9.1
Average Annual and Hourly Earnings of Native-Born and
Foreign-Born Working Married Women, 1980

	Chinese	Filipino	Japanese	Korean	Indian	Vietnamese	Non-Hispanic white
Native born							
Annual earnings	\$11,619	\$8,675	\$10,991	'	'	'	\$7,620
Relative to non-Hispanic white	1.52	1.14	1.44				1.00
Hourly earnings	\$7.91	\$6.17	\$7.68	'	'	'	\$5.92
Relative to non-Hispanic white	1.34	1.04	1.30				1.00
Foreign born							
Annual earnings	\$8,973	\$11,806	\$8,912	\$9,532	\$10,175	\$7,384	\$8,021
Relative to non-Hispanic white	1.12	1.47	1.11	1.19	1.27	0.92	1.00
Hourly earnings	\$6.58	\$9.32	\$7.36	\$6.47	\$7.15	\$5.48	\$5.85
Relative to non-Hispanic white	1.12	1.59	1.26	1.11	1.22	0.94	1.00

Notes: The subset "working married women" includes only married women, 18 to 65 years of age, who report positive earnings, positive weeks worked, and positive hours worked per week in the 1980 Census; in other words, women who worked at some point during the year 1979. Only married women whose spouse is of the same race and nativity are included.

'Less than 20 observations.

TABLE 9.2
Average Skill Levels of Native-Born and Foreign-Born
Working Married Women, 1980

	<i>Average Values</i>						
	Chinese	Fillpino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Native born							
Years of schooling completed	14.31	12.14	13.16	1	1	1	12.62
Percent English proficient	89%	96%	89%	1	1	1	99.6%
Potential years of work experience	20.77	19.68	26.29	1	1	1	19.39
Percent worked full time in 1975	65%	67%	72%	1	1	1	56%
Foreign born							
Years of schooling completed	12.24	14.69	13.48	14.72	13.16	11.18	11.15
Percent English proficient	31%	64%	25%	68%	16%	22%	58%
Potential years of work experience	20.49	16.58	16.14	13.26	17.64	16.98	25.05
Percent worked full time in 1975	64%	76%	54%	56%	58%	49%	54%

Notes: The subset "working married women", whose average skill levels are presented in this table, includes only married women who report positive earnings, positive weeks worked, and positive hours worked per week on the 1980 Census; in other words, women who worked at some point during the year 1979. English Proficient is defined as Speak Only English or Speak English Very Well, according to the English Ability question on the 1980 census. Years of Work Experience is defined as Age minus Years of Schooling Completed minus 6. The

percentage of married working women who worked full time in 1975 is defined as the percentage of "working" women in 1980 who were not in school in 1975 and who reported working in 1975. A person's age and total reported years of schooling were used to determine whether she was in school in 1975.
 1Less than 20 observations.

an immigrants, 68 percent of whom report speaking only English or speaking English very well. Filipino immigrant women also report a higher average proficiency than white immigrant women. English-language proficiency is substantially lower, however, among Chinese, Vietnamese, and Korean immigrants, less than a third of whom report speaking English well.

Along with education and English-language proficiency, work experience is another key determinant of earnings. Its measurement, however, is problematic, since the census does not ask individuals how long they have worked. In the earnings analyses for men, potential years of work experience—age minus years of schooling minus 6—was used as a substitute measure for actual years of work experience. This measure is a much less satisfactory indicator of actual years of work experience for women, since a substantial proportion of women in the labor force have not worked continuously since the completion of their schooling; the greater the interruptions to a woman's career, the greater the deviation between her actual and potential years of work experience. As an indicator of the labor market commitment of Asian and white women, table 9.2 shows the percentage of working women in each group who reported in 1980 that they were working full time in 1975.¹

According to the work experience statistics of table 9.2, both years of potential work experience and commitment to the work force are greater among Asian native-born women than among white native-born women. Among the foreign born, years of potential work experience are lower for all Asian groups than for white immigrants. These differences mainly reflect the relatively young ages of Asian immigrants and, to a lesser degree, their high levels of schooling. Comparing the percentage of foreign-born Asian and white women who worked full time in 1975, however, reveals a higher commitment to the work force in many of the Asian groups. Filipino immigrant women appear to be the most committed of all immigrant groups, with 76 percent reporting having worked full time in 1975.

¹ This is the percentage of women (with positive earnings, hours, and weeks worked in 1980) who were not in school in 1975 and who reported working full time in 1975. A person's age and total years of schooling were used to determine whether she was in school in 1975.

² For analyses of the earnings of Asian women using 1970 census data, see Barry R. Chiswick, *An Analysis of the Economic Progress and Impact of Immigrants* (U.S. Department of Labor, June 1980),

Multivariate Regression Results

To determine how Asian women fare in the labor market, the annual and hourly earnings of Asian and white women need to be compared taking into account skill levels and other characteristics, such as geographic location, that affect earnings.² Tables 9.3 and 9.4 show the results of multivariate regression analyses in which the effects of Asian descent on earnings were estimated adjusting for relevant variables. In table 9.3, the earnings effect of Asian descent is measured in comparison with native-born white women. The benchmark group in table 9.4 is white immigrant women.

The multivariate analyses in both tables provide no evidence that Asian women earn less, either on an annual or hourly basis, than white women with similar skills and characteristics. The estimated effects of Asian descent among the native born (table 9.3) are positive and statistically insignificant. The results suggest that being Asian does not affect, in a statistically significant fashion, the earnings of American-born women. Among the foreign born (table 9.4), Filipino, Korean, and Vietnamese descent is associated with an earnings advantage, whereas Chinese, Japanese, and Indian descent is found to have no statistically significant effect on earnings.

Taking occupation and industry of employment into account does not alter these basic conclusions. Asian women, according to the multivariate results presented in tables 8.3 and 8.4, earn on par with white women both across occupations and industries and within occupations and industries.

Earnings and Assimilation

The absence of any earnings disadvantage for Asian immigrant women is particularly interesting given the finding that Asian immigrant men earn less than white immigrant men with similar levels of skills and characteristics. As shown in chapter 8, the lower earnings of Asian immigrant men appear to reflect an earnings deficit associated with their initial years in America—a deficit that is overcome with time in the United States.

pp. 182–221 and appendix E; James E. Long, "The Effect of Americanization on Earnings: Some Evidence for Women," *Journal of Political Economy*, vol. 88, no. 3 (June 1980), pp. 620–29; and Morrison G. Wong and Charles Hirschman, "Labor Force Participation and Socioeconomic Attainment of Asian-American Women," *Sociological Perspectives*, vol. 26, no. 4 (October 1983), pp. 423–46.

TABLE 9.3
Percentage Effect of Asian Descent on Annual and Hourly
Earnings of Native-Born Married Women, 1980

(Benchmark Group is Native-Born, Non-Hispanic White, Married Women)

<i>Group</i>	Regression Results							
	Across occupations and industries				Controlling for occupation and industry			
	Annual earnings		Hourly earnings		Annual earnings		Hourly earnings	
	1	2	3	4				
Chinese	.225 (0.48)	.095 (0.32)	.196 (0.44)	.079 (0.28)				
Filipino	.178 (0.26)	.054 (0.12)	.235 (0.35)	.084 (0.20)				
Japanese	.258 (1.14)	.063 (0.45)	.293 (1.34)	.088 (0.63)				
Control variables								
Education	X	X	X	X				
English ability	X	X	X	X				
Work experience variables								
Potential work experience	X	X	X	X				
Children ever born	X	X	X	X				
Spacing of children	X	X	X	X				
Age at first marriage	X	X	X	X				
Whether worked in 1975	X	X	X	X				
Region	X	X	X	X				
Location	X	X	X	X				
Disability	X	X	X	X				
Industry			X	X				
Occupation			X	X				

Notes: The results are derived from a regression estimation that includes listed "controls" as independent variables. The estimated coefficients for all of the explanatory variables are given in appendix G, table G.1. The dependent variable in the earnings regressions is the natural logarithm of earnings. The results indicate the approximate proportionate amount by which the earnings of a particular Asian group differ from the earnings of native-born, non-Hispanic white married women, controlling for various factors that affect earnings. The data set used for this analysis is the 5

percent "A" Public Use Sample of the 1980 Census of Population. It is restricted to married native-born women, 18 to 65 years of age, who worked at least one week in 1979 and had nonzero earnings, and who identified themselves as Chinese, Filipino, Japanese, or non-Hispanic white. Students and women in the military are excluded. A random sample of 1 in 1000 was used for non-Hispanic whites, given the large number in this group. To restore the data to actual population portions, each non-Hispanic white observation was given a weight of 50.

TABLE 9.4
Percentage Effect of Asian Descent on Annual and Hourly
Earnings of Foreign-Born Married Women, 1980

(Benchmark Group is Foreign-Born, Non-Hispanic White, Married Women)

Regression Results
(T-statistics in parentheses)

<i>Group</i>	<i>Across occupations and Industries</i>				<i>Controlling for occupation and industry</i>			
	<i>Annual earnings</i>		<i>Hourly earnings</i>		<i>Annual earnings</i>		<i>Hourly earnings</i>	
	1	2	3	4	1	2	3	4
Chinese	.060	(1.53)	-.019	(0.72)	.050	(1.30)	-.003	(0.11)
Filipino	.177	(4.22)*	.046	(1.59)	.144	(3.49)*	.041	(1.43)
Japanese	.009	(0.07)	.008	(0.10)	.075	(0.67)	.074	(0.97)
Indian	.075	(1.49)	.024	(0.70)	.075	(1.53)	.034	(1.02)
Korean	.269	(4.99)*	.083	(2.24)*	.294	(5.57)*	.131	(3.59)*
Vietnamese	.309	(4.10)*	.137	(2.65)*	.259	(3.52)*	.157	(3.09)*
<i>Control variables</i>								
Year of immigration	X		X		X		X	
Education	X		X		X		X	
English ability	X		X		X		X	
<i>Work experience variables</i>								
Potential work experience	X		X		X		X	
Children ever born	X		X		X		X	
Spacing of children	X		X		X		X	
Age at first marriage	X		X		X		X	
Whether worked in 1975	X		X		X		X	
Region	X		X		X		X	
Location	X		X		X		X	
Disability	X		X		X		X	
Industry					X		X	
Occupation					X		X	

Notes: The results are derived from a regression estimation that includes listed "controls" as independent variables. The estimated coefficients for all of the explanatory variables are given in appendix G, table G.2. The dependent variable in the earnings regressions is the natural logarithm of earnings. The results indicate the approximate proportionate amount by which the earnings of married women in a particular Asian group differ from the earnings of foreign-born, married non-Hispanic white married women, controlling for various factors that affect earnings. The data set

used for this analysis is the 6 percent "A" Public Use Sample of the 1980 Census of Population. It is restricted to foreign-born married women, 18 to 65 years of age, who worked at least one week in 1979 and had nonzero earnings, and who identified themselves as Chinese, Filipino, Japanese, Indian, Korean, Vietnamese, or non-Hispanic whites. Students and women in the military are excluded.

*Significant at .05 level.

TABLE 9.5
Percentage Effect of Years Since Migration on Hourly Earnings of
Foreign-Born Married Women, 1980

(Benchmark Group is Foreign-Born Married Women, of Each Group,
 Who Immigrated Before 1950)

Estimated Effect on Hourly Earnings
 (T-statistics in parentheses)

Year of Immigration	Chinese	Filipino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
1975-1980	-.363 (4.86)*	-.183 (2.08)*	-.352 (0.91)	-.067 (0.20)	-.282 (0.40)	-.301 (0.71)	-.492 (2.61)*
1970-1974	-.237 (3.26)*	.029 (0.34)	-.109 (0.29)	.061 (0.19)	-.144 (0.21)	-.482 (1.07)	-.269 (1.59)
1965-1969	-.163 (2.25)*	.128 (1.46)	-.163 (0.42)	.182 (0.55)	-.005 (0.01)	-.228 (0.48)	-.265 (1.72)
1960-1964	-.122 (1.57)	.019 (0.19)	-.285 (0.73)	.223 (0.65)	-.084 (0.12)	.610 (1.12)	-.286 (1.81)
1950-1959	-.086 (1.09)	.128 (1.26)	-.184 (0.47)	.437 (1.16)	.221 (0.31)	.246 (0.33)	-.143 (1.01)

Notes: The estimated coefficients are from separate group-specific regressions in which education, English ability, work experience variables, region, location, and disability were included as explanatory variables. Full regression results are available upon request.

*Significant at .05 Level.

TABLE 9.6
Percentage Effect of Asian Descent on Hourly Earnings of
Native-born and Foreign-Born Married Women Who Worked
Full Time in 1975

(Benchmark Group is Foreign-Born, Non-Hispanic White Women Who Worked Full-Time in 1975)

<i>Group</i>	Regression Results (T-statistics in parentheses)			
	<i>Native born</i> (Benchmark group is native-born, non-Hispanic white women who worked full time in 1975)		<i>Foreign born</i> (Benchmark group is foreign-born, non-Hispanic white women who worked full time in 1975)	
	Annual earnings	Hourly earnings	Annual earnings	Hourly earnings
Chinese	.209 (0.45)	.088 (0.27)	.060 (1.56)	.017 (0.56)
Filipino	.031 (0.05)	.052 (0.11)	.141 (3.58)*	.097 (3.09)*
Japanese	.218 (0.97)	.068 (0.42)	.040 (0.33)	.080 (0.83)
Indian			.037 (0.70)	.065 (1.53)
Korean			.116 (2.16)*	.081 (1.88)
Vietnamese			.161 (1.94)	.054 (0.81)
<i>Control variables</i>				
Year of immigration				X
Education		X		X
English ability		X		X
<i>Work experience variables</i>				
Potential work experience		X		X
Children ever born		X		X
Spacing of children		X		X
Age at first marriage		X		X
Whether worked in 1975		X		X
Region		X		X
Location		X		X
Disability		X		X

*Significant at .05 level.

A glimpse of the assimilation experience of immigrant women is provided by the statistics of table 9.5. Each column in this table shows the estimated effect on hourly earnings of year of immigration from regressions that were separately estimated for each group. (Table 9.5 is analogous to table 8.4 for immigrant men.)

The benchmark group in each regression of table 9.5 is comprised of the foreign-born women in each group who came to the United States before 1950 and, as of 1980, had been here for at least 30 years. The coefficients in the first line of table 9.5 show, for each group, the estimated effect on hourly earnings of having been in the United States 5 years or less versus 30 years or more.

In each group, the hourly earnings of recent immigrants tend to be lower than the earnings of longer term immigrants with similar skills and characteristics. This tendency, however, is no greater for Asian immigrant women than it is for white immigrant women. Thus, in contrast to the findings for foreign-born men, the assimilation experience of Asian immigrant women appears not to be marked by a greater initial earnings deficit than is experienced by their white counterparts.

Adjusting for Work Experience

In estimating the earnings effect of Asian descent, careful attention was paid to adjusting for differences in the amount of work experience Asian and white women had accumulated. More specifically, variables were included in the earnings estimations to capture differences between actual years of work experience and potential years of work experience (as measured by age minus years of schooling minus 6). For instance, the number of children ever born was used as a control variable, since this tends to be inversely related to years of work experience. Other

variables, such as age at marriage and the spacing of children, were included as well. The inclusion of these variables in the earnings estimations may, however, only imperfectly adjust for intergroup differences in actual work experience.

To lessen the likelihood that the results presented in tables 9.3 and 9.4 reflect unmeasured differences in work experience among Asian and white women, the analysis was repeated, limiting the sample to women who are strongly committed to the labor force. As defined here, these are women who report having worked full time in 1975. The estimated effects of Asian descent on the hourly earnings of this subset are shown in table 9.6.

Restricting the estimation to women who worked full time in 1975 reduces the size of the estimated coefficients on Asian descent. However, the estimated effects remain positive and generally statistically insignificant for both native-born and foreign-born Asian groups. The results bolster the conclusion that, adjusting for skills and characteristics, Asian women earn on a par with white women.

Summary

The annual and hourly earnings of Asian women generally surpass those of white women. This earnings advantage undoubtedly reflects the high educational levels of Asian women as well as their strong attachment to the work force. Determining whether the earnings of Asian women are affected by racial discrimination, however, requires adjusting for educational attainment, work experience, and other earnings-related skills and characteristics. When skill levels such as educational attainment and characteristics such as geographic location are taken into account, no evidence of a negative effect on earnings of Asian descent is found.

PART III

Changes Over Time and Conclusions

The chapters in part III examine the relative economic status of Asians over time and in today's labor market. Comparing the relative economic status of Asian men in 1960 with their relative economic status in 1980, chapter 10 addresses the issue of whether the earnings of Asian men were

adversely affected by labor market discrimination in 1960, and whether the relative position of Asian men has improved in recent years. Chapter 11 reviews the results of the report and discusses their relevance to the issue of current labor market discrimination.

Changes in the Relative Economic Status of Asian Americans

This chapter assesses evidence of gains in the economic status of Asians relative to whites. Adjusting for skills and characteristics, the relative earnings of Asians in 1960 are compared with their relative earnings in 1980. Special attention is given to the role of changing patterns of discrimination in affecting Asian economic progress.

Methodological Issues

The 1960-1980 comparison is limited to the native-born, since unobservable changes in the characteristics of immigrants over time make it difficult to judge whether changes in their relative economic status stem from compositional changes or changes in the economic climate, including the extent of discrimination. Similarly, the analysis is limited to men; women's roles have been so radically transformed in the last few decades that untangling these changes from changes in economic discrimination would be difficult.

Differences between the 1960 and 1980 census data require limiting the groups studied. Although a 5 percent Public Use Sample of the 1980 census is available, only a 1 percent sample of the 1960 census is available for detailed analysis. The small size of the 1960 sample makes the study of native-born Koreans, Asian Indians, and Vietnamese impractical. In addition, these groups were not identified as

¹ It is possible to identify second-generation Korean and Asian Indian native-born Americans in 1960 by identifying all native-born Americans that have a parent born in Korea or India. However, the 1980 census does not record parents' place of birth.

separate races in the 1960 census, as was done in the 1980 census.¹ Consequently, the 1960-1980 comparison is limited to native-born Japanese, Chinese, and Filipinos.

The effects on earnings of Japanese, Chinese, and Filipino descent are presented throughout the chapter. However, the 1960 sample sizes for the Chinese and Filipino populations are small. Since results on individual groups become less reliable with smaller sample sizes, the results of estimations that pool the Japanese, Chinese, and Filipinos and treat them as one Asian group are also presented.

The goal of the analyses presented in chapter 7 was to measure recent earnings differences between native-born Asian and white men that might be attributable to discrimination against Asians. In keeping with this objective, information in the 1980 census was fully utilized to control for variables that affect earnings but are not themselves a function of labor market discrimination. For instance, English-language proficiency and where individuals live were entered as precisely as possible into each estimation. Any unexplained differences in earnings after controlling for these and other relevant variables might be interpreted as evidence of labor market discrimination. Careful attention was also paid to excluding Hispanics—a group potentially affected by labor market discrimination—from the

The use of the 1980 census ancestry variable does not allow one to distinguish second-generation Americans from latter generations of Americans.

TABLE 10.1
Ratio of Asian Annual and Hourly Earnings to Non-Hispanic Whites, Native-Born Men, Ages 25-64

	1960		1980		Change in Asian relative earnings as a percent of 1960 relative earnings	
	Annual earnings	Hourly earnings	Annual earnings	Hourly earnings	Annual earnings	Hourly earnings
Chinese	1.14	1.06	1.08	1.17	-0.05	0.10
Filipinos	0.65	0.70	0.85	0.91	0.31	0.30
Japanese	0.99	0.92	1.07	1.09	0.08	0.18

Estimates based on the 1960 Census of Population, 1 percent Public Use Sample and the 1980 Census of Population, 5 percent "A" Public Use Sample. Notes: Asian average earnings are shown as a percentage of non-Hispanic white average earnings.

For both years, the sample includes men, 25-64 years old, excluding the military and students, who worked at least one week in the year and had nonzero earnings.

benchmark group of whites so as not to underestimate the extent of potential labor market discrimination experienced by Asian men.

The 1960 census data are more limited and do not permit as careful an analysis as was done with the 1980 data. Fewer earnings-related variables are available. There is, for instance, no information on English-language proficiency in the 1960 census. The variables that are available for 1960 often convey less information than the analogous 1980 census variables. For instance, the information on where individuals live is less precise.²

To ensure that measured changes in the relative economic status of Asians between 1960 and 1980 do not reflect changes in census methodology, only variables available in both censuses were used in the intertemporal analysis. The 1980 data were also recoded to reflect the more limited 1960 information. The reader should bear in mind, therefore, that the 1980 earnings results presented in this chapter differ from the results for native-born men presented in chapter 7. The results in chapter 7 represent more accurate measures of unexplained earnings differen-

tials between native-born Asian and white men; they provide better estimates of the extent to which the earnings of Asian men may be currently affected by discrimination. The primary purpose of this chapter is to assess whether change has occurred in the relative economic status of Asian men.

Relative Earnings: 1960 and 1980

Table 10.1 presents the ratio of Asian annual and hourly earnings to that of whites. In 1960 Japanese and Filipino men earned less than white men. In terms of annual and hourly earnings, Filipinos earned about 70 percent as much as whites. Although the annual earnings of the Japanese approached those of whites, their hourly earnings were 92 percent of white hourly earnings. In contrast, Chinese men earned more than white men: on an annual basis they earned 14 percent more, and on an hourly basis they earned 6 percent more.

Between 1960 and 1980, there is evidence of significant progress in the earnings of Asian men relative to white men.³ Chinese men continued to

² Information on the hours and weeks worked by individuals is also available only within brackets in the 1960 census data, whereas the exact reported hours and weeks worked are recorded in the 1980 data. For further information on the noncomparabilities between the 1960 and 1980 data, and how these differences were resolved, see appendix G.

³ Comparing the 1980 results of table 10.1 with previous 1980 results (e.g., table 7.1), the reader will notice certain differences. These differences arise from two methodological factors. One,

the benchmark group in the 1960-1980 comparison does not exclude Hispanics as successfully as the previous 1980 analyses. The less restrictive approach adopted here to conform with 1960 data limitations causes a slight increase in the relative 1980 annual earnings of Asian groups by lowering white earnings. Second, hours and weeks worked were bracketed in 1980 to match the 1960 data. The bracketed data in 1960 and 1980 were then assigned the same values. (If actual 1980 hours and weeks were

TABLE 10.2
Ratio of Asian Skills to Non-Hispanic
White, Native-Born Men, Ages 25-64

	Education		Experience	
	1960	1980	1960	1980
Chinese	1.10	1.18	0.87	0.82
Filipinos	0.95	0.97	0.78	0.87
Japanese	1.09	1.08	0.82	1.09

Estimates based on the 1980 Census of Population, 1 percent Public Use Sample and the 1980 Census of Population, 5 percent "A" Public Use Sample.

Notes: The entries were derived by dividing Asian average skill levels by non-Hispanic white average skill levels. For both years, the sample includes men, 25-64 years old, excluding the military and students, who worked at least one week in the year and had nonzero earnings.

earn more than white men, increasing their relative advantage in hourly earnings by 10 percent.⁴ Japanese and Filipinos also made significant gains. By 1980 the earnings of native-born Japanese men exceeded those of whites; Japanese hourly earnings relative to those of whites grew 18 percent, and their relative annual earnings increased 8 percent. Filipinos experienced even more impressive earnings growth. Although in 1960 Filipinos earned 65 percent as much per year as whites, by 1980 their annual earnings were 85 percent of the annual earnings of whites—a 30 percent increase in their relative position. Their hourly earnings, vis-a-vis whites, also increased 30 percent.

Relative Skill Levels: 1960 and 1980

Of course, between 1960 and 1980, the Asian and white populations changed: persons 45 years old and older in 1960 are not members of the 25-64-year-old population studied with the 1980 data; persons born between the years 1935 and 1955, and therefore not in the 1960 population of 25 to 65 year olds, became a part of the 1980 population. Accompanying these

used, then the measured changes in hourly earnings from 1960 to 1980 might reflect changes from the imputed 1960 hours and weeks worked—within brackets—to the actual 1980 hours and weeks worked.) Since the imputed values for Japanese and Chinese men in 1980 are somewhat higher than the actual 1980 values, the hourly earnings of these groups are spuriously lowered.

⁴ Although the annual earnings of Chinese fell 6 percent relative to whites, the annual hours worked by Chinese fell 3 percent

generational changes were changes in the skills and characteristics of the 1960 and 1980 populations.

Table 10.2 presents the relative skill levels of Asian men compared to white men in 1960 and 1980. In 1960 Japanese and Chinese native-born Americans had 9 percent and 10 percent more years of schooling, respectively, than whites, whereas Filipinos had, on average, 5 percent less schooling than whites. Between 1960 and 1980, Japanese and Filipino Americans kept pace with the rise in educational levels among whites, their relative levels changing only a little, while the schooling level of Chinese Americans increased relative to whites.

Changes also occurred in the relative work experience levels of Asian men. As a result of the post-World War II baby boom, the average age of the white work force declined from 1960 to 1980. Corresponding to this change was a decline in average years of work experience for white men. To the extent that the baby boom was less pronounced among Asian groups, their average levels of work experience (as measured by age minus years of schooling minus 6) would have increased relative to the white average.

Indeed, the average years of work experience of the Japanese and Filipino work force relative to whites were dramatically higher in 1980 than in 1960. Japanese men, 25 to 65 years old, had only 82 percent as much work experience as whites in 1960, but by 1980 they had 9 percent more years of work experience than whites. Filipino men had a smaller but still substantial increase: relative to whites, their experience rose from 78 to 87 percent.⁵

The statistics of table 10.2 suggest that, commensurate with the relative increase in Asian earnings, there were changes in the relative skill levels of Asian groups. Although Japanese and Filipino men experienced little or no increase in their relative educational levels, they did gain in terms of average years of work experience. In the Chinese population, average years of work experience declined relative to whites. On the other hand, the Chinese showed an 8 percent increase in their relative level of schooling.

relative to whites. Economic progress for Chinese is still likely, since Chinese earned increasingly more per hour and had increased leisure time as well.

⁵ The relative gain in work experience for Japanese and Filipino men is mainly due to the large decrease in average years of work experience in the white population. The Japanese are the only group that experienced an absolute increase in average work experience between 1960 and 1980.

The changing skill levels of Asians relative to whites might explain why the relative earnings of Asian men rose between 1960 and 1980.

Relative Earnings in 1960 and 1980: Adjusting for Skills and Characteristics

To assess whether changing patterns of discrimination affected the economic progress of Asians, the improved relative skill levels of Asians need to be taken into account, as well as changes in other factors that relate to earnings, such as region of residence, marital status, and the propensity to settle in cities. Multivariate regression analysis was used to measure the extent to which being Asian was associated with lower earnings in 1960 and in 1980, adjusting in each year for skills, region, urban location, and marital status.

Table 10.3 presents the percentage effect of Asian descent on annual and hourly earnings in 1960 and 1980, adjusting for relevant variables that are similarly defined in both of the census data sets. The results reveal a clear decrease over time in the estimated effects of Asian descent on annual and hourly earnings.

For all Asian groups, there are large declines in the estimated negative effects of Asian descent on hourly earnings. The magnitude of the estimated coefficients decreased from 1960 to 1980 by at least 55 percent for each Asian group. The level of statistical significance accompanying the estimated effects declined as well.⁶

Although the 1960 estimated effects of Chinese and Filipino descent on hourly earnings do not achieve statistical significance, the lack of statistical significance may be caused by the small sample sizes for those groups in 1960.⁷ For the largest native-born group in 1960, the Japanese, the estimated effect of Asian descent is statistically significant.

Taking all Asians as a group suggests that, in 1960, Asian men earned approximately 17 percent less than white men with similar skills and characteristics—a result that is statistically significant. In 1980 the corresponding wage gap was 3.8 percent—a decrease of 78 percent from the 1960 result. Not only had the wage effect of being Asian (other things equal) become small in absolute terms by 1980, but also it is not statistically different from an

effect of zero. Despite the large sample sizes for these groups in 1980, the effect of Asian descent on hourly earnings is statistically insignificant in 1980 for each Asian group and for all Asian groups combined.

The estimated negative effect of Filipino and Japanese descent on annual earnings also declined sharply between 1960 and 1980. The estimated effect of Filipino descent in 1980 was only 69 percent of the estimated 1960 coefficient. The change is particularly impressive for the Japanese; the large negative effect on annual earnings of Japanese descent found in 1960 was completely eliminated by 1980. The Chinese showed no change in their relative earnings position from 1960 to 1980. (In 1960 Chinese descent was found to lower annual earnings only 5.6 percent.) However, combining the annual and hourly earnings results suggests that the Chinese compensated for their lower hourly earnings in 1960 by working longer hours.

Taken together, the results in table 10.3 suggest that earnings discrimination did affect the earnings of Asian men in 1960 and that labor market discrimination against Asians apparently declined between 1960 and 1980, aiding the economic progress of Asian American men.

Earnings Differences Within Occupations and Industries

The lower earnings for Asian Americans in 1960 might have occurred either because their earnings in any occupation were lower or because Asians were not found in higher paying positions. Both could be forms of discrimination. On the one hand, Asian Americans could be paid less than whites for doing the same work. On the other hand, even if Asian Americans earn as much as whites in any occupation, but are prevented, because of their race, from entering higher paying occupations, then this, too, would constitute labor market discrimination. To learn about the mechanisms underlying the 1960 earnings gap, the percentage effect of Asian descent on annual and hourly earnings was estimated with occupation and industry added to the list of control variables. The results are presented in table 10.4.

Adjusting for occupation and industry dramatically reduces the estimated effect of Asian descent on

samples does not imply the absence of a difference between the populations.

⁶ A low level of statistical significance may result from a small sample size.

⁷ The absence of a statistically significant difference for small

TABLE 10.3
Percentage Effect of Asian Descent on Annual and Hourly
Earnings of Native-Born Men, Ages 25-64: 1960 and 1980

<i>Group</i>	Regression Results (T-statistics in parentheses)					
	Annual earnings			Hourly earnings		
	1960	1980	Change in estimated effects of Asian descent	1960	1980	Change in estimated effects of Asian descent
Chinese	-0.056 (0.37)	-0.059 (0.62)	-5%	-0.118 (0.81)	-0.035 (0.41)	70%
Filipino	-0.352 (1.29)	-0.109 (0.90)	69%	-0.241 (0.92)	-0.064 (0.58)	73%
Japanese	-0.143 (1.53)	0.005 (0.09)	103%	-0.190 (2.08)*	-0.084 (0.62)	56%
All Asians	-0.134 (1.58)	-0.025 (0.51)	81%	-0.175 (2.16)*	-0.038 (0.85)	78%
<i>Control variables</i>						
Education	X	X		X	X	
Experience	X	X		X	X	
Region	X	X		X	X	
Location	X	X		X	X	
Marital status	X	X		X	X	

Estimates based on the 1960 Census of Population, 1 percent Public Use Sample and the 1980 Census of Population, 5 percent "A" Public Use Sample.

Notes: The results for each year come from two separate sets of regressions. In one, the three Asian groups were entered as separate explanatory variables. In the other, a combined Asian variable was used. For both

years, the sample includes men, 25-64 years old, excluding the military and students, who worked at least one week in the year and had nonzero earnings. The dependent variable in the earnings regression is the natural logarithm of earnings. Full regression results available upon request.

*Significant at .05 level.

TABLE 10.4
Percentage Effect of Asian Descent on Annual and Hourly Earnings of
Native-Born Men Ages 25-64, Controlling for Occupation and
Industry: 1960 and 1980

Group	Regression Results (T-statistics in parentheses)							
	Annual earnings				Hourly earnings			
	1960		1980		1960		1980	
Chinese	- .005	(0.03)	- .049	(0.53)	- .024	(0.18)	- .021	(0.25)
Filipino	- .191	(0.74)	- .063	(0.53)	- .076	(0.31)	- .027	(0.25)
Japanese	.012	(0.13)	.035	(0.60)	.006	(0.07)	.002	(0.04)
All Asians	- .002	(0.03)	- .001	(0.02)	- .005	(0.07) [*]	- .007	(0.16)
<i>Control variables</i>								
Education	X		X		X		X	
Experience	X		X		X		X	
Region	X		X		X		X	
Location	X		X		X		X	
Marital status	X		X		X		X	
Occupation	X		X		X		X	
Industry	x		X		X		X	

Estimates based on the 1960 Census of Population, 1 percent Public Use Sample and the 1980 Census of Population, 5 percent "A" Public Use Sample.

Notes: The results for each year come from two separate sets of regressions. In one, the three Asian groups were entered as separate explanatory variables. In the other, a

combined Asian variable was used. For both years, the sample includes men, 25-64 years old, excluding the military and students, who worked at least one week in the year and had nonzero earnings.

*Significant at .05 level.

earnings in 1960. In fact, when Asians and whites are found in roughly similar jobs, and are otherwise similar, they make the same hourly wage, a far cry from the approximately 17 percent differential found when occupation and industry are not taken into account (table 10.3). In addition, the strong statistically significant results of table 10.3 for the year 1960 are eliminated in table 10.4. The evidence that Asians received lower pay for roughly equal work in 1960 is very weak. For the Japanese, in fact, a statistically significant 19 percent wage differential (table 10.3) is completely erased when occupation and industry are taken into account (table 10.4).

Adjusting for occupation and industry also diminishes the unexplained differences between Asians and whites in annual earnings. Only Asians of Filipino descent appear to have earned less than whites when doing similar work in 1960; differences within job categories explain about half of the

overall differential of 35 percent (table 10.3). The other half is explained by the fact that Filipinos were likely to be in lower paying jobs than whites with similar education and other characteristics.

The annual earnings of Asians as a group are predicted to have been only two-tenths of a percent less than the annual earnings of whites in 1960, controlling for skills, characteristics, and occupation and industry. The corresponding estimated effect in 1980—a negative one-tenth of a percent—is almost identical.

Taken together, the annual and hourly earnings results suggest that almost all of the negative effect of Asian descent on earnings in 1960 was a result of Asians being disproportionately employed in lower paying occupations and industries (given their skills and characteristics). There is little evidence that Asians earned less than whites within the same occupation and industry. Thus, labor market dis-

TABLE 10.5
Adjusted Earnings Evaluated at Asian-Specific Values of
Skills and Characteristics, Native-Born Men,
Ages 25-64: 1960 and 1980

	Chinese		Filipino		Japanese	
	1960	1980	1960	1980	1960	1980
Annual earnings						
Asian	\$5,228	\$16,457	\$3,386	\$13,127	\$5,055	\$17,000
Non-Hispanic white	6,019	16,804	5,520	13,909	6,565	16,037
Asian relative to non-Hispanic white	0.87	0.98	0.61	0.94	0.77	1.06
Hourly earnings						
Asian	\$2.40	\$8.60	\$1.90	\$7.20	\$2.40	\$8.60
Non-Hispanic white	3.00	8.70	2.70	7.50	3.10	8.60
Asian relative to non-Hispanic white	0.80	0.99	0.70	0.96	0.77	1.00

Notes: Predicted earnings based on group-specific regressions evaluated at Asian-specific mean levels of all explanatory variables. The dependent variable

in the earnings regressions is the natural logarithm of earnings. The Asian earnings shown here are geometric means.

TABLE 10.6
Hourly Earnings of Asian Men by Years of Schooling
Relative to Non-Hispanic Whites, Native-Born Men,
Ages 25-64: 1960 and 1980

	8 years of schooling		12 years of schooling		16 years of schooling	
	1960	1980	1960	1980	1960	1980
Chinese	0.80	0.90	0.85	0.94	0.91	0.99
Filipino	0.83	1.07	0.79	0.96	0.75	0.86
Japanese	0.75	1.05	0.77	1.04	0.78	1.04

Notes: Predicted hourly earnings based on group-specific regressions evaluated at various years of schooling, 20 years of experience, and Asian group-specific (and year-specific) mean levels of all other explanatory variables.

crimination against Asians in 1960 likely operated by limiting their entry into higher paying occupations and industries. To the extent that earnings differences in 1960 resulted from such discrimination, the reduction in earnings differences between Asians and whites that occurred from 1960 to 1980 (controlling for changes in skills and characteristics) likely stemmed from an opening of employment opportunities to Asian men.⁸

Predicted Earnings: 1960 and 1980

The change in the relative economic status of Asian men was examined by estimating separate earnings regressions for each group in 1960 and in 1980. The estimated coefficients from these regressions were then used to estimate the earnings of Asian men with the average skills and characteristics of their group in 1960 and in 1980. The coefficients from the white earnings regressions were used to estimate the earnings that white men would receive if endowed with the average skills and characteristics of each Asian group. As such, this analysis seeks to determine whether the economic status of the average Asian man changed from 1960 to 1980, relative to whites with comparable skills and characteristics. The comparison, shown in table 10.5, reveals impressive gains for all three Asian groups.

⁸ These conclusions rest on the finding that the 1960 earnings differential was largely eliminated once occupation and industry were taken into account. Alternatively, the 1960 earnings gap, before controlling for occupation and industry, could have been caused by a greater tendency in 1960 for Asian Americans to be employed in agricultural occupations in which income tends to be underreported. (In 1960 over 12 percent of the Japanese were agricultural workers.) However, when the effects of Asian descent are estimated for the nonfarm population, the estimated

Earnings Differences by Level of Education: 1960 and 1980

The progress of Asian men according to their level of education was also examined. Table 10.6 shows for various schooling levels the predicted earnings of Asian men in 1960 and in 1980, as a percentage of the earnings of white men with comparable skills and characteristics.⁹ It is clear from this comparison that improvement in the relative economic status of Asian men has occurred at all levels of schooling.

Summary

In the two decades between 1960 and 1980, the earnings of Asian Americans grew rapidly in comparison to whites. Although the skills and characteristics of the 1980 population differed from the 1960 population, the analyses of this chapter found that—controlling for skills and characteristics—the earnings gap between Asian and white men decreased dramatically between 1960 and 1980. This finding suggests that the economic progress of Asian men was aided by a decline in anti-Asian labor market discrimination. The results further indicate that the improvement in the relative earnings of Asian men (as compared with white men of similar skills and characteristics) came about through an enhancement in the employment opportunities of Asian men.

Asian effects on annual earnings become slightly more negative. For hourly earnings, the estimated effect of Japanese descent lessens somewhat: the coefficient for the nonfarm population is -0.16 instead of -0.19. The other Asian-descent coefficients are unaffected.

⁹ The predicted hourly earnings shown in table 10.6 are based on group-specific regressions evaluated at various years of schooling, 20 years of experience, and Asian group-specific (and year-specific) mean levels of all other explanatory variables.

Conclusion

This report documents the economic status of American citizens and residents of Asian descent who are members of the six largest Asian groups in America. In descending order of population size these groups are: the Chinese, Filipinos, Japanese, Asian Indians, Koreans, and Vietnamese. Reflecting the important and continuing role of immigration in Asian American history, the statistical analyses of this report separately detail the economic status of both native-born and foreign-born members of these groups. This chapter reviews general findings from the report, discusses their relevance to the issue of labor market discrimination, and makes recommendations for future research and data collection.

General Findings

The Native Born

The migration of Asians to America can be separated into two major waves: an early wave that was halted in the 1920s by legislation restricting Asian immigration and a later wave that started in force after restrictive immigration laws were fully lifted in 1965. Because of the near cessation of Asian immigration for 30 years, many of today's native-born Asians are the descendants of immigrants who came to America in the 1920s and before.

The early Asian immigrants were mostly unskilled laborers who settled in the western United States, particularly California and Hawaii. Their descendants—today's native born—remain highly concentrated in the West. In sharp contrast to their predecessors, however, many native-born Chinese,

Japanese, and Korean men are employed in white-collar occupations; men in these groups are more likely to graduate from college and pursue professional careers than non-Hispanic whites. On average, Chinese, Japanese, and Korean Americans earn more than native non-Hispanic whites, and they are less likely to experience unemployment.

Native-born Filipinos and Indians fare less well. They earn less than native non-Hispanic whites, they work significantly fewer hours, and they experience greater unemployment.

The Foreign Born

Today's foreign born typically immigrated after 1965. Like the early Asian immigrants and their descendants, many have settled in the West. The new immigrants are, however, much more likely to live in other parts of the country, particularly the Northeast.

In contrast to the early 20th century immigrants, the post-1965 immigrants are highly skilled; a large proportion reports professional occupational backgrounds, and their average educational levels exceed those of both native-born and foreign-born non-Hispanic whites. The percentage of college graduates among foreign-born Asian men far exceeds that for non-Hispanic whites.

Although the overall schooling level of Asian immigrants is extremely high, their educational levels have declined in recent years. The percentage of Asian immigrants reporting professional occupational backgrounds has also fallen as well.

As the educational levels of Asian immigrants have fallen, the educational levels of non-Hispanic white immigrants have risen. Indeed, among the most recent immigrants, the proportion of college graduates among Chinese, Filipino, and Korean immigrants roughly equals the proportion of college graduates among the most recent non-Hispanic white immigrants. Japanese and Indian immigrants continue to be much more highly educated than non-Hispanic white immigrants.

Refugees from Cambodia, Laos, and Vietnam constitute another source of recent Asian immigration. The largest group of Indochinese refugees comes from Vietnam. Overall, Vietnamese immigrants are much less likely to have professional backgrounds and are substantially less educated than the other Asian immigrants examined in this report. This is particularly true of the most recent Vietnamese entrants.

When immigrants were divided by year of immigration, immigrant men in all Asian groups, with the exception of the Japanese, were found to earn less initially than non-Hispanic white immigrants. With time in the United States, however, their earnings rise rapidly—more rapidly than those of non-Hispanic whites—and appear eventually to surpass the earnings of non-Hispanic white immigrant men who have been here for comparable periods of time.

The Importance of the Family

The average family incomes of some Asian groups rank among the highest of all racial and ethnic groups in the United States. The average incomes of native-born Chinese, Japanese, and Korean families exceed by more than 40 percent the average for native-born white families. Perhaps more extraordinary, however, are the relatively high family incomes of the foreign-born Asian groups. The average family incomes of most foreign-born Asian groups approach or exceed the average family income of white families in which the head of household is American born. This is true despite the large number of recent immigrant families among the Asian groups. Exceptions to this generally positive picture are native-born Filipinos and Indians, whose average family incomes are 80 and 70 percent, respectively, of the non-Hispanic white average, and Vietnamese immigrant families, whose average income is only 60 percent the benchmark average.

Family breakups are often cited as a major cause of low family income. Thus, low family dissolution rates might be expected to underlie the relatively high average incomes of Asian families. However, divorce and separation rates of native-born Asians differ little from those of non-Hispanic whites. Even though family dissolution rates are lower for foreign-born Asians than non-Hispanic whites, most Asian groups still are observed to have relatively high incomes when only married-couple families are compared.

What does appear to be a crucial factor underlying Asian family income is the propensity of family members other than the male head of household to work. As a result, family members other than the husband generally contribute a larger fraction of family income in Asian families than in white families. (Among foreign-born Filipino families, fully 42 percent of family labor income is generated by family members other than the husband.)

The added work effort among Asian families stems primarily from wives. Asian women, and particularly foreign-born Asian women, are more likely to work than non-Hispanic white women. The greater propensity to work among foreign-born Asian women appears to be caused by a weaker effect of children on the decision to work than is true in foreign-born non-Hispanic white families. This difference may stem in part from the presence of other relatives who may facilitate work effort by the wife.

Taking the number of persons who share family income into account has little or no effect on the relative economic status of native-born families. Whether measured by total family income or income per capita, the relative economic status of native-born Asian families is essentially the same, since Asian and non-Hispanic white families are of approximately the same size. Foreign-born Asian families, however, tend to be comparatively large. Consequently, the relative economic status of foreign-born Asian families is significantly reduced when measured on a per capita instead of total income basis.

A comparison of poverty rates reveals a lower percentage of native-born Chinese, Japanese, and Korean families falling below the poverty threshold than of non-Hispanic white families. The poverty rates of native-born Filipino and Indian families were found to be higher than the comparison group's rate. When the year of immigration is taken

into account, the percentage of foreign-born families in poverty was often found to be lower than the corresponding percentage of non-Hispanic white families. The Vietnamese are a clear exception; their poverty rates are substantially higher than the poverty rates of non-Hispanic white families who have been in the United States for similar periods of time.

A Statistical Approach to the Measurement of Labor Market Discrimination

This report presents an analysis of the extent to which discrimination has adversely affected Asian economic status. The methodological approach is largely statistical as opposed to qualitative. A qualitative approach is characterized by case studies of personal experiences. Testimony about individual experiences in applying for jobs and promotions would fall under a qualitative approach. One disadvantage of a qualitative approach is that individuals may perceive certain results, such as failure to get a job or a promotion, as evidence of discrimination when in fact their cause has other origins. Conversely, individuals who lack an appropriate means to compare their personal experiences in the labor market with persons not of their race, sex, or ethnicity may be unaware of discriminatory practices that affect their employment and earnings. Another disadvantage of a qualitative approach is that the individual cases presented are not necessarily representative, making it inappropriate to generalize based on a few examples.

Statistical analysis overcomes individual motivations and perceptions that may bias an investigation of discrimination. It also provides a vehicle whereby the experiences of one group can be compared with those of another group, and it permits the analysis of large national samples that are representative of the groups.

Statistical analysis is limited, however, by the ability of the analyst to control completely and accurately for all of the characteristics that affect performance in the labor market. Since a person's race or ethnicity may statistically stand in for factors that are either unmeasured or unmeasurable, a statistical analysis cannot yield conclusive evidence about the existence or nonexistence of labor market discrimination.

Nevertheless, statistical evidence of large wage differences (controlling for intergroup differences in

measured worker characteristics), combined with qualitative evidence of discrimination, would suggest that discrimination was likely to be affecting labor market outcomes, unless evidence existed on unmeasured differences in skill or work effort. Since the costs of discrimination may be borne in ways other than depressed earnings, the absence of wage differences does not necessarily imply the absence of labor market discrimination. Instead, it may indicate that members of these groups have found ways to circumvent or diminish discrimination's adverse effect on earnings.

Thus, a statistical overview of the labor market performance of Asians relative to whites provides an important component of any evaluation of the likely extent to which members of Asian groups are adversely affected by discrimination. However, data limitations exist, so that the measurement problems alluded to above should always be taken into account when assessing the presence of discrimination.

The Evidence on Labor Market Discrimination Against Asians

* To establish a statistical basis for examining the issue of discrimination, this study used census data to assess how well Asians do in the labor market compared with non-Hispanic whites. Of course, intergroup differences in earnings may occur for many reasons other than discrimination. Thus, the approach adopted in this study was to examine the relative earnings of specific Asian groups adjusting for characteristics that affect earnings but are not themselves believed to be affected by current labor market discrimination. A finding that Asians earn substantially less than non-Hispanic whites with similar characteristics could indicate current labor market discrimination against Asians, unless there was evidence of skill differentials or other earnings-related characteristics that could not be measured by the available variables.

Since different considerations influence the earnings and employment of native-born and foreign-born persons, native-born Asians were compared with native-born non-Hispanic whites and foreign-born Asians with foreign-born non-Hispanic whites. The basic questions addressed were:

- Do native-born Asians do as well as native-born non-Hispanic whites with similar characteristics?

- Do Asian immigrants do as well as similar non-Hispanic white immigrants?

In answering these questions, the relative earnings of both men and women were examined.

Asian women, both native born and foreign born, were found to earn as much as non-Hispanic white women with similar skills and characteristics. Thus, there is no evidence from this study that Asian women are at a disadvantage in the labor market because of their race. It should be cautioned, however, that these results cannot be extended to a world in which women follow the same career paths as men.

The results for native-born men reveal considerable variation in the relative earnings of Asian groups. Adjusting for differences in education, experience, region of residence, urban location, and other earnings-related variables, Japanese and Korean men earn, during a year, as much as or more than non-Hispanic white men. Chinese men earn slightly less. Filipinos earn 9 percent less than non-Hispanic whites, while native-born Indians earn 30 percent less. With respect to their hourly earnings, Chinese, Filipino, Japanese, and Korean men earn as much as or more than non-Hispanic white men, whereas native-born Indian men earn about 20 percent less. Contributing to the substantially lower earnings of native-born Filipino and Indian men is the fact that men in these groups experience higher unemployment than non-Hispanic whites and work fewer hours per year. These employment and earnings disparities may be caused by labor market discrimination directed against native-born Indian and Filipino men.

All of the nationwide earnings results used to assess the effects of labor market discrimination carefully adjust for region of residence and urban location. An important outcome of these analyses is earnings comparisons between Asians and non-Hispanic whites, both evaluated at average Asian characteristics, including region of residence. These analyses address the question of whether the average Asian fares as well as non-Hispanic whites when both have the same characteristics.

Adjusted earnings for individual regions reveal, for some Asian groups, considerable diversity across regions in the relative earnings of Asian men. For instance, American-born Chinese men, three-quarters of whom live in the West, earn as much as non-Hispanic white men in California, and more than whites in Hawaii. Yet, the statistics show that

American-born Chinese men earn 17 percent less than non-Hispanic whites in the East. American-born Filipinos, who are also concentrated in the West, earn substantially less than non-Hispanic whites in California, yet earn as much as non-Hispanic whites in the East and the North Central region of the United States. The diversity of results points to the possibility that in certain areas particular groups may face discrimination that is not apparent from their experiences on average.

For all groups that were studied, American-born Asian men are less likely to be in management positions than their non-Hispanic white counterparts. Furthermore, adjusting for occupation and industry, highly educated American-born Asian men in all groups were found to earn less than similarly qualified non-Hispanic white men. These findings raise the possibility that men in all Asian groups face labor market discrimination at the top.

When the earnings of foreign-born Asian and non-Hispanic white men were compared—controlling for education, experience, year of immigration, and other relevant variables—three patterns emerged. First, except for the Japanese, Asian immigrant men initially earn less than non-Hispanic white immigrants with comparable skills and characteristics. Second, with length of U.S. residence, the earnings of Asian immigrants grow more rapidly than the earnings of non-Hispanic white immigrants. Third, the earnings of Asian immigrant men who have been in the United States 11 years or more often approach or surpass the earnings of non-Hispanic white immigrants with similar skills and characteristics; this pattern suggests that Asian immigrants not only catch up with, but also often surpass non-Hispanic white immigrants.

The fact that Japanese immigrant men, unlike immigrant men from other Asian groups, initially earn as much as non-Hispanic white immigrant men points to the possibility that the motivation for coming to the United States may affect subsequent earnings patterns. Immigrants who intend to stay permanently in the United States would be expected to undertake more investments, such as starting a business or taking a job with on-the-job training. Such investments typically result in lower earnings at first but pay off with length of residence. Since, with the exception of the Japanese, Asian immigrants tend to be more permanent than non-Hispanic white immigrants, this is one possible explanation for the observed earnings patterns.

Discrimination may also contribute to the initial lower earnings of immigrants in most Asian groups. The effects of such discrimination may diminish over time as Asian immigrants find ways to circumvent it, such as adopting "American" ways; this could explain the growth in Asian immigrants' earnings. Although immigrant men and women have different labor market experiences, the possibility of discrimination against Asian immigrant men is enhanced by the fact that Asian immigrant women do not earn less than their non-Hispanic white counterparts. On the other hand, Asian immigrant men who have been in the United States at least 11 years tend to earn as much as or more than comparable non-Hispanic white immigrants. This suggests that to the extent that labor market discrimination does affect the earnings of Asian immigrants, its adverse effect is overcome with time in the United States.

The reader should bear in mind that these conclusions are based on earnings comparisons that adjust for *measured* skills and characteristics. Given the small size of Asian groups, the census is the only available data source that permits a detailed analysis of individual Asian groups; as this report makes abundantly clear, Asians cannot be treated as one group, since there are important differences among the various groups. However, census data provide only a subset—albeit an important one—of all potentially relevant skills and characteristics. More complete information on the skills and characteristics of Asian and non-Hispanic whites might affect the results and possibly lead to an alternative set of conclusions.¹

Changes in the Relative Economic Status of Asians: 1960 and 1980

The results from the 1980 analysis present a complex picture of Asian economic status. Some groups earn, on average, as much per annum as would be expected given their skills and characteristics, and some groups earn substantially less. In general, the relative position of American-born Asian men in 1980 is improved when hourly earnings are compared instead of annual earnings. The 1980 analysis also reveals that the relative earnings of American-born Asian men varies with level of education: highly educated Asian men may face

discrimination in obtaining top positions within occupations and industries, whereas the relative position of American-born Asian men with average and lower levels of education is more favorable.

A strikingly different story emerges from the 1960 data. In 1960 native-born Asian men in all groups that were studied earned substantially less than non-Hispanic white men of comparable skills and characteristics. Large earnings differentials were found for both annual and hourly earnings. Furthermore, American-born Asian men earned substantially less than non-Hispanic white men at all educational levels. The analysis also suggests that the lower earnings of Asian men in 1960 were in part a result of Asians being disproportionately employed in lower paying occupations and industries (given their skills and characteristics). Thus, labor market discrimination against Asians in 1960 likely operated by limiting their entry into higher paying occupations and industries.

Adjusting for changing skills and characteristics, the earnings gap between Asian and non-Hispanic white men decreased dramatically between 1960 and 1980. This finding suggests that the economic progress of Asian men was aided by a decline in anti-Asian labor market discrimination. The results further indicate that the improvement in the relative earnings of Asian men (as compared with non-Hispanic white men of similar skills and characteristics) was aided by an enhancement in the employment opportunities of Asian men.

Recommendations for Future Research and Data Collection

The primary focus of this report is how individuals of various Asian groups fare in the labor market. As such, the report does not address what Murray Friedman has termed "the special nature of the group experience."² Yet, research by Ivan Light and Robert Jiobu, among others, suggests that the economic attainment of individuals is inextricably linked to the structure of their communities.

For instance, ethnically based communities throughout the world have formed rotating credit systems.³ A rotating credit system is "an association formed upon a core of participants who agree to make regular contributions to a fund which is given,

¹ See appendix I for a discussion of unmeasured factors and how these may affect the earnings discrimination results of this study.

² Friedman, "Business and Culture," a review of *Ethnic Enterprise in America* by Ivan Light, *Commentary*, December 1973, pp. 93-94.

³ Shirley Ardener, "The Comparative Study of Rotating Credit Associations," *Journal of the Royal Anthropological Institute*, vol. 94, pt. 2 (1964).

in whole or in part, to each contributor in rotation."⁴

In his book, *Ethnic Enterprise in America*, Light describes the role that rotating credit systems have played in promoting business enterprise in certain American minority groups such as the Chinese, Japanese, and West Indians.⁵

Jiobu suggests that a key to ethnic success lies in "ethnic hegemonization," which he defines as "a situation wherein a given group saturates an economic arena and obtains some control (power) over the arena."⁶ This then allows the group a more stable and protected position in the economic system than would otherwise be the case.⁷ Jiobu points out that to hegemonize an economic arena, "the minority must have some kind of leverage, either an independent power base, special knowledge and skills, or a willingness to engage in businesses that the majority will not, or cannot, engage in."⁸ As an example, Jiobu points to the early Japanese immigrants who developed a niche in agricultural production by planting specialized crops that were labor intensive, relying on family labor, applying scientific farming techniques, and using marginal lands that would respond to their farming methods.⁹ They further secured this niche by developing their own produce wholesaling. Jiobu argues that the social networks within the Japanese community facilitated this step: "Whether the wholesale produce business was unique in its requirements for informal trust is difficult to know. The point here, though, is that trust was required and that ethnicity reinforced it."¹⁰

Clearly, a more complete understanding of the economic status that the various Asian groups have achieved today would come from an examination of their mobility strategies, including an analysis of factors such as investment in education and other forms of human capital, entrepreneurial activities, and community structures. This constitutes an important area for future research.

Another area that merits further research is the relationship between educational levels and Asian earnings. This report finds evidence that the relative earnings of American-born Asian men decline with level of schooling. On average, American-born

Japanese, Chinese, and Korean men earn about as much as or more than non-Hispanic white men with similar skills and characteristics. Yet, adjusting for occupation and industry, native-born Asian men with high levels of schooling earn less than comparable non-Hispanic white men. Extensive formal schooling enables native-born Asian men to enter high-paying occupations and industries, but within these occupations and industries, the results suggest that Asian men are underrepresented in higher paying positions. Discrimination against Asians is one possible explanation for these results. This hypothesis could be directly assessed by incorporating into the analysis information on the type and quality of education that American-born Asian and non-Hispanic white men receive.

Earnings results for specific regions reveal considerable diversity in the relative earnings performance of some Asian groups. Although there was no evidence of an across-the-board anti-Asian effect in any one region, the diversity of results suggests that particular groups may face difficulties in certain areas. The extent to which discrimination contributes to this is an area for further research.

It should also be noted that labor market discrimination may not actually affect wages adversely but rather cause segregation. Thus, certain firms and industries may be more receptive to Asian employment than others, leading to concentrations of Asians that would not occur in the absence of labor market discrimination. This, too, is an area for future research.

The census data used in this study are not well suited for evaluating the existence or extent of employment discrimination in particular situations such as high corporate positions. Nevertheless, the preliminary results on the representation of Asian men in management positions strongly suggest that this is an area that needs further research. Before such research can be done, however, better data need to be collected. For instance, data could be collected on the job experiences of graduates from top-ranking business schools.

The conclusions on the presence of or extent of anti-Asian labor market discrimination are made on

⁴ Ibid., p. 201.

⁵ Ivan H. Light, *Ethnic Enterprise in America* (Berkeley: University of California Press, 1972).

⁶ Robert M. Jiobu, *Ethnicity and Assimilation* (Albany: State University of New York Press, 1988). This concept builds upon and extends the concept of internal labor markets. See Peter B. Doeringer and Michael J. Piore, *Internal Labor Markets and Manpower Adjustment* (Lexington, Mass: D.C. Heath, 1971).

⁷ Jiobu, *Ethnicity and Assimilation*, p. 223.

⁸ Ibid., p. 225.

⁹ Ibid., p. 226.

¹⁰ Ibid., p. 228.

the basis of measured skills and characteristics. More complete information on skill levels could alter these conclusions and either increase or decrease the measured effect of discrimination. For instance, if there were unmeasured skills that are higher for native-born Asians than non-Hispanic whites, then it would be possible that the earnings of Asian groups who earn on a par with non-Hispanic whites are, in fact, dampened by labor market discrimination. In other research, it has been found that some groups with higher than average levels of education have high earnings even after controlling for measurable characteristics, possibly because unmeasured characteristics such as quality of education are higher than average.¹¹ This suggests that quality of education is higher than average in groups with higher than

¹¹ See U.S. Commission on Civil Rights, *The Economic Status of Americans of Southern and Eastern European Ancestry* (1986), and Barry R. Chiswick, "The Earnings and Human Capital of American Jews," *The Journal of Human Resources*, vol. 18 (Summer 1983), pp. 312-36.

average levels of education. Yet, despite their very high educational levels, native-born Japanese and Korean men earn about the same as non-Hispanic white men of the same educational level and Chinese men (who have the highest level of education among the native born), slightly less. The extent to which anti-Asian discrimination contributes to this outcome is another area for future study.¹²

Finally, data quality and analytical considerations strongly argue for restoring to the 1990 census a question on the birthplace of the parents of the individual respondents. Such information is indispensable for identifying generations and for determining the length of time the family has been in the United States.

¹² On the other hand, more complete information on skill levels might narrow the earnings differential found between non-Hispanic white men and native-born Asian Indians and Filipinos.

Statement of Vice Chairman Murray Friedman and Commissioners Esther G. Buckley, Robert A. Destro, and Sherwin T.S. Chan

Some have argued that a careful examination of labor market discrimination against Asians is not warranted because "Asians do so well." Given their high average incomes, how could there be a problem? Yet discrimination persists. Whether the victim is a laborer with an eighth-grade education who is denied a job at a construction site or a Harvard-educated MBA who is never considered for an executive position, discrimination is deplorable and unacceptable. By preventing individuals from pursuing their dreams and realizing the fruits of their labor, discrimination hurts us all.

Measuring the degree of labor market discrimination against Asian Americans requires going beyond simple group differences in economic status. Indeed, three key concepts must form the basis of a study of labor market discrimination: the individual, the background of the individual as he or she enters the labor market and pursues a career, and the context in which the individual works. This report is carefully constructed upon these three concepts.

The report first shows us that the high family incomes of several Asian ethnic groups are due to greater contributions to family income by members other than the husband: their incomes are high because more family members work, particularly the wife. Having demonstrated this, the focus of the report turns to the individual.

To examine how individuals fare in the labor market, the study carefully adjusts for background characteristics including years of schooling, years of

work experience, where individuals live, and, for the foreign born, year of immigration. Taking such factors into account, the study compares persons of Asian descent with non-Hispanic whites. This comparison is done in a variety of contexts. We learn about the relative economic status of specific Asian ethnic groups over time and by educational level, region of residence, occupation, and, in the case of immigrants, year of immigration. Indeed, the scope and depth of the study, in this respect, exceeds all previous analyses of Asian economic status. Through such a comprehensive approach, new and valuable information is revealed that helps us to assess where we are and where we need to go as we strive for equal opportunity for all Americans.

Contrary to what a few critics have said, this report contains no ideological bias. They argue that by reporting the high incomes of Asian families and by qualifying the findings of evidence of discrimination, the report distorts the true status of Asian Americans. Indeed, were family income statistics the sole basis of the report, the status of Asian Americans would be seriously misrepresented. But considered in the context of the full analysis, it is clear that family income is only a small part of the story. With respect to the report's conclusion regarding discrimination, any person familiar with the limitations of census data for studying discrimination knows that caution is imperative. We concur with Professor Stephan Thernstrom of Harvard University that this report "is admirably careful, balanced, and thor-

ough—a fundamental contribution to our understanding of these important groups.”

The report's dispassionate tone and balanced approach will disappoint persons seeking a consistent set of results to support a particular political agenda. Its findings reveal a complex picture of progress as well as problems. We learn, for instance, that although some Asian groups earn on average as much as would be expected, given their educational levels, region of residence, and other relevant characteristics, others earn substantially less. As Reed Ueda of Tufts University points out: “This study is valuable and educational. It should make policymakers aware of the level of poverty in particular Asian subgroups, as well as the degree and sources of their economic mobility.”

In addition to presenting nationwide earnings results that carefully adjust for region of residence and urban location, the report also presents earnings (adjusted for educational level and other personal characteristics) for individual regions. The regional results, such as the earnings experience of the Chinese in the East, reveal a diversity of findings that alert us to the possibility that particular groups may face discrimination that is not apparent from their experiences on average, or from their experiences in some areas of the country such as California.

The study makes a crucial distinction between foreign- and native-born persons. In examining the foreign born, the report finds that Asian immigrant men generally earn substantially less at first than their non-Hispanic white counterparts. On the other hand, immigrant men who have been in the United States at least 11 years tend to earn as much as comparable non-Hispanic white immigrants. These findings alert us to the possibility that discrimination initially lowers the earnings of Asian immigrants, but they also indicate that Asian immigrants find ways to overcome or circumvent this obstacle with time in the United States.

Finally, the report presents, for the first time, an analysis of the likelihood that American-born Asian men become managers, taking into account education and other background variables. It also examines the relative earnings of Asian men with high levels of schooling, adjusting for occupation and industry. The results of these two analyses suggest that Asian men face a “glass ceiling”: their relatively high levels of education enable them to enter high paying occupations and industries, but within these

occupations and industries, Asian men may face obstacles to their career advancement.

These are important findings, and we are gratified that 17 scholars of labor market discrimination and Asian economic status find the research leading to these results to be thorough and methodologically sound. Of the numerous scholars who were requested to read the report, we received only one critical review. As Professor Barry Chiswick of the University of Illinois states, “I know of no study or sets of studies of Asian Americans that come close to the overall quality of this study.”

We expect the findings of this report, some of which we have detailed above, to serve policymakers in their efforts to secure equal opportunity for Asians in the labor market. For instance, greater attention should be focused on possible discrimination against Asians at the top, regional variations in their relative economic status, problems Asian immigrants may face, and the difficulties experienced by specific Asian ethnic groups.

Although the report helps pinpoint where and to what extent problems persist, it also provides clear evidence that progress has been made. Before the Civil Rights Act of 1964, the picture of relative economic status for Asian Americans was bleak. American-born Asian men earned substantially less in 1960 than non-Hispanic whites with comparable characteristics. This was true for all Asian groups and at *all* levels of education.

Taking a much longer perspective, the report shows that the American born in several of the Asian groups now earning as much or more than non-Hispanic whites are the descendants of early 20th century immigrants who came to this country as laborers. How these groups overcame their initial handicaps and the discrimination they faced is a key question for continued research.

The report has received high marks from many noted scholars and provides new and insightful information. It represents a major contribution to an ongoing research agenda. In this regard, we would like to draw the reader's attention to the report's recommendations for further research. We expect the Commission to continue to monitor closely the civil rights status of Asian Americans in the future, and we heartily encourage the efforts of scholars who are working in these areas; it is only through the objective collection and analysis of information that we can see where we are and where we must go.

Statement of Commissioners Mary Frances Berry, Francis S. Guess, and Blandina Cardenas Ramirez

Because so little data exists for use in policymaking and litigation concerning the social and economic status of Asian Americans, any report on the subject assumes great importance. Therefore, the statistics and interpretations in this report should be as accurate as possible and should be placed in their proper context and historical background. A failure to do so provides support for reinforcing the model minority stereotype of Asian Americans without paying careful attention to the lack of opportunity to reach their full potential and the discrimination some Asian Americans continue to experience. We should

applaud the progress that has been made but as a Civil Rights Commission we should not gloss over the continuing problems. Calling this report "An Exploratory Investigation" does not excuse a lack of accuracy or minimize the potential for harm. As an example of the comments Commissioners received from scholars about this report we include the following materials prepared by Professor Amado Cabezas, a scholar in the field of Asian American studies at the University of California at Berkeley. He details why anyone who uses this report must proceed with great caution.

REVIEW OF "THE ECONOMIC STATUS OF AMERICANS OF ASIAN DESCENT"

I thank the United States Commission on Civil Rights for its invitation to review its report "The Economic Status of Americans of Asian Descent." The issue addressed by the report is particularly timely because of popular allegations of the economic success of Asian Americans and of Asians as a "model minority." At the same time, there is an atmosphere of renewed hostility and resentment towards Asian Americans who are sometimes seen as foreigners taking jobs away from other Americans. The economic success of Asian Americans, however, is still mostly unsubstantiated and can only divert attention from structural issues important to Asian Americans and other racial minorities. Such issues include race and gender discrimination and labor market segmentation which ultimately limit the economic well-being of Asian Americans despite their heavy investments in human capital such as education and work experience.

Our concerns about the draft of the report include the following:

(1) The study would have benefitted from a more thorough review of the existing research literature on the economic status of Asian Americans. Apart from referring to studies by Chiswick, the study should reconcile its findings with those from other studies such as by Cheng and Bonacich; Wong and Hirschman; Nee and Sanders; R. Jiobu; Cabezas, Shinagawa, and Kawaguchi; Kim and Huhr; and Deborah Woo:

Cabezas, Amado, Larry Shinagawa, and Gary Kawaguchi. "New Inquiries into the Socioeconomic Status of Pilipino Americans in California in 1980." Amerasia Journal 13(1986-87):1-21.

Cabezas, Amado and Gary Kawaguchi. 1988. "Empirical Evidence for Continuing Asian American Income Inequality: the Human Capital Model and Labor Market Segmentation." In Art Hansen, Shirley Hune, John Liu, and Gary Okihiro (eds.). Reflections on Shattered Windows: Promises and Prospects for Asian American Studies. Pullman, Washington: Washington State Univ. Press.

Cabezas, Amado. 1980. "Employment Issues," in Civil Rights Issues of Asian and Pacific Americans: Myths and Realities. A consultation sponsored by the U.S. Commission on Civil Rights, Washington, D.C., US GPO: 624-856/1772.

_____ and Pauline L. Fong. 1980. "Economic and Employment Status of Asian Pacific Women," in Proceedings of the Conference on the Educational and Occupational Needs of Asian Pacific Women (Washington, D.C.: National Institute of Education).

_____ and H.T. Yee. 1977. Discriminatory Employment of Asian Americans: Private Industry in the San Francisco-Oakland SMSA.

- Final report to the U.S. Equal Employment Opportunity Commission, Washington, D.C. (San Francisco: ASIAN, Inc.).
- Cheng, Lucie and Edna Bonacich. 1984. Labor Immigration Under Capitalism: Asian Workers in the United States Before World War II. Berkeley and Los Angeles: Univ. of California Press.
- Fujii, E.T. and J. Mak. "On the Relative Economic Progress of U.S.-Born Filipino Men." Economic Development and Cultural Change 33 (April 1985):557-573.
- Hirschman, Charles and Morrison Wong. 1984. "Socioeconomic Gains of Asian Americans, Blacks, and Hispanics: 1960-1976," American Journal of Sociology 90(3): 585-607.
- Hirschman, Charles and Morrison Wong. "Trends in Socioeconomic Achievement among Immigrant and Native-Born Asian-Americans, 1960-1976." Sociological Quarterly 22 (Autumn, 1981) 495-513.
- Hurh, Won Moo and Kwang Chung Kim. "The 'Success' Image of Asian Americans: Its Validity, Practical and Theoretical Implications." Paper presented at the 81st Annual Meeting of the American Sociological Association, New York City, 2 September 1986.
- Jiobu, Robert M. "Ethnic Hegemony and the Japanese of California." American Sociological Review 53 (June 1988): 353-367.
- _____, 1976. "Earnings Differentials Between Whites and Ethnic Minorities: The Cases of Asian Americans, Blacks, and Chicanos," Sociology and Social Research Vol. 61, No. 1: 24-38.
- _____, 1988. Ethnicity and Assimilation. (Albany: State University of New York Press).
- Kim, Kwang Chung and Won Moo Hurh. "Ethnic Resource Utilization of Korean Immigrant Entrepreneurs in the Chicago Minority Area." International Migration Review 19 (Spring 1985):82-111.
- Nee, Victor and Jimmy Sanders. "The Road to Parity: Determinants of the Socioeconomic Achievement of Asian Americans." Ethnic and Racial Studies 8(January 1985):75-93.
- Nee, Victor and Herbert Wong. "Strength of Family Bonds in Asian American Socioeconomic Achievement." Sociological Perspectives. 28(1985):281-306.
- Wong, Morrison G. "The Cost of Being Chinese, Japanese, and Filipino in the United States 1960, 1970, 1976." Pacific Sociological Review 25 (January 1982):59-78.
- Woo, Deborah. "The Socioeconomic Status of Asian American

Women in the Labor Force: An Alternative View." Sociological Perspectives 28 (July 1985):307-338.

Wu, Sen-Yuan and Jin-Yi Chen. "Unequal Earnings Among Whites and Asian Americans in California." Paper presented at the 81st Annual Meeting of the American Sociological Association, New York City, 2 September 1986.

Since the study uses 1980 census data, seven of the above citations are especially relevant since 1980 census data are also used in: Cabezas et al., 1986-87; Cabezas and Kawaguchi, 1988; Huhr and Kim, 1986; Ethnicity and Assimilation by Jiobu, 1988; Nee and Sanders, 1985; Woo, 1985; and Wu and Chen, 1986. It is notable that the studies pay close attention to the importance of regional analysis, thus avoiding the egregious error of using nationwide data without adequate regional controls, as noted by most scholars nearly two decades ago in analyses of 1970 census data for Asian Americans.

The study also could have dealt with findings from two previous studies on Asian Americans conducted by the Commission itself:

Havens Tipps and Linda Zimbler, Social Indicators of Equality for Minorities and Women (Washington D.C., August 1978).

Civil Rights Issues of Asian and Pacific Americans: Myths and Realities, May 8-9, 1979, Washington, D.C., A Consultation Sponsored by the United States Commission on Civil Rights.

(2) A more complete review of the literature may have encouraged the authors to explore a wider range of theoretical frameworks for assessing economic inequality. Instead the study focussed on only one model: assimilation. Assimilation, while in the past the dominant race relations paradigm, first proposed by Robert Park et al., now competes with other paradigms such as neo-institutional theory, bargaining theory, and structural models such as dual labor markets, labor market segmentation, and industrial sectorization. Assimilation best explained the European immigrant experience but is generally regarded as less adequate for explaining the experience of racial minorities in the United States. The following excerpts from the report show the assimilation focus of the study:

"This report examines the economic status of immigrants and the native-born separately and, in so doing, uncovers important dimensions of Asian economic status that were hidden in previous studies. The report also tracks the extent to which Asian immigrants are assimilating into the American economy." (Summary, page 3.)

"In contrast to the findings for foreign-born men, the assimilation experience of Asian immigrant women is not marked by a greater initial earnings "deficit" that is experienced

by their white counterparts." (Summary, page 17.)

"The level of U.S. labor market skills among immigrants provides a likely explanation both for the apparent growth in immigrant earnings (with time in the U.S.) within groups, and for differences in immigrant earnings among groups. According to this hypothesis, Asian immigrants tend to do worse than their white counterparts because they are likely to be, at least initially, more deficient in skills specific to the U.S. labor market. Such 'assimilation skills' could range from highly specialized ones, such as knowledge of American laws and government resources, to the very basic, such as the steps one has to take to find employment in the American labor market. Unfortunately, little information exists concerning the level of knowledge among immigrants of such mechanics of assimilation." (Chapter 8, page 9.)

"The second column of Table 8.9 shows the results of the same analysis but limited to Japanese immigrants who had become U.S. citizens by the year 1980. In excluding immigrants who have retained their Japanese citizenship we eliminate most people who intend to return to Japan and thereby focus on those who have, or are, in the process of assimilating into the U.S. labor market." (Chapter 8, page 26.)

The study pursues the assimilation thesis by its exclusive use of the neoclassical human capital model to explain differences in economic status using variables such as annual earnings, hourly earnings, and probability of wife working. In places the report seems to suggest that discrimination against Asians is largely a thing of the past. And when possible evidence for discrimination is found, the study tends to cite results as "an issue for further research." For example:

". . . Chinese, Japanese, and Korean men, who on average earn about as much or more than white men, tend to do about as well as or better than whites at various levels of education. For most groups, however, the relative annual and hourly earnings of Asian men decline as the level of schooling increases: why this occurs is an issue for further research." (Chapter 7, page 22.)

Moreover, as discussed in point (5) below, the findings quoted above as well as others cited later, are likely confounded by inadequate regional controls.

(3) The report states in the introduction an attempt to link the apparent improvement in economic well-being of Asian Americans to the passage of the Civil Rights Act of 1964.

"This report grapples with two issues pertaining to the relationships between discrimination, civil rights legislation, and the economic status of Asian Americans." (Chapter 1, page 12.) . . . "Another key question, addressed in this report, is whether the relative economic status of Asian Americans improved over time and, in particular, after the passage of the Civil Rights Act of 1964. As many factors influence the economic mobility of a group, measurement of the effect of civil rights legislation on the economic status of Asian groups is a thorny and difficult problem to address. This report takes a first brush at this issue by comparing the economic status of Asian Americans relative to that of non-Hispanic whites in 1960, before the 1964 civil rights legislation, with the relative economic status of Asian Americans in 1980, 15 years after passage of the landmark legislation." (Chapter 1, page 13.)

The stated objective is laudatory but difficult to pursue for reasons such as:

(a) Changes in economic status of a population over the last three decades is not likely to be traceable to any one factor such as the 1964 Civil Rights Act; for example, structural changes in the economy and shifts in the job market are important;

(b) The Asian American population, in particular, had undergone important changes in demographic and socioeconomic status between 1960 and 1980, due largely to the 1965 amendments to the Immigration Act, and the subsequent substantial immigration of educated, professional, and skilled Asian workers to the U.S.; this makes it difficult to compare the 1980 Asian population with that in 1960; and

(c) Testing for the effects of the 1964 legislation would be a major project beyond the scope of the study.

(4) The study does not address gender discrimination. To understand the economic status of Asian American women, both race and gender discrimination must be addressed. Instead the study compares Asian American women only with white women, never with men. This amounts to comparing victims with victims, leading to the conclusion:

"With respect to both native-born and foreign-born women, we find no evidence of earnings disparities between Asian and non-Hispanic white women. Adjusting for their higher educational levels and generally greater attachment to the workforce, Asian women in all groups earn as much as non-Hispanic white women." (Chapter 11, page 10.)

"Finally, we find no evidence that the earnings of Asian women--native-born or foreign-born--are lowered by labor market discrimination." (Chapter 11, page 11.)

(5) The study admirably pursues a study of Asian Americans at a nationwide level. However, using a nationwide sample without adequately controlling for regional differences can confound analyses such as those of income. The Asian American population is clearly concentrated in certain regions of the country, as shown in Tables 4.2 and 4.4 of the report itself. From Table 4.2, 51% of the Chinese American men, 69% of the Filipino American men, 83% of the Japanese American men, 18% of the Asian Indian men, 47% of the Korean American men, and 49% of the Vietnamese men reside in the West, as compared with only 19% of non-Hispanic white men, based on the latest 1980 census data. Also Asian Americans are more concentrated in urban areas relative to whites: 90 to 97% of Asian American men reside in urban areas vs. 80% of white men (Table 4.4). Moreover, included in the sample is Hawaii, where race relations differs from that in the mainland. With Hawaii accounting for 34% of the Japanese American nationwide sample and 17% of the Filipino American sample, the results can only be confounded by region. Thus we question the validity of earnings comparisons between Asians and whites shown in the following tables:

Tables 3.1, 3.2, 3.4, 3.5, 3.6, 3.7, 3.10, 3.11 for household and family income;

Tables 7.1 and 7.3 for earnings of native-born men;

Tables 8.2 and 8.8 for earnings of foreign-born men; and

Table 9.1 for earnings of native-born and foreign-born women

Without adequate area controls, the tables misrepresent the income status of Asian Americans. For example, Table 3.1 compares native-born families and shows that Chinese American families have 50% more income than white families, Japanese American families have 44% more, and Korean American families 46% more. Among native-born married-couple families, Table 3.4 claims that Chinese American families have 67% more income than white families, Japanese American families 47% more, and Korean American families 87% more. This leads to the following questionable summary (very likely confounded by region):

"The average family incomes of some Asian groups rank among the highest of all racial/ethnic groups in the U.S. The average family incomes of native-born Chinese, Japanese, and Korean families exceed by more than 40 percent the average for native-born white families. Perhaps more extraordinary, however, are the relatively high family incomes of the foreign-born Asian

groups." (Chapter 3, pages 29-30.)

If the earnings differences are properly controlled for by area, much of the alleged earnings advantage of Asian families would in fact be much less; also the advantage is traceable to larger numbers of earners (U.S. Department of Commerce News, "More of Asian and Pacific Islander Families Have at Least Two Workers Than Do Other U.S. Families, Census Bureau Says," Release No. CB88-59, April 8, 1988).

The report does in fact recognize the importance of regional differences:

"Far from being evenly dispersed across the nation, these statistics demonstrate that Asian groups are concentrated in certain areas of the United States. Whites, by contrast, are more evenly dispersed across the nation with large concentrations in the North Central and Southern regions of the nation. . . . Asians are also more urban than whites." (Chapter 4, page 7.)

At issue, however, is the method used in the study to control for region. When the study controls for region, it does so mostly by including region as a dummy variable in regression analyses of income. Since the study does not test for the importance of interactions between region and other variables, the approach cannot adequately test for differences due to region. Examples of analyses where regional controls are pursued using dummy variables include: Tables 8.3, 9.3, 9.4, 9.6, 10.3, 10.4, D.1, D.2, D.3, E.1, F.1, F.2, G.1, and G.2. Because of the dummy variable approach we question the validity of the results shown in the tables. While the use of dummy variables is commonplace in similar research, its use is problematic unless interactions with other variables are investigated and tested for significance. The more prudent approach is to conduct the analysis separately for each area where Asians are concentrated. Only then can any "nationwide" patterns be described.

(6) Important tables are left out of the report. For example, no table is shown for the comparison of actual earnings between native-born Asian and white men. Instead, Table 7.4 is shown (which properly controls for region) but which compares "predicted earnings"; also note that the table heading is misleading, the label being "Earnings of Asian men by Region . . ." Similarly, Table 7.2 shows comparisons of "adjusted earnings" with no data shown for actual earnings. Of course, the results from the tables still would be unreliable because of the use of the nation-wide sample confounding regional effects. On the other hand, comparisons of actual earnings for foreign-born men are shown in Table 8.2. One wonders why the author decided to sometimes present "predicted" earnings over actual earnings, instead of just showing both. It is, of course, important to present actual earnings. Still another example of curious data presentation is the inclusion in the report of the

regression results for the annual earnings of foreign-born men (Table F.2), but not for native-born men for whom "the separate annual earnings regressions are available upon request." (notes of Table 7.2).

(7) Much of the favorable income status of Asian American men is derived from comparisons of "adjusted" or "predicted" earnings, neither of which are clearly explained in the report. Are the earnings adjusted for (a) Asian skills with white male regression returns, or (b) white male skills with Asian returns? Also, "adjusted" earnings ratios are taken from "adjusted Asian male earnings" divided by "adjusted" white male earnings. For example, see note for Table 7.3:

"The results show Asian predicted earnings as a percent of non-Hispanic white predicted earnings (evaluated at Asian-specific values of the explanatory variables). The predicted earnings are based on group-specific regressions evaluated at various years of schooling, 20 years of experience, and Asian group-specific mean levels of all other explanatory variables."

What is the meaning of an earnings ratio with both numerator and denominator adjusted? Also, what is meant by:

". . . Using the coefficients from the group-specific regressions, earnings were predicted for each Asian group. The predicted earnings were evaluated at each Asian group's mean level of all explanatory variables. Earnings for non-Hispanic whites were also predicted using the coefficients from the estimated non-Hispanic white earnings regression. However, the non-Hispanic white predicted earnings were evaluated at each Asian group's mean levels of the explanatory variables." (Chapter 7, page 6, footnote 2.)

(8) Some important comparisons (such as those of earnings) should include tests of statistical significance of the differences shown. For example, what is the level of significance of the differences in: Table 3.1 for family income; Table 3.4 for married-couple only family income; and Table 3.5 for contribution to family income of family members? A simple test such as a chi-squared test would be appropriate.

In two important instances, the choice of statistical procedure used was inappropriate. First, regular linear regression instead of logit regression was used to estimate the probability of an Asian wife working, the results shown in Table 3.8 with the label "The Effect of Asian Descent on the Probability of Working . . . ;" the results are, in fact, for a regression analysis of the proportion of Asian wives working. Similarly, a regression analysis of the proportion of Asian American male managers is conducted when logit regression should be conducted to estimate the probability of an Asian male

becoming a manager, as indicated by the heading of Table 7.7, "Probability of Being a Manager;" the table should have been titled "Percentage of Asian Male Managers," since the results, in fact, are from a regular regression. The note for the table states that "the results from the logit model estimation are similar to the results from the weighted least squares estimation." While it is true that logit estimation is a more recent development compared with regular regression, its results are easily interpreted (contrary to a comment by the authors): the logit procedure estimates the probability of occurrence of the event being studied.

(9) In various regression analyses, the effects of important variables such as race and region are accounted for in questionable ways. Sometimes the analyses use race as a dummy variable—such as in Table 9.3 for the earnings of native-born women, and in Table 9.4 for the earnings of foreign-born women. With race operationalized as a dummy variable, differential effects by race of variables such as education and experience cannot be assessed. From a technical standpoint, possible important "interactions" between race and the other variables in the regression cannot be evaluated. And most significantly, differential rates of return by race of the human capital investments cannot be analyzed. Other studies find differential returns more so than differential investments to be responsible for the earnings gaps between most Asian Americans and whites (Cabezas et al. 1986-87; Cabezas and Kawaguchi 1988; Nee and Sanders 1985).

At other times, such as in the analysis of the earnings of foreign-born men, the appropriate (race) group-specific regressions are conducted, the results shown in Table F.2 of the appendix. How was one approach chosen over the other (dummy variable vs. group-specific)? Group-specific regression analyses by region must be conducted unless the results show no need to do so (which cannot be determined a priori).

In attempts to control for the effect on earnings of region of residence, most of the time the study uses dummy variables for region, such as shown in Table F.2 for the earnings of foreign-born men, and Tables G.1 and G.2, respectively, for the earnings of native-born and foreign-born married women; this makes it impossible to compare the importance of independent variables between regions. Moreover, for the results shown in Tables G.1 and G.2, as well as Tables D.1 and D.2, respectively, for the labor supply of native-born and foreign-born married Asian women, both race and region are treated as dummy variables, thoroughly confounding the analysis.

In attempts to explain the effect of occupational status and industry of employment on the earnings of women (Tables 9.3 and 9.4), the study uses occupation and industry as independent variables when they logically are dependent variables such as annual earnings. While other studies have also used this approach, it is questionable because occupational status is usually

highly correlated with earnings. Also the operationalization of occupation and industry status in the regression analysis is not discussed.

(10) The report states that its "cohort" analysis of Asian immigrant men shows that:

". . . the earnings of Asian immigrants grow rapidly in the United States--more rapidly than the earnings of white immigrants--and, with time, often surpass the earnings of white immigrants." (Chapter 8, page 23.)

However, the analysis leading to the conclusion is questionable since no longitudinal data was used. The "cohorts" were derived from cross-sectional data taken from two different samples: 1970 and 1980 Census data. Moreover, the use of the nationwide sample again confounds the analysis.

(11) Tables in the report tend to lack standard information such as sample size and level of significance, making difficult an assessment of the reliability of results presented. For example, the following tables show no sample size information: Tables 3.1, 3.4, 8.6, and 9.1. Some tables, while showing the results of t-tests, do not include asterisks which by convention indicate the level of significance corresponding to each t-test. Examples are Tables D.1, D.2, D.3, E.1, F.1, F.2, G.1, and G.2 in the appendix. And in some tables, important information is missing, with "Xs" typed in for the missing information. Examples are Tables 3.8, 7.7, 8.3, 9.3, 9.4, 9.6, 10.3, and 10.4. These are matters which can readily be remedied in the report.

The report points out a coding error in the footnote of page 20 of Chapter 3 for the variable "children under 6." It is not clear whether the error was corrected in other analyses where the same variable was used, such as in: Table 3.8 for the probability of married Asian women working, Table 3.9 for the effect on foreign-born married women working of the presence of children under 6, and Tables D.1 and D.2, respectively, for the factors affecting the labor supply of native-born and foreign-born women. Are these tables correct?

(12) Finally, we question assertions such as the following:

The report states that per capita income is lower for Asian immigrant families than for white immigrant families (as shown in Table 3.11), but that this is less of a problem for Asians because of differential economies of scale between Asians and whites. What is the basis of this assertion?

The report also suggests that relatives in Asian immigrant families provide opportunity for Asian mothers to work, whereas relatives in white immigrant families do not because they themselves need care. (Chapter 3, page 24.) This assertion is unsubstantiated. The study points to the presence of relatives who care for young children in Asian immigrant families as the

reason for the higher labor force participation rate of Asian wives. We suggest the importance of other factors such as economic necessity.

In Chapter 5 for skills differentials, the study reports fewer years of work experience for native-born Chinese, Filipino, and Vietnamese men. The study offers the explanation of higher unemployment for the groups but should also test for the real possibility of the groups being demographically younger (Cabezas et al, Amerasia Journal, 1986-87). Because of the long history of legislated exclusion, only after the passage of the 1965 Immigration Act has there been substantial family formation leading to a sizable second generation of native-born Chinese and Filipino Americans.

The study seems to suggest that unless there is evidence of discrimination against all Asian American populations, no finding of discrimination against any Asian population can be made:

"According to the earnings ratios in Table 7.4, the relative earnings of each Asian group (adjusting for skills and characteristics) vary according to region of residence. However, no consistent pattern emerges from these statistics. For instance, Filipino men and Japanese men earn more than white men in the East, whereas they earn relatively less in California. On the other hand, Chinese and Korean men earn less than whites in the East, whereas they earn almost as much as or more than whites in California. Taken together, the results do not suggest an anti-Asian earnings effect that is consistently correlated with region of residence across all groups." (Chapter 7, page 11.)

The study explains the lower representation of Asian men in the managerial ranks as possibly due to Asians not wanting to be managers, or preferring to report themselves as merely belonging to a field of specialization when they in fact are managers in that field. This is a curious assertion.

"The results suggest that the probability of becoming a manager for native-born Chinese, Filipino, and Japanese men is 7 to 11 percentage points lower than it is for white men. Whether this outcome is the result of discrimination, choice, or simply a greater propensity to report field of specialization on the Census instead of manager, remain issues for future research." (Chapter 7, page 21.)

However, the study is laudable in proposing for future study the issue of discrimination and restricted upward mobility of Asian Americans into the managerial ranks.

The study limits its analysis of Asian American women to only those

married. Restricting the study this way limits its utility.

The study claims that as early as 1960, Chinese American men were already earning more than white men. To our knowledge, no other study has reported this finding which goes against the historical evidence.

"In 1960, Japanese and Filipino men earned less than white men. . . . In contrast, Chinese men earned more than white men: on an annual basis they earned 14 percent more, and on an hourly basis they earned 6 percent more." (Chapter 10. page 5.)

The finding is mostly an artifice arising from the lack of regional controls.

The study claims that immigrant Asian men are more motivated to work than immigrant white men, explaining why Asians earn more. (Chapter 8, pages 17-19.) The claim, together with the argument of the "costs of migration" for Asians being higher, is culturally biased and unfounded.

Summary: The study addresses a very important issue today, the economic status of Asian Americans, who are often alleged to be a "model minority," a "success story." The study claims, in general, that Asian Americans earn more than whites, based on 1980 census data, and sometimes, based even on 1960 census data. We question most findings of the study because of:

- (1) the lack of a more comprehensive review of relevant studies;
- (2) a focus on the assimilation paradigm to the exclusion of others, and an inclination to dismiss possible evidence of discrimination;
- (3) an attempt to understand improvement in economic status between 1960 and 1980 on the basis of a single factor: the passage of the Civil Rights Act of 1964, to the exclusion of other possible factors, an approach particularly inappropriate for a largely immigrant population such as Asian Americans;
- (4) not addressing gender discrimination, comparing Asian women only with white women; also only married women were studied.
- (5) inadequately controlling for area or regional effects, when Asian Americans are known to be highly concentrated in only certain areas of the country, thus distorting most earnings comparisons;
- (6) lack of clarity in presentations of "adjusted" earnings vs. actual earnings, at times leaving out actual earnings comparisons;
- (7) absence of tests of statistical significance for some important differences claimed, such as those for household and family income;
- (8) the use of dummy variables to control for race and region effects,

when possible important interaction effects have not been explored. (This approach may standard, not unique to this study, but nonetheless is methodologically problematic.)

- (9) a claim that the earnings of Asian immigrants rise more rapidly than that of white immigrants, based on a "cohort" analysis which, however, is based on cross-sectional and not longitudinal data .

Appendix A

Notes on Historical Data in Chapter 2

Records from the Immigration and Naturalization Service (INS) provide a yearly record of the number of immigrants by country and the occupations of immigrants in their countries of origin. The number of immigrants reporting no occupation is also recorded.

These records were compiled from 1870 through 1980 so that the occupational backgrounds of immigrants from each country could be traced over time. These data give a good indication of the average skill levels of entering immigrants, and provide a baseline from which the current achievements of native-born and foreign-born Asians may be gauged.

The INS occupational background records make no distinction between men and women, or between persons of working age and children and the retired. However, in using these statistics, it is important to distinguish the labor force from persons outside the labor force. Otherwise, a decrease in the percentage of immigrants reporting laborer occupations, for instance, could simply reflect an increase in the numbers of women and children in the immigrant group, rather than an increase in the occupational backgrounds of the immigrant work force.

The number of persons in the labor force for each year was estimated as:

$$LF = (\text{total number of immigrants}) - (\text{number reporting no occupation}).$$

The percentage of the entering immigrant labor force reporting a particular occupation was estimated for each year as:

$$(\text{number of persons reporting occupation } i) / LF$$

These numbers, averaged over 5-year periods, are presented in tables 2.3, 2.4, and 2.5 of chapter 2. The category "laborer" includes the INS category laborer as well as the category farm laborer. The category "professional" includes the INS composite category professional as well as the category merchant and manager.

Statistics on Filipino Immigrants Before 1935

Before 1935 Filipinos were not considered immigrants. Statistics on the total number of Filipino entrants for the years 1921–1932 were derived from the following INS reports and locations: 1911–1920—table 110 of the *Report of the Commissioner General of Immigration*, p. 260; 1921–1930—table 111, note 1, of the 1929 and 1930 *Reports* and from tables 110 and 111 of the 1931 *Report*; 1931–1940—tables 110 and 111 of the 1931 *Report* and table 64, note 1, of the 1932 *Report*.

Information on the percentage of Filipinos who were laborers was derived from data presented in Honorante Mariano, *The Filipino Immigrants in the United States*, doctoral dissertation, University of Oregon, 1933 (reprinted in 1972 by R and E Research Associates, publishers and distributors of ethnic studies). To estimate the percentage of the Filipino immigrant labor force that was laborers, it was assumed that females and males under 16 years of age had no occupation. Several figures suggest that the male to female ratio was 15:1 (see Mariano dissertation, above, and U.S. Census, 1930, vol. III, pts. I and II) and that about 3 percent of males were

under 16 years of age (Mariano dissertation, above, pp. 21, 22, derived from State of California records on Filipino entrants).

The number of immigrants with no occupation was estimated for each year as:

$$\text{NOOCC} = 1/15 (\text{total immigrants}) + 3/100 (4/15(\text{total immigrants}))$$

and LF = total immigrants - NOOCC.

Appendix B

Data Development for Chapters 4 through 9

The analyses of chapters 4 through 9 rely primarily on the 5 percent "A" sample of the 1980 Census of Population. For a description of and documentation for this file, see *Technical Documentation, Public-Use Microdata Samples, Census of Population and Housing: 1980*, Bureau of the Census, 1983. This appendix describes how various population subsets that were analyzed in chapters 4 through 9, using the 1980 census data, were defined.

The race code (census question P12) was used to identify all Asian groups: Japanese, Chinese, Filipinos, Koreans, Asian Indians, and Vietnamese. Non-Hispanic whites were identified as race = white (P12 = 1) and not of Spanish origin (P14 = O).

In all racial categories, persons were identified as foreign born if their place of birth was a foreign

country (census question P22) and they were not born abroad of American parents (census questions P25 and P26).

Statistics on work patterns and earnings were estimated for persons who were not in the military and were not students and who had worked at least 1 week and had nonzero earnings in 1979. This group will be referred to in this appendix as the labor force.

Table B.1 presents the sample size for persons in the labor force for each population subset analyzed in chapters 4 through 9. A random sample of 1-in-1000 was used for non-Hispanic whites, given the large number in this group.

TABLE B.1
Sample Sizes for Persons in the Labor Force for Each Population Subset

	Chinese	Fillpino	Japanese	Indian	Korean	Vietnamese	Non-Hispanic white
Native-born men	1,971	1,245	5,975	184	165	19	17,494
Foreign-born men	6,309	4,916	1,717	4,441	2,535	1,322	1,317
Native-born married women	369	167	2,292	—	—	—	8,109
Foreign-born married women	2,270	2,709	199	1,273	1,086	525	284

Notes: The labor force, as defined here, excludes students and the military and consists of persons who worked at least one week and had non-zero earnings in 1979. Married women are in married-couple families in which both head and spouse are of the same race and nativity.

Appendix C

Notes on the Family Analysis in Chapter 3

A family, in the 1980 census and in this study, is defined as two or more persons, including the householder, who are related by birth, marriage, or adoption, and who live together as one household. A family must contain a head and at least one other family member (spouse, child, brother, sister, parent, etc.). Individuals living alone are not considered families by the census definition and were not included in any of the analyses of chapter 3. The unit of observation in all chapters following chapter 3 is the individual; the economic status of individuals of Asian descent—including both family members and single individuals—is described in these chapters.

Only families in which the head of household is between 18 and 65 years of age were considered in chapter 3. In analyses limited to married-couple families (families in which the household head is married and the spouse present), both the head of household and the spouse are between the ages of 18 and 65. All married-couple families in this study have both head and spouse of the same race and nativity. If no spouse was present in the family, the race and foreign-born status of the family are simply that of the family's head.

Family Income

To examine family income (tables 3.1 and 3.3), the census variable H112, family income in 1979, was used for all families. The family income variable in the 1980 census is truncated. Losses greater than \$9,990 are recorded only as "greater than \$9,990," and similarly, family incomes of more than \$75,000

are coded as "income of \$75,000 or more." Since the number of families with losses of more than \$9,990 was small, it was assumed that all these families lost \$9,990 only. However, the number of families with incomes exceeding \$75,000 was substantial. The Pareto method was used to estimate the mean family income of families in the upper income group. The method is described in Bureau of the Census, *Technical Documentation, 1980 Census*, appendix J, p. 164. Using the Pareto method the following income values were estimated for four population subsets: (1) Asian native born—\$231,727; (2) Asian foreign born—\$115,877; (3) non-Hispanic white native born—\$167,531; and (4) non-Hispanic white foreign born—\$121,486. The estimated mean values were then assigned to families of each of the four groups who reported more than \$75,000 of income.

Poverty Rates

The census variable used to measure the poverty level (table 3.2) is the 1980 census variable P139. Variable P139 is the poverty status in 1979 and is defined as the ratio of family income in 1979 to a "poverty threshold." This "poverty threshold" varies by family size, number of children and age of the head of the household. The threshold is based on the Department of Agriculture's 1961 Economy Food Plan and the assumption that one-third of a family's income goes to food. The poverty level is thus three times the current cost of the economy food plan. People below this income level are "poor"; those above it are "not poor." Table C.1 shows the

TABLE C.1
Poverty Level Thresholds in 1979 by Size of Family and
Number of Related Children Under 18 years Old

Size of family unit	Weighted average thresholds	Related children under 18 years								
		None	1	2	3	4	5	6	7	8 or more
1 person (unrelated individual)	\$ 3,686									
under 65 years	3,774	\$ 3,774								
65 years and over	3,479	3,479								
2 persons	4,723									
householder under 65 years	4,876	4,858	\$ 5,000							
householder 65 years and over	4,389	4,385	4,981							
3 persons	5,787	5,674	5,839	\$ 5,844						
4 persons	7,412	7,482	7,605	7,356	\$ 7,382					
5 persons	8,776	9,023	9,154	8,874	8,657	\$ 8,525				
6 persons	9,915	10,378	10,419	10,205	9,999	9,693	\$ 9,512			
7 persons	11,237	11,941	12,016	11,759	11,580	11,246	10,857	\$10,429		
8 persons	12,484	13,356	13,473	13,231	13,018	12,717	12,334	11,936	\$11,835	
9 or more persons	14,812	16,066	16,144	15,929	15,749	15,453	15,046	14,677	14,586	\$14,024

Source: Bureau of the Census, *Technical Documentation*, app. K, p. 35.

poverty level thresholds in 1979 by size of family and number of related children. For further information, refer to Bureau of the Census, *Technical Documentation, Census of Population and Housing, 1980*, appendix K, pp. 33–36.

Who Contributes to Family Income?

To examine the relative contribution of family members to family income (table 3.6), a measure of earned family income was needed. The family income variable, H112, could not be used for several reasons. First, the upper truncation of this variable made its use unreliable: if there were several high income earners in a family, the truncation of H112 makes it likely that the sum of the contribution to family income across all family members would be greater than one. Secondly, the family income variable included income other than earned income, such as interest, dividends, and rental income.

Instead of using the H112 family income variable, the individual earnings of each family member were summed to create a new measure of family labor income. The individual earnings are the sum of wage and salary income (census variable P101), and farm and nonfarm self-employment income (census variables P111 and P106). Although each of these individual earnings variables is truncated, the family earnings that resulted from the summation across all individuals has a much higher truncation level than is true of the family income variable. This measure

of earned income eliminates cases in which individual contributions to family income would be greater than family income itself, due to truncation of the family income variable, and allows measurement of the contribution of family members to total family earnings.

To compute the average contribution by family member to family income, the following methodology was used. The percentage contribution of the wife, for instance, is defined as the wife's earnings divided by the absolute value of family labor income, or,

$$\text{percent contribution of the wife} = \text{earnings of wife} / [\text{abs}(\text{family income})]$$

where *abs* is the absolute value operator and family income = earnings of the husband + earnings of the wife + earnings of children + earnings of other relatives. The contribution of children and other relatives to family income is similarly defined.

The earnings of any individual, and therefore family income, can be less than zero. The possibility then exists that an individual can have a negative contribution to family income or a contribution greater than all family income or family losses. The measure here of the contribution of family members to family income is truncated so that if an individual earns more than the total family income, that contribution is set to one. Similarly, if the losses of an individual are greater than family income, the losses of the individual are set to negative one.

Appendix D

The Labor Supply of Married Women

The purpose of this appendix is to give a more detailed representation of the regression results presented in chapter 3 concerning the labor supply of married women.

Tables D.1 and D.2 give the full regression results of table 3.8 of chapter 3.

Table D.3 shows the estimated coefficients from separate regressions that were run by racial groups for foreign-born married women.

TABLE D.1
Regression Analysis of the Effect of Asian Descent and Other Factors on the
Labor Supply of Native-Born Married Women, Ages 18–64, 1980
 (Benchmark Group is Native-Born, Non-Hispanic White Women)

Variables	Parameter estimates	T-statistics
Intercept	0.3729	8.15
Education	0.0398	13.62
Experience	0.0120	5.19
Experience squared	-0.0002	7.67
Education x experience	-0.0005	4.48
English language proficiency		
Very well	-0.0002	0.01
Well	-0.0804	1.56
Not well	0.0309	0.28
Not at all	0.3618	0.91
Disability	-0.2383	16.48
Location		
SMSA OCC	0.0193	1.64
CC SMSANI	0.0372	2.86
MIXSMSA	0.0402	2.85
OUTSMSA	0.0130	1.02
Region		
North Central	0.0303	2.99
South	0.0277	2.80
Other West	0.0112	0.82
California	0.0517	3.63
Hawaii	0.0325	0.43
Asian descent		
Japanese	0.1704	2.05
Chinese	0.0732	0.43
Filipino	0.0705	0.28
Korean	0.1902	0.23
Indian	-0.1429	0.24
Children ever born	-0.0374	15.39
First Married	-0.0041	4.27
Children under 6 at home	-0.1750	15.35
Husband's earnings	-0.000004	15.25
Assets	-0.000006	5.86
Whether husband ever unemployed	0.0151	1.40
Husband self-employed	-0.0777	7.90
<i>Number of observations</i>	18,223	
<i>R-squared</i>	0.1090	
<i>Adjusted R-squared</i>	0.1075	

TABLE D.2**Regression Analysis of the Effect of Asian Descent and Other Factors on the Labor Supply of Foreign-Born Married Women, Ages 18-64, 1980**

(Benchmark Group is Foreign-Born, Non-Hispanic White Women)

Variables	Parameter estimates	T-statistics
Intercept	0.2306	4.59
Education	0.0379	13.40
Experience	0.0308	11.37
Experience squared	-0.0004	11.75
Education x experience	-0.0010	10.44
English language proficiency		
Very well	-0.0158	1.33
Well	-0.0015	0.12
Not well	-0.0002	0.01
Not at all	0.0939	3.46
Disability	-0.3004	12.83
Location		
SMSA OCC	0.0035	0.38
CC SMSANI	0.0029	0.22
MIXSMSA	-0.0215	1.06
OUTSMSA	-0.0658	3.12
Region		
North Central	-0.0210	1.75
South	-0.0401	2.99
Other West	0.0053	0.28
California	-0.0364	3.31
Hawaii	-0.0626	1.91
Asian descent		
Japanese	-0.2218	7.55
Chinese	0.0955	6.35
Filipino	0.2460	14.39
Korean	0.0738	3.63
Indian	0.0217	1.19
Vietnamese	0.1058	4.05
Year of immigration		
1975-1980	-0.1759	9.37
1970-1974	-0.0054	0.30
1965-1970	-0.0021	0.12
1960-1964	0.0106	0.58
1950-1959	-0.1269	8.01
Children ever born	-0.0222	7.90
First married	-0.0023	2.35
Children under 6 at home	-0.1331	10.36
Husband's earnings	-0.000004	14.83
Assets	-0.000007	7.30
Whether husband ever unemployed	0.0264	2.29
Husband self-employed	-0.0911	8.15
<i>Number of observations</i>	14,267	
<i>R-squared</i>	0.1284	
<i>Adjusted R-squared</i>	0.1262	

TABLE D.3
Separate Labor Supply Regressions by Racial Group for Foreign-Born Married Women

Variables	JAPANESE		CHINESE	
	Parameter estimate	T-statistics	Parameter estimate	T-statistics
Intercept	1.3041	4.43	.4891	4.14
Education	-.0226	1.44	.0245	4.55
Experience	-.0387	2.35	.0226	4.01
Experience squared	.00044	2.26	-.00027	3.55
Education x experience	.00096	1.26	-.00074	3.99
English-language proficiency				
Very well	-.2169	1.41	.0514	.84
Well	-.2259	1.48	-0.0211	.35
Not well	-.2743	1.80	-.0476	.77
Not at all	-.3402	2.10	-.1153	1.74
Disability	.0938	1.02	-.2972	6.15
Location				
SMSA OCC	-.0197	.62	-.0604	3.52
CC SMSANI	.0045	.08	-.0488	1.62
MIXSMSA	-.0249	.21	-.0361	.65
OUTSMSA	-.1206	1.18	-.1086	2.28
Region				
North Central	-.0071	.13	-.0406	1.36
South	.0363	.67	.0157	.57
Other West	.0176	.23	.0874	2.15
California	.0481	1.31	.0630	3.22
Hawaii	.2306	3.49	.0783	1.63
Year of immigration				
1975-1980	-.1058	.99	-.1385	3.48
1970-1974	.1321	1.22	.0250	.64
1965-1969	.1489	1.31	.0347	.89
1960-1964	.3324	2.91	.0365	.87
1950-1959	.2888	2.46	.0136	.32
Children ever born	-.0538	3.47	-.0276	4.72
First married	-.0019	.48	-.0041	2.10
Children under 6 at home	-.1763	5.24	-.1044	5.08
Husband's earnings	-.0000038	4.43	-.0000036	6.27
Assets	1.589E-07	.03	-.0000080	3.75
Whether husband ever unemployed	.0362	.66	.0685	3.09
Husband self-employed	.0509	1.20	-.0518	2.64
<i>Number of observations</i>	821		<i>Number of observations</i>	3,855
<i>R-squared</i>	.2671		<i>R-squared</i>	.0930
<i>Adjusted R-squared</i>	.2394		<i>Adjusted R-squared</i>	.0859

TABLE D.3 (continued)
Separate Labor Supply Regressions by Racial Group for Foreign-Born Married Women

Variables	FILIPINO		KOREAN	
	Parameter estimate	T-statistics	Parameter estimate	T-statistics
Intercept	.3824	3.80	-.3088	1.18
Education	.0244	5.14	.0155	1.60
Experience	.0256	5.07	.0450	4.49
Experience squared	-.0005	6.73	.0007	5.04
Education x experience	-.0005	2.52	.0006	1.49
English-language proficiency				
Very well	.1426	2.99	.2586	2.33
Well	.1248	2.59	.1952	1.78
Not well	.1035	1.78	.1449	1.31
Not at all	.0630	.46	.0436	.37
Disability	-.3431	7.89	-.0709	1.30
Location				
SMSA OCC	-.0035	.27	-.0498	2.02
CC SMSANI	-.0278	1.24	-.0251	.60
MIXSMSA	-.1195	2.70	-.0702	.92
OUTSMSA	-.0302	1.03	-.0553	.72
Region				
North Central	.0279	.97	.0798	2.06
South	-.0647	2.23	.0853	2.18
Other West	-.0112	.28	.1325	2.57
California	.0225	1.04	.0960	3.07
Hawaii	-.0325	1.13	.0964	1.34
Year of immigration				
1975-1980	-.0375	.94	.5142	2.86
1970-1974	.0484	1.24	.5741	3.20
1965-1969	.0625	1.58	.5365	2.95
1960-1964	.0135	.30	.5221	2.79
1950-1959	.0331	.72	.5310	2.65
Children ever born	-.0145	3.34	-.0478	4.65
First married	-.0045	2.83	-.0076	2.43
Children under 6 at home	.0207	1.23	-.0770	2.56
Husband's earnings	-.0000040	7.24	-.0000058	7.89
Assets	-.0000017	.37	-.0000047	.88
Whether husband ever unemployed	.0489	2.85	.0191	.70
Husband self-employed	-.1045	3.59	-.0898	3.57
<i>Number of observations</i>	3,524		<i>Number of observations</i>	1,922
<i>R-squared</i>	.1285		<i>R-squared</i>	.1089
<i>Adjusted R-squared</i>	.1210		<i>Adjusted R-squared</i>	.0947

TABLE D.3 (continued)
Separate Labor Supply Regressions by Racial Group for Foreign-Born Married Women

Variables	INDIAN		VIETNAMESE	
	Parameter estimate	T-statistics	Parameter estimate	T-statistics
Intercept	-.0478	.24	1.3218	3.59
Education	.0410	6.13	.0021	.21
Experience	.0475	5.52	.0024	.25
Experience squared	-.00062	4.53	.00001	.10
Education x experience	-.0014	4.19	.0003	.86
English-language proficiency				
Very well	.0128	.35	-.0758	.58
Well	-.0750	1.98	-.0969	.76
Not well	-.1728	3.58	-.3606	2.83
Not at all	-.2429	2.62	-.5629	4.25
Disability	-.0644	.72	-.0195	.28
Location				
SMSA OCC	.0122	.52	.0549	1.86
CC SMSANI	-.0755	2.29	-.0161	.37
MIXSMSA	-.0656	1.47	-.0520	.691
OUTSMSA	-.0874	1.76	-.0675	1.09
Region				
North Central	.0030	.11	.0865	1.39
South	-.0187	.70	.0886	1.64
Other West	-.0312	.55	.0939	1.42
California	.0094	.34	-.0168	.32
Hawaii	.1258	.27	-.0452	.35
Year of immigration				
1975-1980	-.1186	.71	-.5603	1.82
1970-1974	-.0785	.47	-.4052	1.26
1965-1969	-.1311	.77	-.8755	2.67
1960-1964	.0066	.04	-.4049	1.02
1950-1959	-.0242	.12	-.6079	1.13
Children ever born	-.0413	4.26	-.0253	3.42
First married	.0053	1.87	-.0069	1.99
Children under 6 at home	-.0650	2.80	-.0642	1.80
Husband's earnings	-.0000039	6.16	.00001	6.53
Assets	3.525E-07	.10	4.4020E-07	.02
Whether husband ever unemployed	.0802	2.72	.0019	.06
Husband self-employed	-.1023	3.41	-.0097	.16
<i>Number of observations</i>	2,445		<i>Number of observations</i>	1,132
<i>R-squared</i>	.1067		<i>R-squared</i>	.2805
<i>Adjusted R-squared</i>	.0957		<i>Adjusted R-squared</i>	.2609

TABLE D.3 (continued)
Separate Labor Supply Regressions by Racial Group for Foreign-Born Married Women

Variables	NON-HISPANIC WHITE	
	Parameter estimate	T-statistics
Intercept	.1641	.61
Education	.0454	2.97
Experience	.0305	2.19
Experience squared	-.0004	2.31
Education x experience	-.0011	2.13
English-language proficiency		
Very well	-.0377	.69
Well	.0166	.27
Not well	.0471	.59
Not at all	.3684	2.28
Disability	-.3250	2.73
Location		
SMSA OCC	.0223	.44
CC SMSANI	-.0205	.30
MIXSMSA	-.00006	.001
OUTSMSA	-.0504	.46
Region		
North Central	-.0235	.40
South	-.0406	.57
Other West	.0071	.08
California	-.0734	1.22
Hawaii	-.5477	1.12
Year of immigration		
1975-1980	-.2276	2.40
1970-1974	-.0082	.09
1965-1969	.0073	.09
1960-1964	.0016	.02
1950-1959	-.1393	1.96
Children ever born	-.0191	1.32
First married	-.0019	.39
Children under 6 at home	-.1885	2.38
Husband's earnings	-.000004	2.68
Assets	-.000008	1.74
Whether husband ever unemployed	.0169	.27
Husband self-employed	-.0915	1.59
<i>Number of observations</i>	562	
<i>R-squared</i>	.1242	
<i>Adjusted R-squared</i>	.0749	

Appendix E

Earnings Estimations for Native-Born Men

This appendix provides a more detailed representation of the regression results presented in chapter 7.

Table E.1 shows the estimated coefficients from separate hourly earnings regressions that were run by racial group for native-born men.

Table E.2 shows the annual earnings regressions. Table E.3 shows maximum likelihood estimates of a logit model of probability of being a manager.

TABLE E.1
Separate Hourly Earnings Regressions by Racial Group for Native-Born Men, Ages 25–64, 1980

Explanatory variables	JAPANESE		CHINESE	
	Parameter estimates	T-statistics	Parameter estimates	T-statistics
Intercept	0.5590	(3.54)	0.1438	(0.62)
Education	0.0893	(11.39)	0.0998	(8.20)
Experience	0.0642	(9.18)	-0.0529	(4.24)
Experience squared	-0.0008	(10.62)	-0.0005	(3.48)
Education x experience	-0.0012	(4.06)	-0.0010	(2.12)
English-language proficiency				
Very well	-0.0450	(1.94)	-0.0486	(1.32)
Well	-0.0870	(2.59)	-0.0631	(0.99)
Not well	-0.1527	(2.59)	-0.1900	(1.73)
Not at all	-0.1913	(0.83)	0.0450	(0.07)
Disability	-0.0782	(1.77)	-0.0664	(0.73)
Not married spouse present	-0.1993	(9.49)	-0.1496	(4.01)
Location				
Smsaocc	0.0515	(2.71)	0.1060	(3.01)
Ccsmsani	-0.0075	(0.17)	-0.0094	(0.13)
Mxsmsa	-0.0250	(0.29)	-0.1252	(0.85)
Outsmsa	-0.0895	(3.13)	-0.0928	(1.04)
Region				
North Central	-0.1453	(1.82)	0.1253	(1.54)
South	0.2986	(3.25)	0.0692	(0.93)
Other West	-0.1664	(2.27)	0.0308	(0.42)
California	-0.1655	(2.42)	0.1437	(2.88)
Hawaii	-0.1210	(1.75)	0.1627	(2.83)
<i>Number of observations</i>	5,975		<i>Number of observations</i>	1,971
<i>R-squared</i>	.1204		<i>R-squared</i>	.1500
<i>Adjusted R-squared</i>	.1176		<i>Adjusted R-squared</i>	.1417

TABLE E.1 (continued)
Separate Hourly Earnings Regressions by Racial Group for Native-Born Men, Ages 25–64, 1980

Explanatory variables	FILIPINOS		KOREANS	
	Parameter estimates	T-statistics	Parameter estimates	T-statistics
Intercept	1.2013	(4.10)	-0.0248	(0.03)
Education	0.0444	(2.66)	0.1190	(2.55)
Experience	0.0337	(2.21)	0.0943	(2.22)
Experience squared	-0.0004	(1.85)	-0.0009	(1.75)
Education x experience	-0.0005	(0.86)	-0.0032	(1.78)
English-language proficiency				
Very well	-0.0617	(1.04)	-0.2518	(0.78)
Well	-0.2730	(3.06)	-0.1376	(0.32)
Not well	-0.0569	(0.36)	-0.4106	(0.97)
Not at all	0.0537	(0.11)	-	-
Disability	0.1185	(1.25)	-0.3333	(1.35)
Not married spouse present	-0.1669	(3.74)	-0.2215	(1.63)
Location				
Smsaocc	0.1193	(2.54)	-0.0598	(0.45)
Ccsmsani	0.0886	(1.14)	-0.0511	(0.17)
Mxsmsa	0.0146	(0.10)	-0.0939	(0.25)
Outsmsa	-0.1426	(2.25)	-0.2560	(1.28)
Region				
North Central	0.0477	(0.36)	0.0659	(0.18)
South	-0.1850	(1.46)	-0.0596	(0.16)
Other West	-0.0774	(0.67)	0.4221	(1.04)
California	-0.0667	(0.67)	0.2034	(0.61)
Hawaii	-0.0894	(0.88)	0.1599	(0.49)
<i>Number of observations</i>	1,245		<i>Number of observations</i>	165
<i>R-squared</i>	.0793		<i>R-squared</i>	.1648
<i>Adjusted R-squared</i>	.0650		<i>Adjusted R-squared</i>	.0625

TABLE E.1 (continued)
Separate Hourly Earnings Regressions by Racial Group for Native-Born Men, Ages 25–64, 1980

Explanatory variables	INDIANS		NON-HISPANIC WHITES	
	Parameter estimates	T-statistics	Parameter estimates	T-statistics
Intercept	0.5804	(0.65)	0.6498	(8.95)
Education	0.0702	(1.45)	0.0782	(19.01)
Experience	0.0557	(1.11)	0.0445	(11.83)
Experience squared	-0.0005	(0.86)	-0.0006	(12.65)
Education x experience	-0.0016	(0.83)	-0.0006	(3.61)
English-language proficiency				
Very well	0.0022	(0.01)	-0.0088	(0.26)
Well	-0.2346	(0.90)	0.0229	(0.31)
Not well	-0.1547	(0.25)	-0.1153	(0.96)
Not at all	-	-	-	-
Disability	-0.1505	(0.67)	-0.1577	(7.55)
Not married spouse present	-0.0884	(0.56)	-0.2303	(16.68)
Location				
Smsaocc	0.3082	(1.79)	0.0816	(4.93)
Ccsmsani	0.0200	(0.09)	-0.0163	(0.87)
Mxsmsa	-0.4739	(1.88)	-0.1094	(5.24)
Outsmsa	-0.3925	(1.76)	-0.1459	(7.87)
Region				
North Central	-0.2502	(1.22)	0.0190	(1.28)
South	0.0915	(0.49)	-0.0294	(2.00)
Other West	-0.3568	(1.19)	0.0418	(2.00)
California	-0.1194	(0.54)	0.0720	(3.43)
Hawaii	-	-	-0.1089	(0.80)
<i>Number of observations</i>	184		<i>Number of observations</i>	17,494
<i>R-squared</i>	.1714		<i>R-squared</i>	.1320
<i>Adjusted R-squared</i>	.0870		<i>Adjusted R-squared</i>	.1311

TABLE E.2
Separate Annual Earnings Regressions by Racial Group for Native-Born Men, Aged 25–64, 1980

Explanatory variables	JAPANESE		CHINESE	
	Parameter estimates	T-statistics	Parameter estimates	T-statistics
Intercept	8.0574	51.11	7.3976	29.97
Education	0.0885	11.30	0.1115	8.57
Experience	0.0712	10.18	0.0808	6.05
Experience squared	-0.0010	-13.21	-0.0010	-6.01
Education x experience	-0.0010	-3.68	-0.0018	-3.51
English-language proficiency				
Very well	-0.0346	-1.49	-0.0355	-0.90
Well	-0.0516	-1.54	-0.1114	-1.64
Not well	-0.1845	-3.13	-0.1627	-1.39
Not at all	-0.2210	-0.96	0.0289	0.04
Disability	-0.4217	-9.54	-0.2737	-2.82
Not married spouse present	-0.2947	-14.03	-0.2326	-5.83
Location				
Smsaocc	0.0555	2.93	0.1594	4.23
Ccsmsani	-0.0403	-0.90	0.0451	0.60
Mxsmsa	-0.0271	-0.31	-0.0301	-0.19
Outsmsa	-0.0942	-3.30	-0.0465	-0.50
Region				
North Central	0.0087	0.11	0.1216	1.40
South	-0.2260	-2.46	0.1458	1.84
Other West	-0.0310	-0.42	0.0204	0.26
California	-0.0636	-0.93	0.1784	3.34
Hawaii	-0.0518	-0.75	0.2181	3.54
<i>Number of observations</i>	5,975		<i>Number of observations</i>	1,971
<i>R-squared</i>	.1771		<i>R-squared</i>	.1642
<i>Adjusted R-squared</i>	.1744		<i>Adjusted R-squared</i>	.1561

TABLE E.2 (continued)
Separate Annual Earnings Regressions by Racial Group for Native-Born Men Aged 25–64, 1980

Explanatory variables	FILIPINO		KOREAN	
	Parameter estimates	T-statistics	Parameter estimates	T-statistics
Intercept	1.2013	4.10	7.5540	7.88
Education	0.0444	2.66	0.1019	1.99
Experience	0.0337	2.21	0.1106	2.36
Experience squared	-0.0004	-1.85	-0.0014	-2.63
Education x experience	-0.0005	-0.86	-0.0025	-1.27
English-language proficiency				
Very well	-0.0617	-1.04	-0.2255	-0.63
Well	-0.2730	-3.06	-0.7781	-1.64
Not well	-0.0569	-0.35	-0.2866	-0.62
Not at all	0.0537	0.11	-	-
Disability	0.1185	1.25	-0.2108	-0.77
Not married spouse present	-0.1668	-3.73	-0.4446	-2.97
Location				
Smsaocc	0.1193	2.54	-0.2484	-1.68
Ccsmsani	0.0886	1.13	-0.5792	-1.76
Mxsmsa	0.0146	0.10	-0.0495	-0.12
Outsmsa	-0.1426	-2.25	-0.4986	-2.27
Region				
North Central	0.0477	0.36	0.6151	1.53
South	-0.1850	-1.46	0.4023	0.99
Other West	-0.0774	-0.67	0.4489	1.01
California	-0.0667	-0.67	0.4171	1.14
Hawaii	-0.0894	-0.88	0.3274	0.92
<i>Number of observations</i>	1,245		<i>Number of observations</i>	165
<i>R-squared</i>	.0793		<i>R-squared</i>	.2295
<i>Adjusted R-squared</i>	.0650		<i>Adjusted R-squared</i>	.1351

TABLE E.2 (continued)
Separate Annual Earnings Regressions by Racial Group for Native-Born Men Aged 25–64, 1980

Explanatory variables	INDIAN		NON-HISPANIC WHITE	
	Parameter estimates	T-statistics	Parameter estimates	T-statistics
Intercept	7.0727	7.70	7.7105	99.30
Education	0.1262	2.54	0.1091	24.79
Experience	0.1078	2.10	0.0725	17.99
Experience squared	-0.0011	-1.83	-0.0010	-19.71
Education x experience	-0.0033	-1.73	-0.0014	-8.35
English-language proficiency				
Very well	-0.1543	-0.93	-0.0012	-0.03
Well	-0.4177	-1.56	0.0316	0.39
Not well	-1.6601	-2.60	-0.0244	-0.19
Not at all	-	-	-	-
Disability	-0.9500	-4.09	-0.4696	-21.02
Not married spouse present	-0.3806	-2.34	-0.3626	-24.55
Location				
Smsaocc	0.3809	2.16	0.1078	6.09
Ccsmsani	0.1240	0.55	-0.0006	-0.03
Mxsmsa	-0.1847	-0.71	-0.0986	-4.42
Outsmsa	-0.1462	-0.64	-0.1338	-6.75
Region				
North Central	-0.3295	-1.56	0.0494	3.11
South	0.1186	0.62	-0.0189	-1.20
Other West	-0.3518	-1.14	0.0237	1.06
California	0.0423	0.19	0.0229	1.01
Hawaii	-	-	-0.0222	-0.15
<i>Number of observations</i>	184		<i>Number of observations</i>	17,494
<i>R-squared</i>	.2971		<i>R-squared</i>	.1875
<i>Adjusted R-squared</i>	.2256		<i>Adjusted R-squared</i>	.1867

TABLE E.3
Maximum Likelihood Estimates of Logit Model of Probability of Being a Manager,
Native-Born Men, Ages 25–64, 1980

(Benchmark Group is Native-Born, Non-Hispanic White Men)

Variables	Parameter estimates	Asymptotic t-statistics
Intercept	-6.7361	-167.68
Education	0.2672	123.53
Experience	0.0953	49.59
Experience squared	-0.0012	-53.41
Education x experience	-0.0015	-18.58
English-language proficiency		
Very well	0.0484	3.11
Well	-0.8761	-15.78
Not well	-1.2533	-12.89
Not at all	0.2763	0.25
Disability	-0.2159	-20.00
Not married spouse present	-0.4221	-59.79
Location		
SMSA OCC	0.1707	23.05
CC SMSANI	0.1393	16.36
MIXSMSA	0.0271	2.69
OUTSMSA	-0.0483	-5.36
Region		
North Central	0.1237	17.89
South	0.0717	10.47
Other West	0.1145	12.03
California	0.1835	20.35
Hawaii	0.2335	5.25
Asian descent		
Japanese	-0.3597	-7.53
Chinese	-0.3230	-4.50
Filipino	-0.5614	-4.80
Industry		
Agriculture	-1.3698	-51.69
Mining	-0.8995	-28.77
Construction	-0.2764	-20.43
Durables	-0.0441	-3.95
Nondurables	0.2416	20.25
Transportation	-0.1400	-9.66
Communications	0.2872	14.96
Utilities	-0.1982	-9.35
Wholesale trade	0.7237	58.51
Retail trade	0.7188	63.60
Finance, insurance, real est.	0.6148	49.68
Business and repair svcs.	0.4530	33.45
Personal services	1.3778	73.63
Entertainment, recreation svcs.	0.9395	43.05
Professional, related svcs.	-0.8132	-67.07

Appendix F

Earnings Estimations for Foreign-Born Men

The purpose of this appendix is to give a more detailed representation of the regression results presented in chapter 8.

Table F.1 gives the full regression results of table 8.3 of chapter 8.

Table F.2 presents the estimated coefficients from separate regressions that were run by racial groups for foreign-born men.

TABLE F.1
Regression Analysis of the Effect of Asian Descent and Other Factors on the Annual Earnings of Foreign-Born Men, Ages 25–64, 1980

(Benchmark Group is Foreign-Born, Non-Hispanic White Men)

Variables	Not controlling for English-language proficiency		Controlling for English-language proficiency	
	Parameter estimates	T-statistics	Parameter estimates	T-statistics
Intercept	7.7769	73.82	8.0196	76.08
Education	0.0752	7.74	0.0490	5.03
Education squared	0.0015	5.51	0.0021	7.94
Experience	0.0804	18.80	0.0799	18.83
Experience squared	-0.0011	21.13	-0.0010	20.66
Education x experience	-0.0017	10.68	-0.0017	10.52
English-language proficiency				
Very well			-0.0501	3.77
Well			-0.1946	12.39
Not well			-0.3573	15.70
Not at all			-0.5788	12.49
Disability	-0.5344	20.44	-0.5041	19.38
Not married spouse present	-0.2321	17.18	-0.2360	16.56
Location				
SMSA OCC	0.1654	13.50	0.1464	12.00
CC SMSANI	0.1147	6.29	0.1099	6.07
MIXSMSA	0.0668	2.62	0.0327	1.29
OUTSMSA	-0.0028	0.11	-0.0459	1.82
Region				
North Central	0.1593	10.84	0.1588	10.87
South	-0.0735	4.30	-0.1042	6.11
Other West	0.0518	2.26	0.0194	0.85
California	0.0688	4.74	0.0499	3.45
Hawaii	0.0227	0.46	0.0117	0.24
Year of immigration				
1975–1980	-0.3601	17.79	-0.2330	10.68
1970–1974	-0.1327	6.31	-0.0165	.76
1965–1969	-0.0483	2.39	0.0333	1.62
1960–1964	-0.0647	3.13	-0.0124	.60
1950–1959	0.0413	2.46	0.0799	4.73
Asian descent				
Japanese	0.1777	4.69	0.2527	6.67
Chinese	-0.2637	12.65	-0.1789	8.42
Filipino	-0.2082	8.52	-0.1996	8.10
Korean	-0.1898	5.97	-0.0964	3.01
Indian	-0.1133	4.49	-0.1298	5.13
Vietnamese	-0.1910	4.35	-0.1172	2.68
	<i>Number of observations</i>	22,563	<i>Number of observations</i>	22,563
	<i>R-squared</i>	0.2180	<i>R-squared</i>	0.2303
	<i>Adjusted R-squared</i>	0.2171	<i>Adjusted R-squared</i>	0.2293

TABLE F.2
Annual Earnings of Foreign-Born Men, Ages 25–64, 1980, Separate Regressions by Racial Groups

Variables	JAPANESE		CHINESE	
	Parameter estimates	T-statistics	Parameter estimates	T-statistics
Intercept	8.1818	28.72	7.5318	54.64
Education	0.0615	4.27	0.1124	17.53
Experience	0.0978	6.17	0.8689	12.66
Experience squared	-0.0015	7.07	-0.0011	12.14
Education x experience	-0.0010	1.60	-0.0026	12.00
English-language proficiency				
Very well	0.1458	2.18	0.0755	1.56
Well	0.0217	0.32	-0.1219	2.52
Not well	-0.2483	3.29	-0.3482	6.62
Not at all	-0.0956	0.51	-0.4691	7.18
Disability	-0.1696	1.33	-0.1398	1.10
Not married spouse present	-0.2607	5.71	-0.1863	6.68
Location				
SMSA OCC	0.2950	7.46	0.2321	9.95
CC SMSANI	0.0426	0.57	0.1922	4.69
MIXSMSA	0.0344	0.23	0.2015	2.99
OUTSMSA	0.0533	0.43	0.2117	3.09
Region				
North Central	-0.1812	2.79	0.1350	3.80
South	-0.1574	2.29	0.0562	1.64
Other West	-0.1785	2.14	0.0772	1.59
California	-0.2483	5.23	0.1368	5.84
Hawaii	-0.4755	5.88	0.3119	4.50
Year of immigration				
1975–1980	0.0347	0.27	-0.5093	12.25
1970–1974	-0.0941	0.73	-0.2414	5.95
1965–1969	0.0180	0.14	-0.1471	3.63
1960–1964	-0.0247	0.19	-0.0478	1.05
1950–1959	-0.0621	0.53	-0.0616	1.40
<i>Number of observations</i>	1,717		<i>Number of observations</i>	6,309
<i>R-squared</i>	0.2555		<i>R-squared</i>	0.3408
<i>Adjusted R-squared</i>	0.2449		<i>Adjusted R-squared</i>	0.3383

Notes: These regression estimations include English-Language Proficiency variables. The results are somewhat different than the results presented in the bottom half of table 8.4 because the regressions presented here do not

include Education Squared as an explanatory variable; the specification presented here makes it easier to compare the return to education across foreign-born groups.

TABLE F.2 (continued)

Annual Earnings of Foreign-Born Men, Ages 25–64, 1980 Separate Regressions by Racial Groups

Variables	FILIPINO		KOREAN	
	Parameter estimates	T-statistics	Parameter estimates	T-statistics
Intercept	7.8122	48.35	7.7036	16.76
Education	0.1160	15.07	0.1038	7.20
Experience	0.0760	9.24	0.1089	7.23
Experience squared	-0.0010	9.27	-0.0014	7.04
Education x experience	-0.0022	7.85	-0.0031	5.33
English-language proficiency				
Very well	-0.0157	0.35	0.1583	1.53
Well	-0.1022	2.14	0.0530	0.51
Not well	-0.0416	0.60	-0.2236	2.06
Not at all	0.0029	0.02	-0.2705	1.65
Disability	-0.3348	4.52	-0.1465	1.74
Not married spouse present	-0.1928	6.31	-0.2375	4.14
Location				
SMSA OCC	0.1047	4.43	0.2389	6.32
CC SMSANI	0.0403	0.94	0.2389	3.67
MIXSMSA	0.2570	3.16	0.2627	2.19
OUTSMSA	0.2344	4.86	0.2591	2.38
Region				
North Central	0.1811	4.34	0.0696	1.29
South	-0.1051	2.23	-0.1314	2.38
Other West	-0.0011	0.02	-0.1383	1.91
California	-0.1122	3.30	0.0057	0.13
Hawaii	-0.0673	1.44	-0.1393	1.24
Year of immigration				
1975–1980	-0.6675	12.10	-0.6528	1.74
1970–1974	-0.3096	5.58	-0.3367	0.90
1965–1969	0.1682	3.04	-0.2113	0.56
1960–1964	-0.0660	0.99	-0.0974	0.26
1950–1959	-0.0634	1.04	-0.1587	0.42
<i>Number of observations</i>	4,916		<i>Number of observations</i>	2,535
<i>R-squared</i>	0.2811		<i>R-squared</i>	0.2513
<i>Adjusted R-squared</i>	0.2776		<i>Adjusted R-squared</i>	0.2441

Notes: These regression estimations include English-Language Proficiency variables. The results are somewhat different than the results presented in the bottom half of table 8.4 because the regressions presented here do not

include Education Squared as an explanatory variable; the specification presented here makes it easier to compare the return to education across foreign-born groups.

TABLE F.2 (continued)
Annual Earnings of Foreign-Born Men, Ages 25–64, 1980 Separate Regressions by Racial Groups

Variables	INDIAN		VIETNAMESE	
	Parameter estimates	T-statistics	Parameter estimates	T-statistics
Intercept	6.6236	28.43	7.6697	10.67
Education	0.1639	19.06	0.0701	4.10
Experience	0.1505	14.10	0.0344	1.84
Experience squared	-0.0019	12.67	-0.0004	1.37
Education x experience	-0.0047	12.74	-0.0018	2.65
English-language proficiency				
Very well	-0.0282	0.89	0.2624	1.39
Well	-0.1458	3.60	0.0972	0.53
Not well	-0.3220	4.03	-0.2690	1.45
Not at all	-0.6685	3.39	-0.5526	2.45
Disability	-0.0921	0.85	-0.6665	4.95
Not married spouse present	0.1269	3.69	-0.1578	2.65
Location				
SMSA OCC	0.1487	5.60	0.0652	1.12
CC SMSANI	0.1507	3.81	0.0593	0.76
MIXSMSA	0.1495	2.63	-0.0123	0.09
OUTSMSA	0.2866	4.59	0.0423	0.42
Region				
North Central	0.0605	2.02	0.0025	0.02
South	-0.0213	0.68	0.0641	0.68
Other West	-0.0067	0.10	0.0850	0.75
California	-0.0043	0.12	-0.0183	0.18
Hawaii	0.1338	0.36	-0.1667	0.83
Year of immigration				
1975–1980	-0.5458	3.55	0.4331	0.68
1970–1974	-0.2004	1.30	0.6010	0.93
1965–1969	-0.0350	0.22	0.2578	0.39
1960–1964	0.0288	0.18	0.4596	0.62
1950–1959	0.0391	0.24	0.8694	0.98
<i>Number of observations</i>	4,441		<i>Number of observations</i>	1,322
<i>R-squared</i>	0.3069		<i>R-squared</i>	.1499
<i>Adjusted R-squared</i>	0.3032		<i>Adjusted R-squared</i>	.1342

TABLE F.2 (continued)
Annual Earnings of Foreign-Born Men, Ages 25–64, 1980 Separate Regressions by Racial Groups

Variables	NON-HISPANIC WHITE	
	Parameter estimates	T-statistics
Intercept	7.3975	24.57
Education	0.1164	7.43
Experience	0.0970	6.23
Experience squared	-0.0012	5.99
Education x experience	-0.0023	4.21
English-language proficiency		
Very well	-0.0654	1.27
Well	-0.2203	3.46
Not well	-0.3309	3.42
Not at all	-0.5409	2.59
Disability	-0.5418	5.39
Not married spouse present	-0.2400	4.09
Location		
SMSA OCC	0.1228	2.38
CC SMSANI	0.0918	1.25
MIXSMSA	0.0063	0.06
OUTSMSA	-0.1169	1.15
Region		
North Central	0.1582	2.73
South	-0.1480	2.08
Other West	0.0180	0.20
California	0.0771	1.25
Hawaii	-0.3400	0.62
Year of immigration		
1975–1980	-0.1392	1.54
1970–1974	0.0321	0.35
1965–1969	0.0481	0.58
1960–1964	-0.0180	0.23
1950–1959	0.0983	1.55
<i>Number of observations</i>	1,317	
<i>R-squared</i>	.2058	
<i>Adjusted R-squared</i>	.1911	

Notes: These regression estimations include English Language Proficiency variables. The results are somewhat different than the results presented in the bottom half of table 8.4 because the regressions presented here do not

include Education Squared as an explanatory variable; the specification presented here makes it easier to compare the return to education across foreign-born groups.

Appendix G

Earnings Estimations for Married Women

This appendix gives a more detailed representation of the regression results presented in chapter 9 on the earnings of married women.

Tables G.1 and G.2 give the full regression results of tables 9.3 and 9.4, respectively, of chapter 9.

TABLE G.1
Regression Analysis of the Effect of Asian Descent and Other Factors on the
Hourly Earnings of Native-Born Married Women, Ages 18-64, 1980
 (Benchmark Group is Native-Born Non-Hispanic White Married Women)

Variables	Parameter estimates	T-statistics
Intercept	-0.0265	.33
Education	0.1055	19.70
Experience	0.0313	7.39
Experience squared	-0.0002	3.82
Education x experience	-0.0012	5.58
Spacing of children	-0.0028	1.21
English language proficiency		
Very well	-0.0255	.60
Well	-0.0535	.50
Not well	-0.2057	1.02
Not at all	0.2909	0.53
Disability	-0.0444	1.33
Location		
SMSA OCC	-0.0293	1.35
CC SMSANI	-0.0509	2.16
MIXSMSA	-0.0688	2.70
OUTSMSA	-0.1203	5.21
Region		
North Central	0.0072	.39
South	-0.0054	.30
Other West	0.0019	.08
California	0.1207	4.67
Hawaii	0.0079	.06
Asian descent		
Japanese	0.0634	0.45
Chinese	0.0948	0.32
Filipino	0.0543	0.12
Number of children ever born	-0.0228	4.19
Whether worked in 1975	0.2051	15.91
Age at first marriage	-0.0011	0.63
<i>Number of observations</i>	10,940	
<i>R-squared</i>	0.1215	
<i>Adjusted R-squared</i>	0.1195	

TABLE G.2**Regression Analysis of the Effect of Asian Descent and Other Factors on the Hourly Earnings of Foreign-Born Married Women, Ages 18-64, 1980**

(Benchmark Group is Foreign-Born Non-Hispanic White Married Women)

Variables	Parameter estimates	T-statistics
Intercept	0.7493	8.29
Education	0.0575	11.07
Experience	0.0200	3.93
Experience squared	-0.0002	2.43
Education x experience	-0.0014	7.25
Spacing of children	0.0084	3.18
English language proficiency		
Very well	0.0903	3.98
Well	-0.0471	1.94
Not well	-0.0564	1.94
Not at all	-0.0325	0.67
Disability	-0.0321	0.48
Location		
SMSA OCC	0.1040	6.06
CC SMSANI	-0.0916	3.74
MIXSMSA	-0.1005	2.68
OUTSMSA	-0.0026	0.06
Region		
North Central	0.0123	0.53
South	0.0422	1.64
Other West	-0.0376	1.07
California	0.0631	3.04
Hawaii	-0.1006	1.76
Asian descent		
Japanese	0.0079	0.10
Chinese	-0.0194	0.72
Filipino	0.0459	1.59
Korean	0.0830	2.24
Indian	0.0240	0.70
Vietnamese	0.1369	2.65
Year of immigration		
1975-1980	-0.4524	13.17
1970-1974	-0.2574	8.00
1965-1969	-0.2169	7.03
1960-1964	-0.2408	7.39
1950-1959	-0.1227	4.12
Number of children ever born	-0.0116	1.94
Whether worked in 1975	0.0888	5.78
Age at first marriage	0.0111	6.11
<i>Number of observations</i>	8,352	
<i>R-squared</i>	0.1358	
<i>Adjusted R-squared</i>	0.1324	

Appendix H

Making the 1960 and 1980 Census Data Comparable

The purpose of chapter 10 is to measure whether change occurred from 1960 to 1980 in the relative economic status of Asian men. This was done by estimating, for 1960 and 1980, the effect of Asian descent on the annual and hourly earnings of native-born men.

Since the 1960 and 1980 census data differ in several ways, efforts were made to make the analyses comparable across census years. Otherwise, differences in the relative earnings of Asian men in 1960 and 1980 might reflect differences in the way groups were defined, how earnings-related variables were controlled, or how hourly earnings (annual earnings divided by annual hours worked) were computed. Differences between the 1960 and 1980 census data that are pertinent to the analyses of chapter 9 are discussed below along with how these differences were resolved.

Definition of Groups: 1960 and 1980

Chinese, Filipinos, and Japanese were identified as separate races in both the 1960 and 1980 data. Thus, it is possible, in both years, to include second-, third-, and earlier generations in the native-born category for each of these groups. In the 1960 census data, there is no race variable for Koreans and Asian Indians. Native-born persons in these groups can only be defined, with the 1960 data, as persons with parents born in Korea and India. Unfortunately, parental origin was not asked in the 1980 census;

although separate race (as well as ancestry) variables are available in the 1980 data, there is no way to separate second-generation, native-born persons (the children of immigrants) from third- and earlier generations. The lack of any parallel definition across census years to identify native-born Asian Indians and Koreans precluded their analysis in chapter 9.

Native-born non-Hispanic whites serve as the benchmark group in 1960 and in 1980. Although the 1980 data facilitated a careful delineation of this group that excluded Hispanics, the 1960 data were more limited. Hispanics can be identified in the 1960 data according to whether parents were born in a Hispanic country. However, parental origin is not available in the 1980 data. Hispanics can be identified with the 1960 data by whether an individual reported a Spanish surname (variable P-8—available only if the person resided in one of five Southwestern States) and whether the person was of Puerto Rican stock (variable P-91).¹ Spanish surname (variable P-15) and Puerto Rican origin (variable P-14) are similarly defined in the 1980 census. To ensure that the benchmark groups were comparable in the 1960 and 1980 data analyses, native-born non-Hispanic whites were defined in both years as native-born whites who do not have a Spanish surname (given that they reside in one of five Southwestern States) and who are not of Puerto Rican origin. This definition does not exclude

¹ Language spoken at home could also have identified Hispanics; however, this question was not asked of the native born in 1960.

Hispanics from the benchmark group as successfully as the definition used in the analyses of native-born men of chapters 4 and 6. Therefore, the annual earnings of native-born non-Hispanic whites are somewhat lower in the 1980 results presented in chapter 9 than in the 1980 results presented in preceding chapters.

Variable Definitions: 1960 and 1980

Measures of English-language proficiency and a measure of work disabilities are available in the 1980 census but are unavailable in the 1960 census. Neither of these variables was used in assessing changes in Asian progress for 1960 and 1980.

Much more detail is available about the geographic location of households within SMSAs in 1980 than in 1960. In 1960 a distinction can be made only between households inside and outside an SMSA. To ensure comparability between the 1960 and 1980 data, individuals are coded as nonmetropolitan in the 1980 data if they reside outside an SMSA. Similarly, individuals are coded as nonmetropolitan in the 1960 data if they reside outside an SMSA, or if the metropolitan status of a household is not identified but the household is found in a rural area, or if the metropolitan status of a household is not identified but the individual works outside an SMSA.

² It should be further noted that hours worked in the 1960 census data refer to the hours worked in the census survey week,

Hours and Weeks Worked: 1960 and 1980

Hours and weeks worked are continuous variables in the 1980 data, whereas in the 1960 data, hours and weeks worked are recorded within intervals.² To make the 1960 and 1980 data comparable, the 1980 data were bracketed to match the brackets of the 1960 data and then, using the 1980 data on non-Hispanic whites, the average weeks and hours worked within *each* bracket were calculated. These values were then used to assign values to both 1960 and 1980 brackets for all groups. The following were the mean values calculated from the 1980 census data used to impute values within intervals.

Weeks worked:

1-13 weeks: 8.1; 14-26: 20.8; 27-39: 33.1; 40-47: 42.4; 48-49: 48.3; 50-52: 51.8

Hours worked per week:

1-14 hours: 8.8; 15-29: 20.9; 30-34: 31.2; 35-39: 36.5; 41-48: 45.2; 49-59: 51.9; 60+: 67.5

The imputed hours worked within intervals are higher, on average, for Japanese and Chinese men than the actual hours that they reported in 1980. Using the imputed values, therefore, results in lower hourly earnings for these groups than were obtained with the more accurate data as reported in chapters 4 and 6. The estimated 1980 differentials between non-Hispanic whites and these groups in hourly earnings are, accordingly, larger in the 1980 results presented in chapter 9 than in the results for native-born men presented in chapter 6.

whereas the 1980 census data that were used are usual hours worked per week in 1979.

Appendix I.

Unmeasured Factors and the Measurement of Labor Market Discrimination

The conclusions about the presence of or extent of anti-Asian labor market discrimination discussed in chapter 11 are made on the basis of measured skills and characteristics. More complete information on skill levels could alter these conclusions. For instance, if native-born Asians had higher unmeasured skills than non-Hispanic whites, then it would be possible that the earnings of Asian groups who earn on a par with non-Hispanic whites are, in fact, dampened by labor market discrimination. In other research, it has been found that some groups with higher than average levels of education have high earnings even after controlling for measurable characteristics, possibly because these groups receive higher quality education than average or because they receive more parental investment at home. Yet, despite their very high educational levels, native-born Japanese and Korean men earn about the same as non-Hispanic white men of the same educational level and Chinese men (who have the highest level of education among the native born), slightly less.¹ On the other hand, more complete information on skill levels might narrow the earnings differential found between non-Hispanic white men and native-born Asian Indians and Filipinos.

¹ See U.S. Commission on Civil Rights, *The Economic Status of Americans of Southern and Eastern European Ancestry* (1986), and Barry R. Chiswick, "The Earnings and Human Capital of

Unmeasured skills and characteristics may also be a factor in the results for foreign-born Asian men. The lower initial earnings of Asian immigrants may reflect lower levels of U.S.-specific skills, such as knowledge of the American labor market, that are not captured by the census data. For instance, migrating at older ages and with lower levels of schooling decreases the earnings mobility of Asian immigrants, whereas age has no detrimental effect and lower schooling levels have less of an effect on the earnings mobility of non-Hispanic whites. The difference may reflect a greater deficiency of U.S.-specific skills, or greater difficulty in obtaining them once here, for older and less educated Asian immigrants.

The fact that Asian immigrant men who migrated at young ages eventually earn more than non-Hispanic white immigrant men may again reflect unmeasured skills and characteristics: Asian immigrants may be more highly selected in terms of earnings potential, and this may contribute to their eventual success relative to non-Hispanic white immigrants.

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