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Streets of Gold: America's Untold Story of Immigrant Success

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Princeton University

16. June 2022

Markus Brunnermeier

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Immigration

- Einstein, Gödel, von Neumann, Morgenstern, ...
 - German emigrants to Princeton (fleeing Nazis)
- Jewish émigrés from Nazi Germany
increase US patents by 31% in their fields
Moser, Voena, Waldinger (AER 2014)
- Soviet emigrants

- What are benefits from immigration?
- How fairly are they distributed?

Immigration

- **1st generation:** *selection vs. lack of family safety net*
 - Sergey Brin (Google), Elon Musk (Tesla, SpaceX)
Stephane Barcel (Moderna),.....
 - Carnegie Foundation prize
- **2nd generation:** *education*
 - Ugur Sahin/Öylem Türeci (BioNTech in Germany)
- **Adopted:** *nice control group*
 - Steve Jobs (Apple)
- **Which countries** are better in integration?

Poll

1. When did the US welcome the **largest number of immigrants** relative to its population?
 - a. 1880 b. 1920
 - b. 2019
2. Which **children of immigrants moved up** the economic ladder the fastest?
 - a. Italians in the Ellis Island generation (c. 1940)
 - b. El Salvadorians and Nicaraguans today (c. 2010)
 - c. Same pace for both groups
3. I am worried that **immigrant** success may come **at the expense** of the US born in various ways
 - a. Yes
 - b. No
 - c. Not sure
4. I am worried that **partisan gridlock** will prevent any meaningful reform of the immigration system
 - a. Yes
 - b. No
 - c. Not sure

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STREETS OF GOLD

America's Untold Story of
Immigrant Success



**Bendheim Center
June 2022**

Immigration myths

Painted on wall of Ellis Island Museum

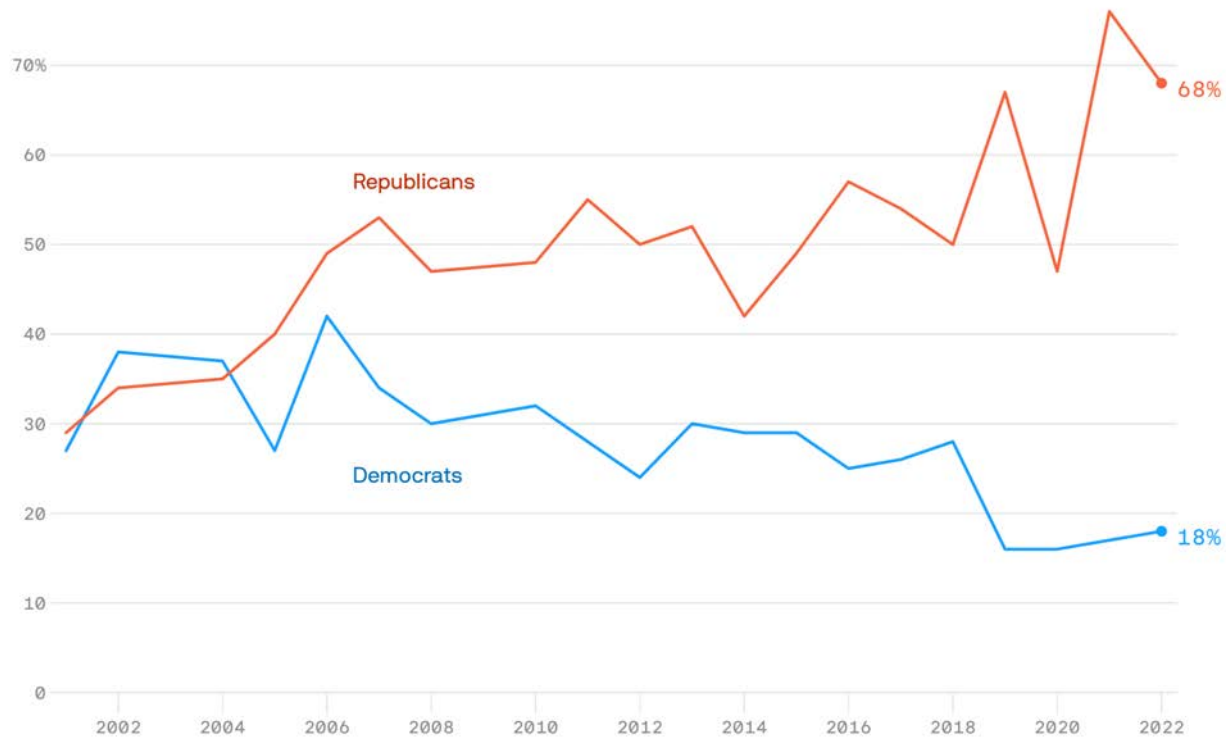
“I came to America because I heard the streets were paved with gold. When I got here, I found out three things: First, the streets weren’t paved with gold; second, they weren’t paved at all; and third, I was expected to pave them.”

We aim to rebuild immigration story from ground up:
Data on millions of immigrants to reassess common myths about the American Dream over two centuries

Partisan divide over immigration

Worry about illegal immigration, by party

Percentage who say they are "very worried"; Annual surveys of at least 1,000 adults conducted 2001 to 2022



Data: [Gallup polls](#); Chart: Axios Visuals

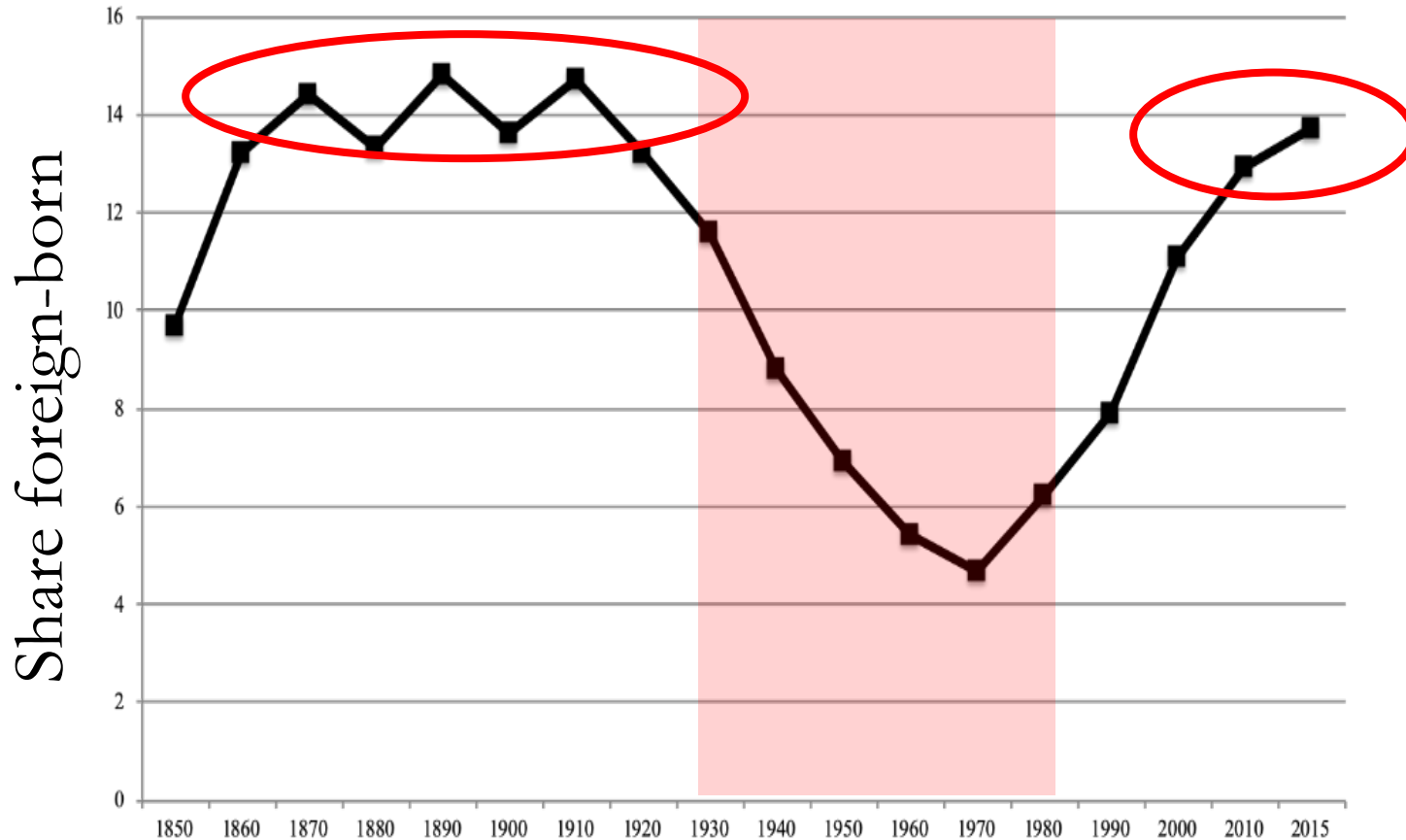
Big data on immigration, past and present

51	PLACE OF ABODE.			NAME of each person whose place of abode on January 1, 1920, was in this family. Enter surname first, then the given name and middle initial, if any. Include every person living on January 1, 1920. Omit children born since January 1, 1920.	RELATION. Relationship of this person to the head of the family.	TENURE.		PERSONAL DESCRIPTION.				CITIZENSHIP.		EDUCATION.			
	1 Street, avenue, Rd., etc.	2 House number of farm, etc. (see instruc- tions.)	3 Num- ber of dwell- ing house in order of visi- tation.			4 Num- ber of family house in order of visi- tation.	7 Home owned or rented.	8 If owned, free or mortgaged.	9 Sex.	10 Color or race.	11 Age at last birth- day.	12 Single, married, widowed, or di- vorced.	13 Year of limita- tion on the Cit- izen status.	14 Naturalized or alien.	15 If naturalized, year of natural- ization.	16 Attended school any time since Sept. 1, 1919.	17 Whether able to read.
51		245	288	321	Andrews Elsie	Wife			F	W	26	M				Yes	Yes
52					— George I.	Son			M	W	3 1/2	A					
53		7205	289	322	Oswald Louis	Head	R		M	W	56	M	1886	Pa	1896	Yes	Yes
54					— Mary	Wife			F	W	53	M	Pa	Pa		Yes	Yes
55					— Catherine	Daughter			F	W	26	S				Yes	Yes
56					— Louis	Son			M	W	25	S				Yes	Yes
57		7215	290	323	Platt Hyman S.	Head	O	M	M	W	57	M	1886	Pa	1898	Yes	Yes
58					— Mary	Wife			F	W	40	M	Pa	Pa		Yes	Yes
59					— George A.	Son			M	W	21	O				Yes	Yes
60					— Rose	Daughter			F	W	20	O				Yes	Yes
61					— Jessie	Daughter			F	W	18	O				Yes	Yes
62					— Clara	Daughter			F	W	17	S				Yes	Yes
63					— Sidney	Son			M	W	11	A				Yes	Yes
64					— Edward	Son			M	W	9	A				Yes	Yes
65					— Heather	Son			M	W	7	A				Yes	Yes
66					— Joseph	Son			M	W	5 1/2	A				Yes	Yes
67		7217	291	323	Buck Charles W.	Head	R		M	W	41	M				Yes	Yes
68					— Ella C. C.	Wife			F	W	37	M				Yes	Yes
69					— Charles W.	Son			M	W	14	S				Yes	Yes
70		7217	291	324	Calderone Joseph	Head			M	W	26	M	1902	Pa		Yes	Yes
71					— Rose	Wife			F	W	22	M				Yes	Yes
72					— Gustaf	Son			M	W	3 1/2	A				Yes	Yes
73					— Dorothy	Daughter			F	W	1 1/2	S				Yes	Yes

Reassessing four immigration myths

- **Is it really true that:**
 1. We have an unprecedented flood of immigration today?
 2. The Ellis Island generation rose up quickly (“rags to riches”), but immigrants today are not as successful?
 3. Immigrant families and their children will get stuck in a permanent underclass?
 4. Immigrant success comes at the expense of the US born?

1. We are not in the midst of an unprecedented flood of immigration



Source: Abramitzky/Boustan, *JEL* (2017)

Major changes in immigration regime over time

Immigration timeline—Put two dots for yourself or your family

Europe

Asia & Latin America

Few restrictions

Limited visas

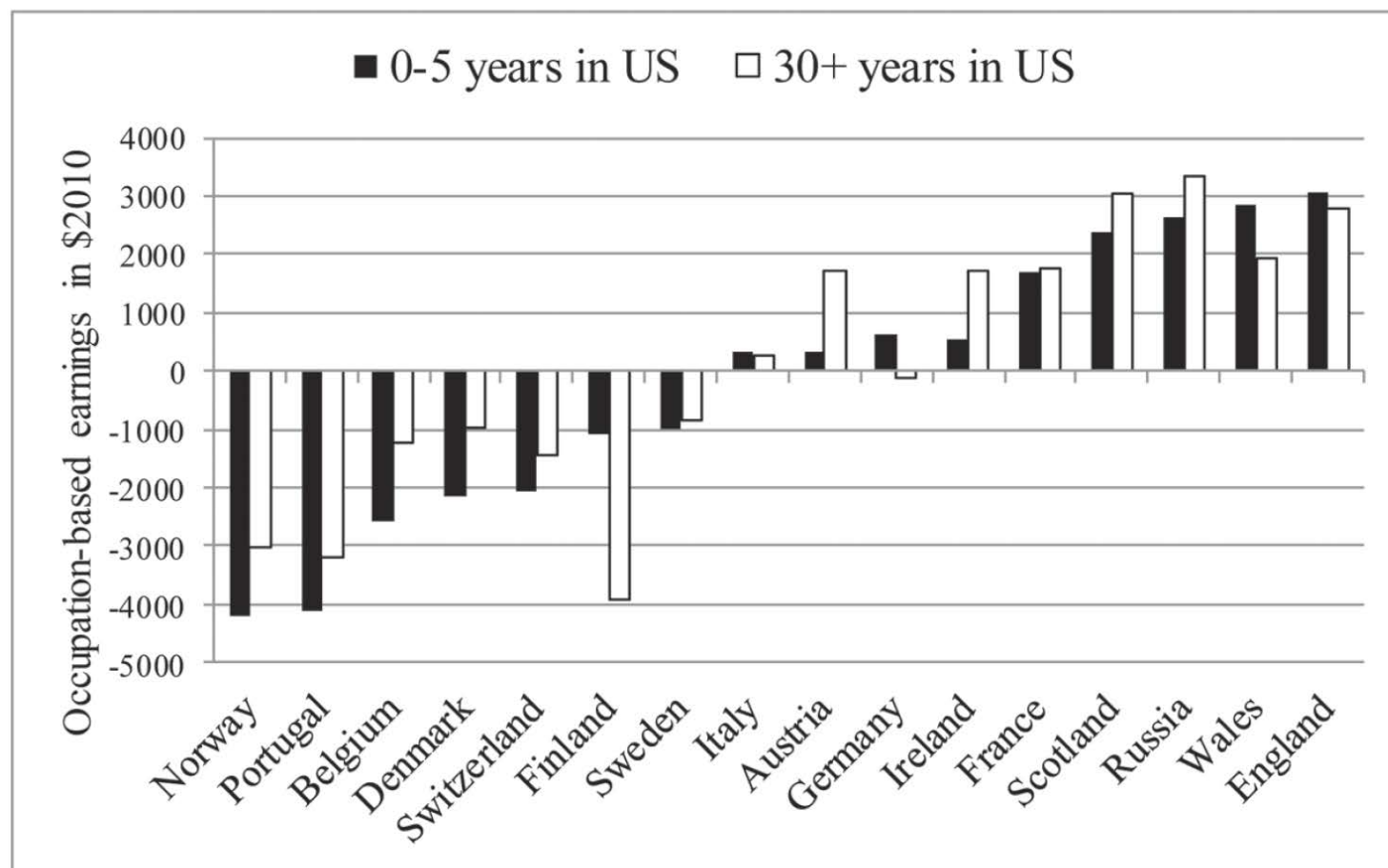
“Huddled masses”

Educated few

Before 1800 1810 1820 1830 1840 1850
1790

2. Ellis Island generation did not go from “rags to riches”

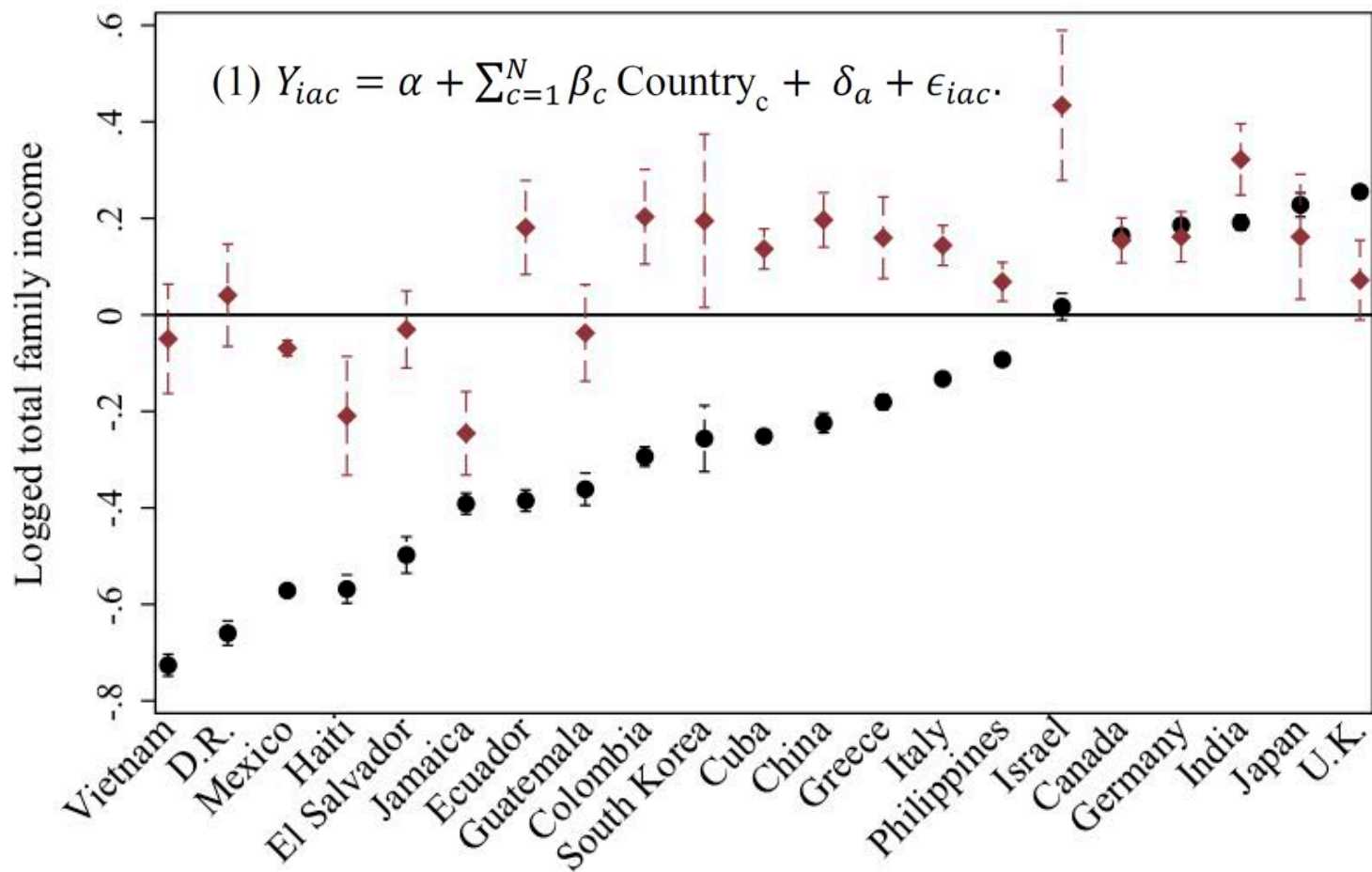
JOURNAL OF POLITICAL ECONOMY



Source: Abramitzky, Boustan 2014

Sample = 1900-1920

3. Immigrant families are not stuck in a permanent underclass



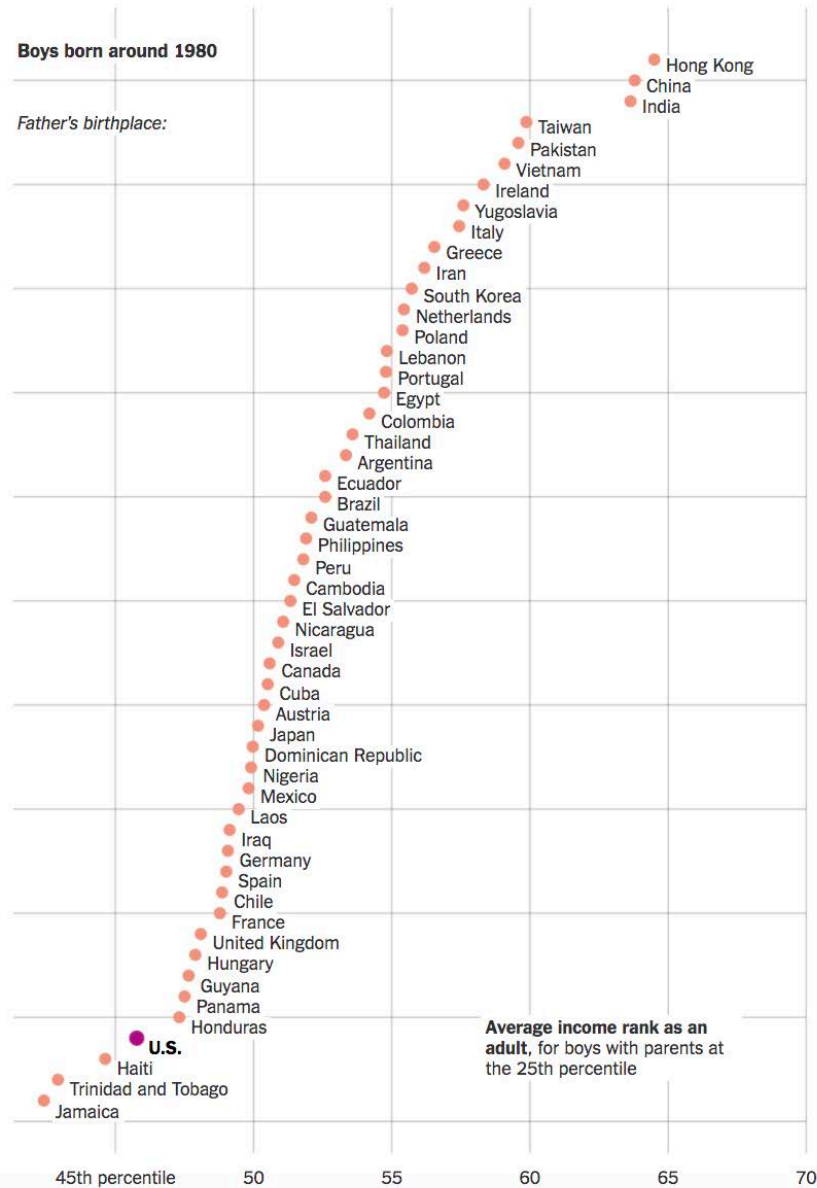
Source: Abramitzky,
Boustan, Jacome,
Perez, 2021

● 1980 men ◆ 2010 men
1980 = first gen, 2010 = second gen

- **What happens to children of immigrants vs. US-born raised at same point in income distribution?**
- Focus today on the 25th percentile
- Use our linked Census data for the past and tax records for the present (from Opportunity Atlas)

Immigrant Sons Have Higher Economic Mobility Today, Too

Second-generation immigrant sons raised in poor families have attained higher adult incomes than poor boys with native-born fathers, continuing the historical pattern.

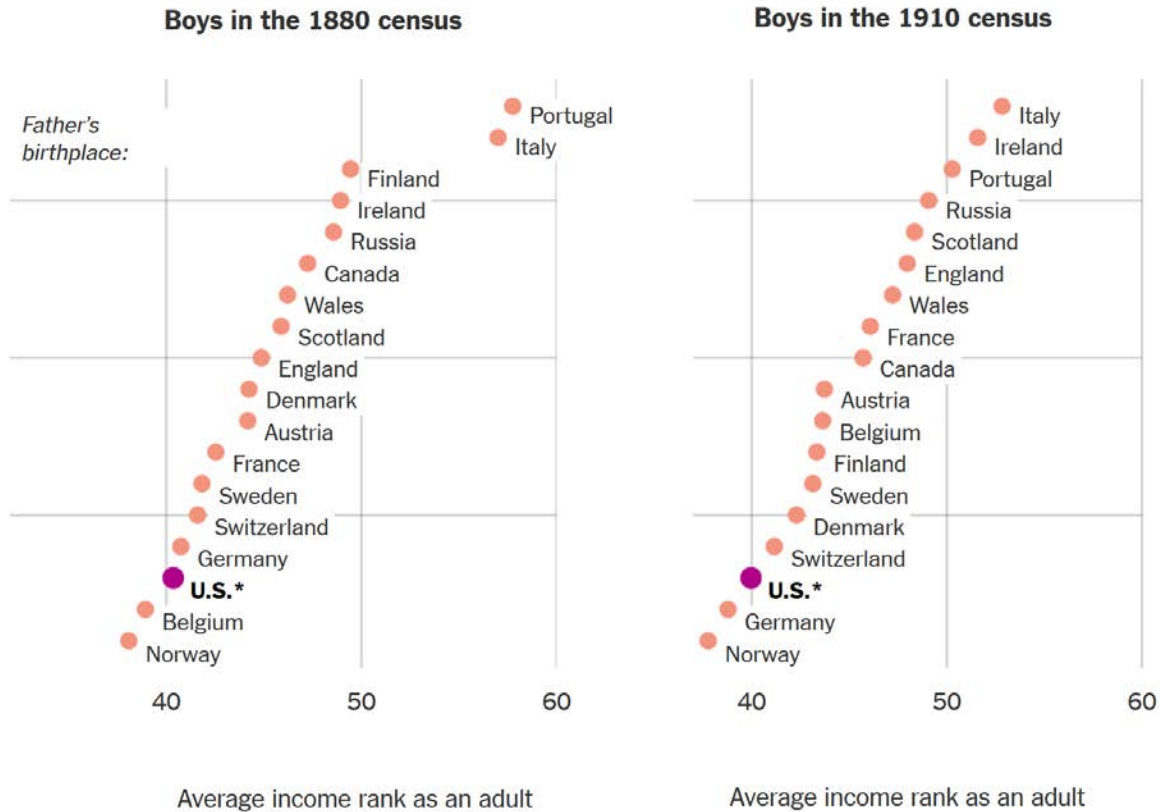


Daughters

Sons of Immigrants Climb Higher on the Economic Ladder

The average boy raised at the 25th percentile goes on to earn more than his parents. But the

THE UPSHOT | Children of Poor Immigrants Rise, Regardless of Where They Come From



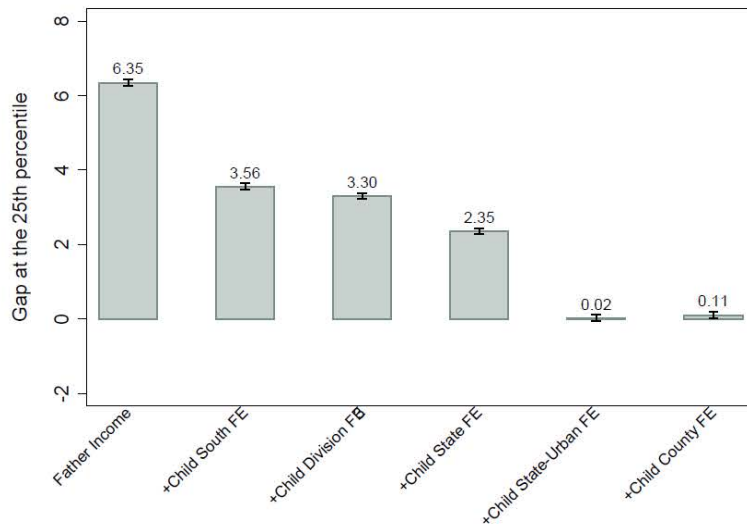
* U.S. data compares only white boys. Adult income ranks are estimated using occupation and demographic data in later census years.

Source: Analysis of Census data by Ran Abramitzky, Leah Boustan, Elisa Jácome and Santiago Pérez

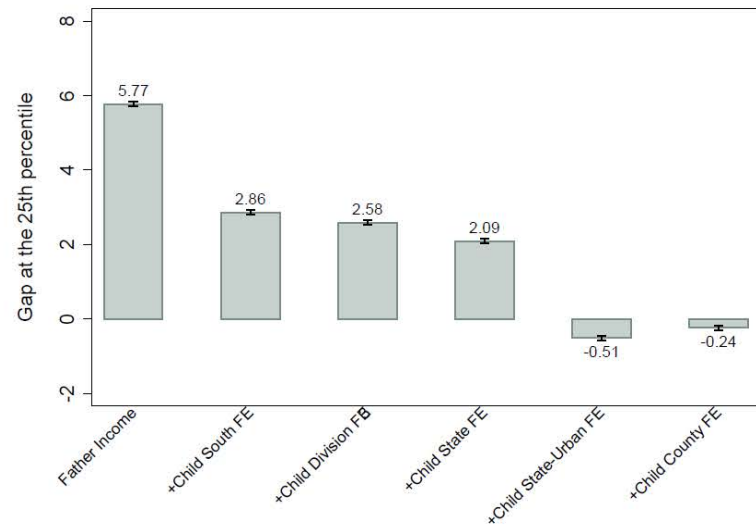
How did children of immigrants catch up?

One important factor: Immigrant parents are more likely than US-born to move to areas that offer upward mobility

(a) 1880–1910 Cohort



(b) 1910–1940 Cohort



4. Immigrant success does not come at the expense of the US born

- Supporters of border restrict argue that immigrants steal jobs and reduce wages of US-born
- Immigrants as consumers, not only as workers
- Immigrants contribute to innovation and start businesses
- Immigrants concentrate in manual jobs, while US-born specialize in communication-intensive jobs

Learning from the past about immigration restriction

Some cities/counties more affected by 1920s border closure because of large population of Southern and Eastern Europeans

VOL. REVISION NO. REVISION

IMMIGRATION AND LABOR MARKETS

29

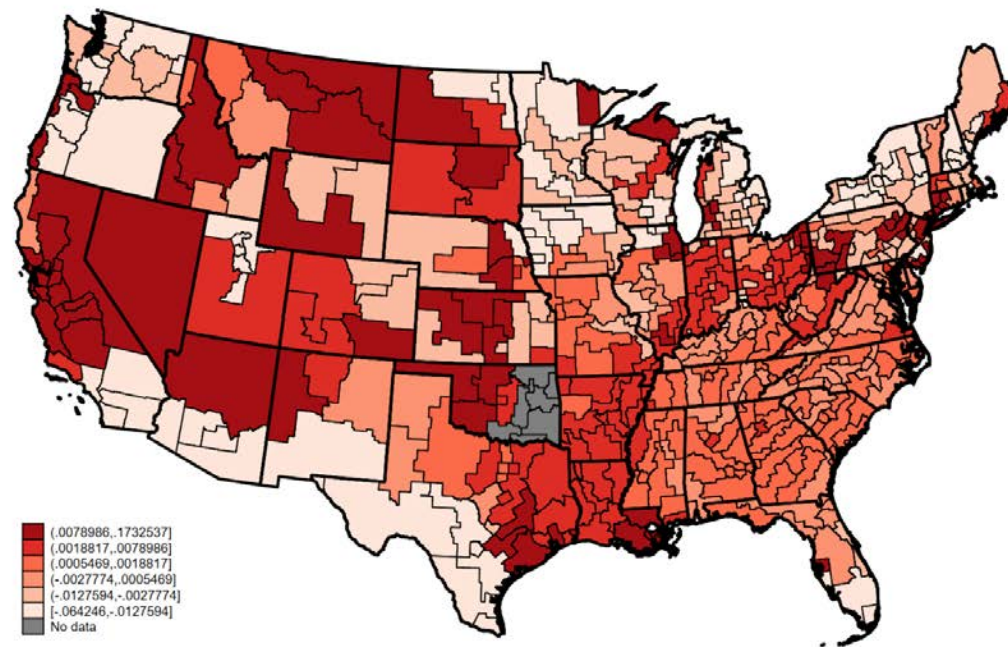
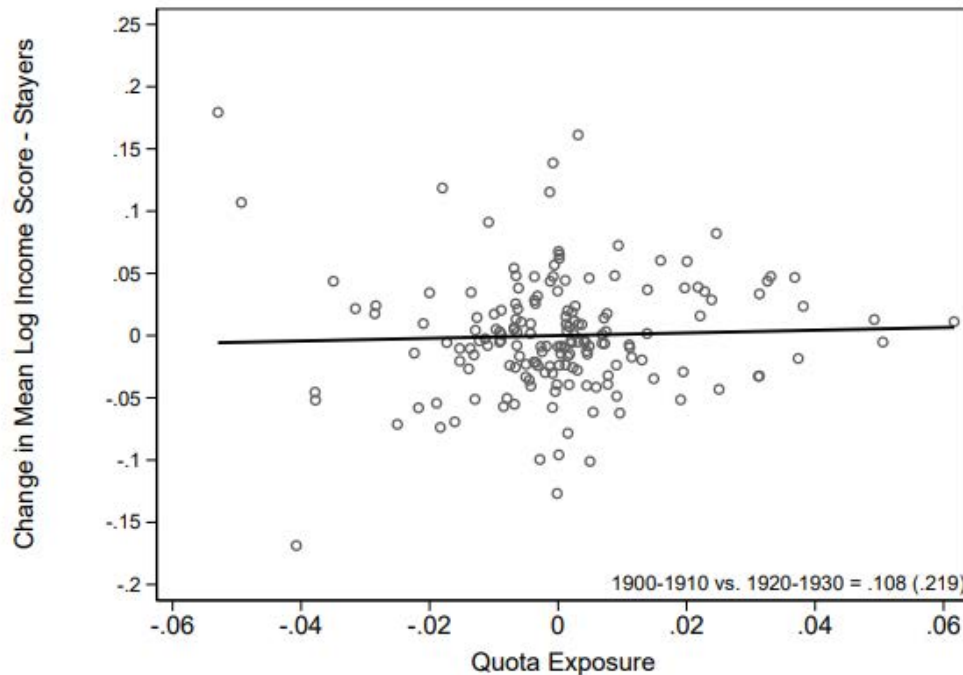


Figure 2. : SEA Quota Exposure Measure QE_2 , Controlling for Census Region and 1900 Foreign Born Share

Note: The figure plots the residuals from a regression of quota exposure measure QE_2 on census region indicators and 1900 foreign-born share and assigns a darker red color to SEAs with larger residuals.

Local workforce did not benefit from immigration restriction

Log Mean Income Score - Stayers



What happened?

- US-born workers moved in to cities from other areas
- Canadian and Mexican immigrants did too (they were not restricted)
- Farmers replaced lost farm labor with machinery

Where can we go from here?

- We do not need to pre-select immigrants based on their wealth or education level (as in a Canadian-style ‘point system’)
- The ~2 million undocumented immigrants who arrived as children may not share this upward trajectory... and policy can change this!

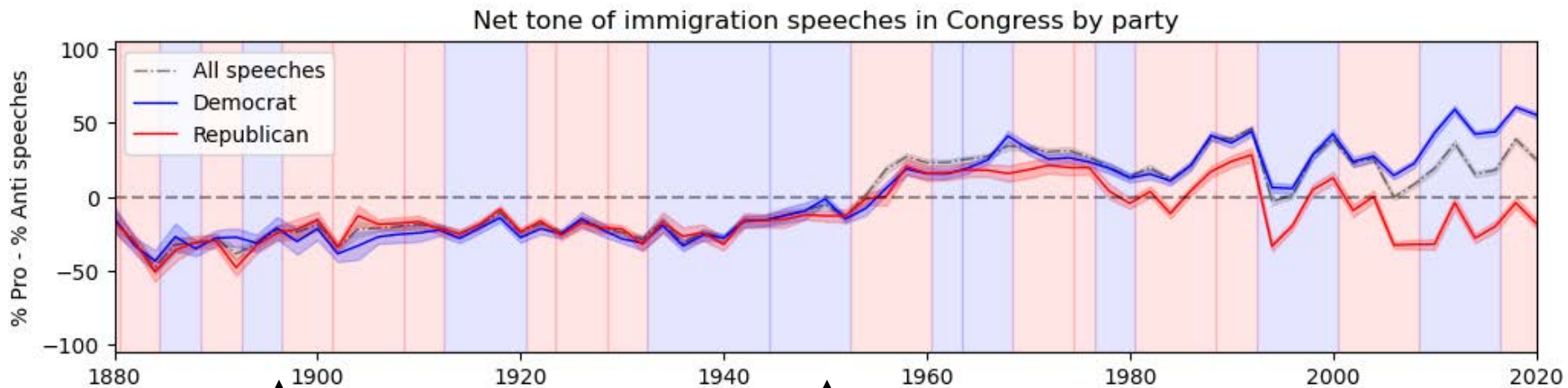
Is it possible to make progress in today's polarized environment?

- There is a 'silent majority' in favor of immigration: 75% of respondents in the latest Gallup poll say that immigration is good for the country
- But there is real and growing polarization by party
- We take heart in a case from US history when strong politicians have been able to shift the national conversation on immigration

Congressional speeches about immigration more positive but more polarized today (with Chris Becker, Dallas Card, Serina Chang, Dan Jurafsky, Rob Voigt)

- 8 million speeches; 200,000 pertain to immigration
- Keyword search in Congressional Record for terms like “immigrant,” “alien,” etc.
- Classify snippets as immigration related/not, and then by sentiment (pro, neutral or anti)
- Use machine learning to scale up coding to full corpus

Average tone more pro-immigrant over time, but increasingly polarized by party



(1) Consistently negative
1880-1940

(2) Transition
after WWII

(3) Positive but polarized
1965-today

Much more in the book!

- Immigrants take active steps to become Americans, then and now
- Historically, refugees have assimilated *faster* than economic migrants
- Stories of many immigrant families from oral histories and our modern survey, including some of our favorite economists!

RAN ABRAMITZKY
LEAH BOUSTAN

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Daughters of immigrants also more upwardly mobile, 1980-2010

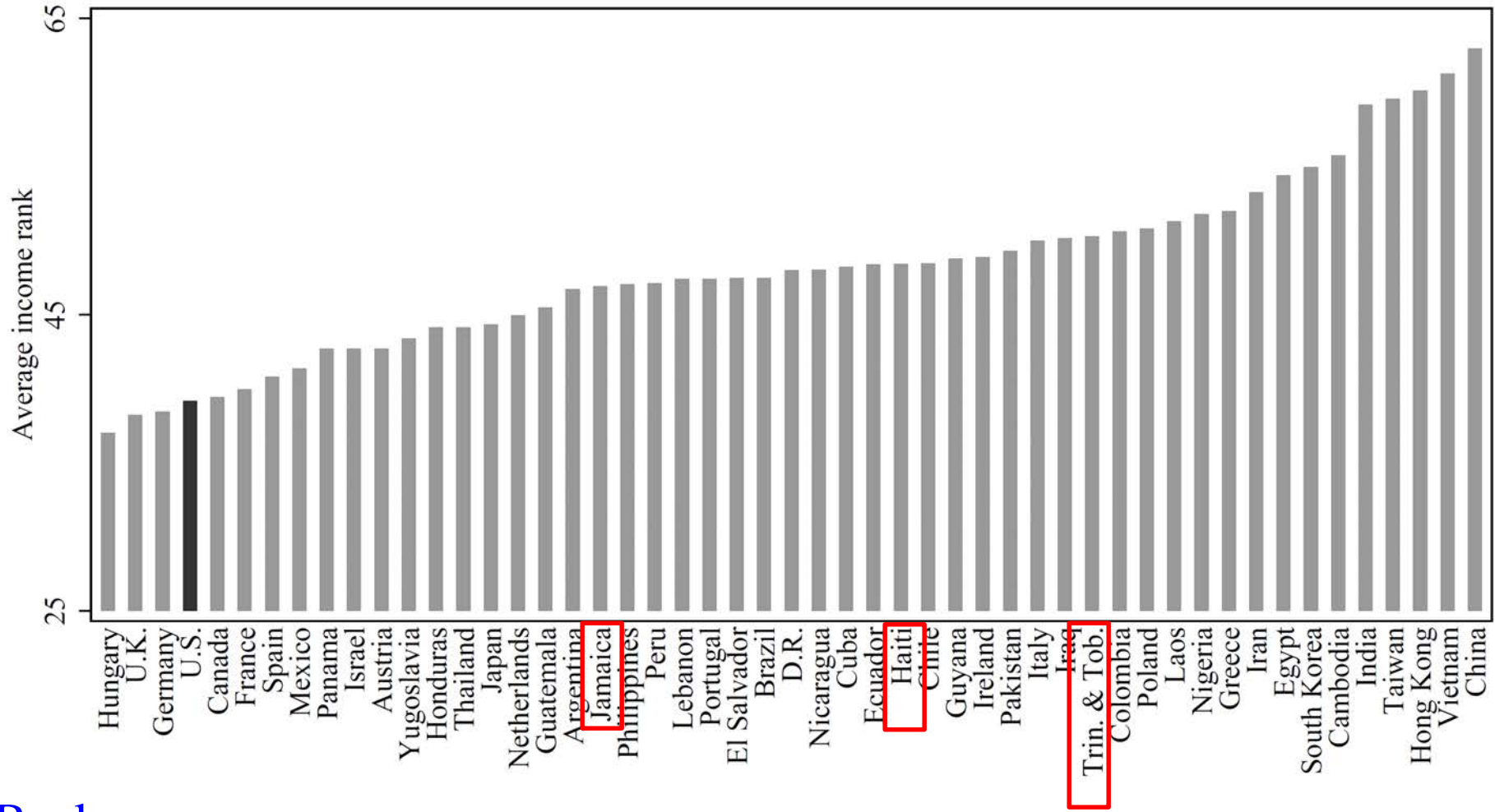
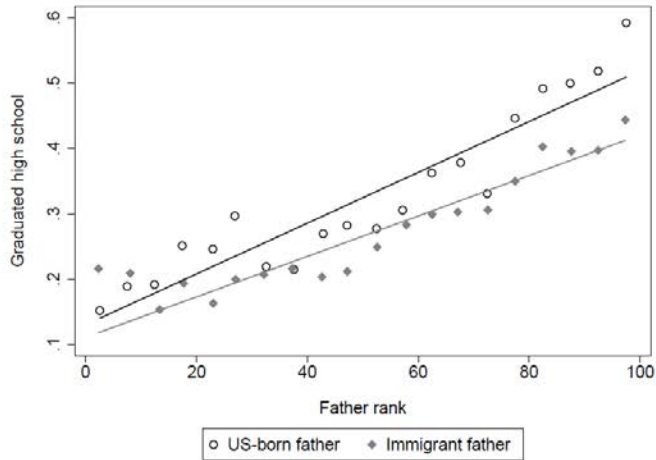
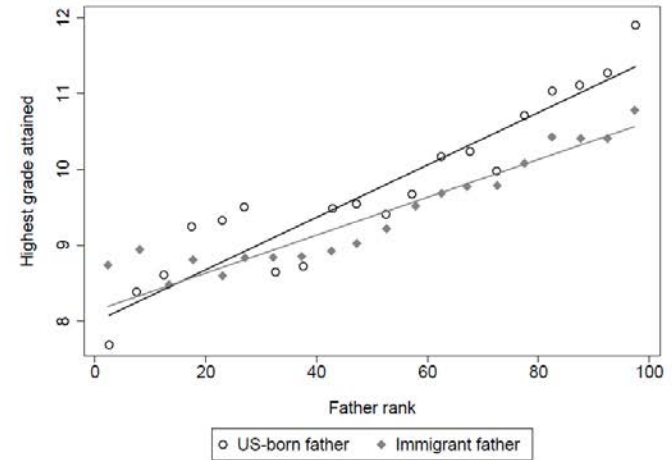


Figure 9: Educational Attainment, 1910–1940 cohort

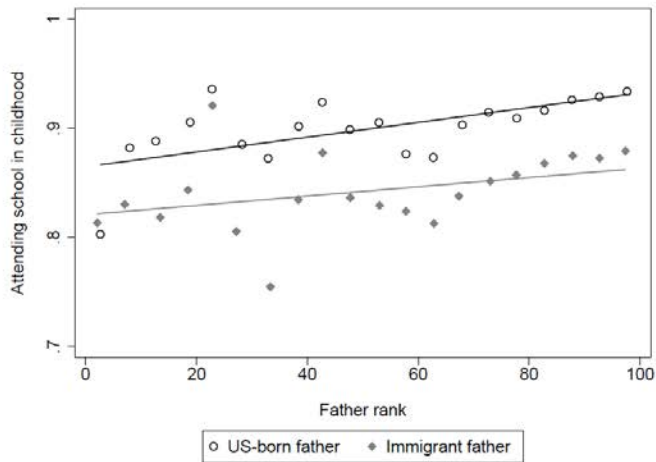
(a) Son graduated high school



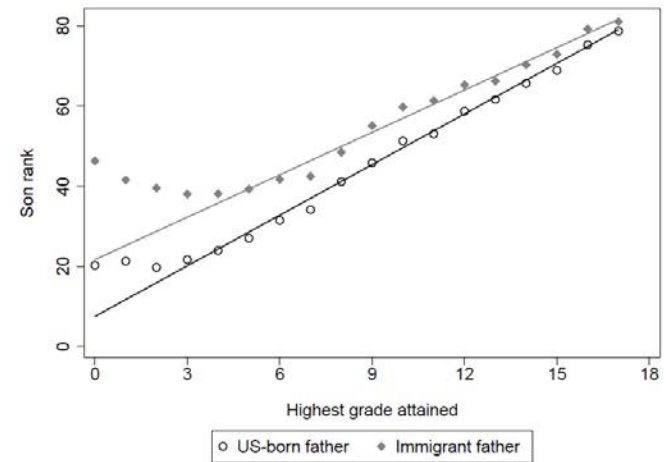
(b) Son's highest grade in school



(c) Son's school attendance in 1910



(d) Son's income rank and educational attainment



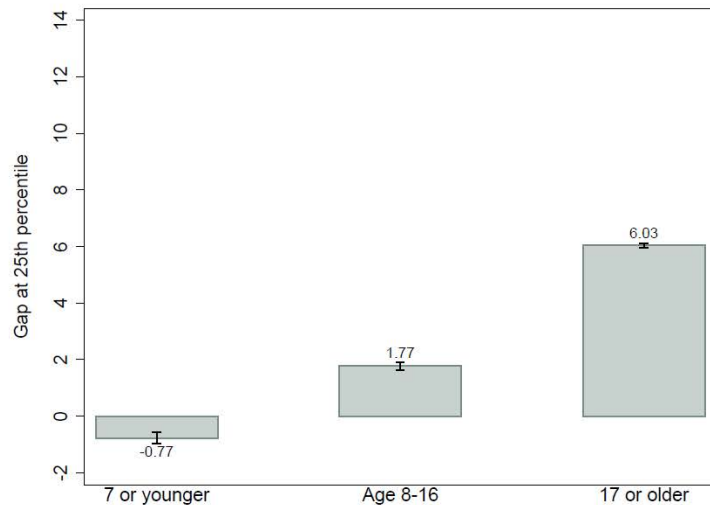
Can be hard for immigrant parents to support their children in US schools

“When I came here I got into studying. Part of it was I wanted to be the best I could be, thanks to my parents. I had to explain to them what the grades meant – that ‘A’ meant great. My dad was like ‘Oh, okay.’ They wanted me to be good, but they weren’t that involved. They didn’t go to open house at school or anything like that. At times I wanted them to, but I could see that it would probably be difficult for them to relate to and communicate with a lot of Americans. I ended up doing a lot of things myself.”

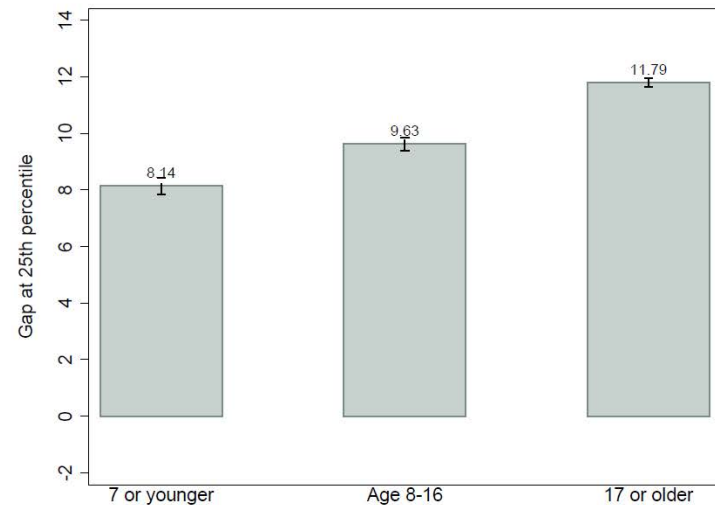
- **Edel Rodriguez, 1.5 generation immigrant from Cuba**

Largest mobility advantage for kids of immigrant dads who arrived as adults (poorer English skills + networks = underplaced)

(b) Non-English-Speaking Countries



(c) English-Speaking Countries



Immigrant parents underplaced in income distribution (from our survey)

“My mom has a master’s degree in science but initially worked as a waitress, a housecleaner, in a hotel, in a sewing factory, as a freelance seamstress, and a number of other odd jobs to help support us.”

After her parents gained citizenship, the family’s position improved. “My mom was able to transition back into science, and she’s been working in labs ever since. Money was not very plentiful, but it was a stable environment. I ended up going to a private high school on scholarship, and I went to an Ivy League university for undergrad, mostly paid for with financial aid.”

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- 2nd generation immigrant from China

Data choices/constraints

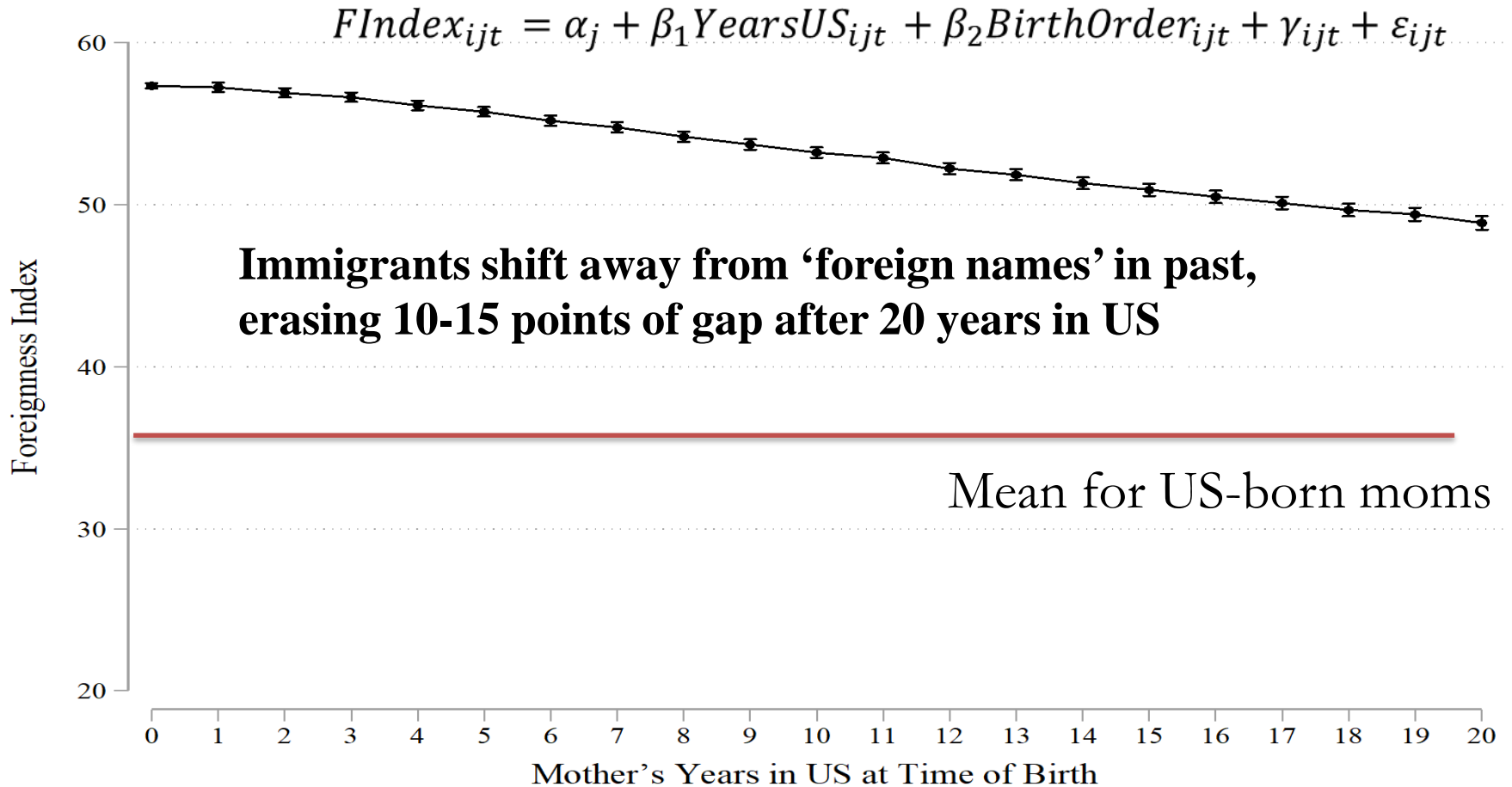
- Labor market outcomes measured age 30-50
- Cannot match daughters in historical data
- Include US-born sons of *white* fathers to match past immigrants
- Robustness to alternative matching algorithms
- Reweighting for sample representativeness
- No info in 1940 on self-employment income (farmers)
- Also try 1901 Cost of Living
- Immigration status determined by country of birth of father

For today, one measure we like: Shift in names that immigrant parents choose for their children as they spend time in US

- Past: using 5M census records from 1920 and 1940
- Present: 10M CA birth certificate records from 1989-2015

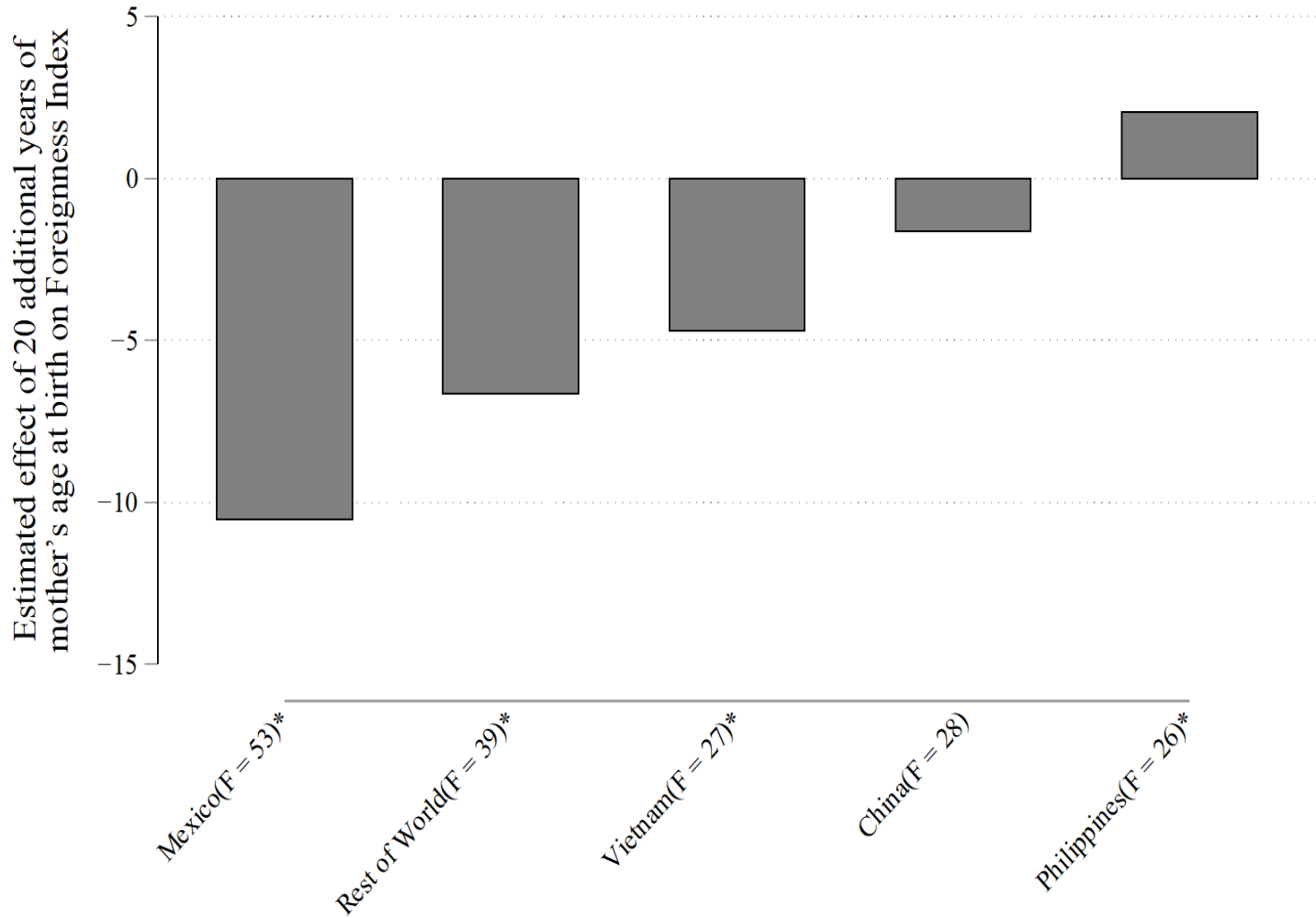


Substantial (but incomplete) cultural assimilation, then and now

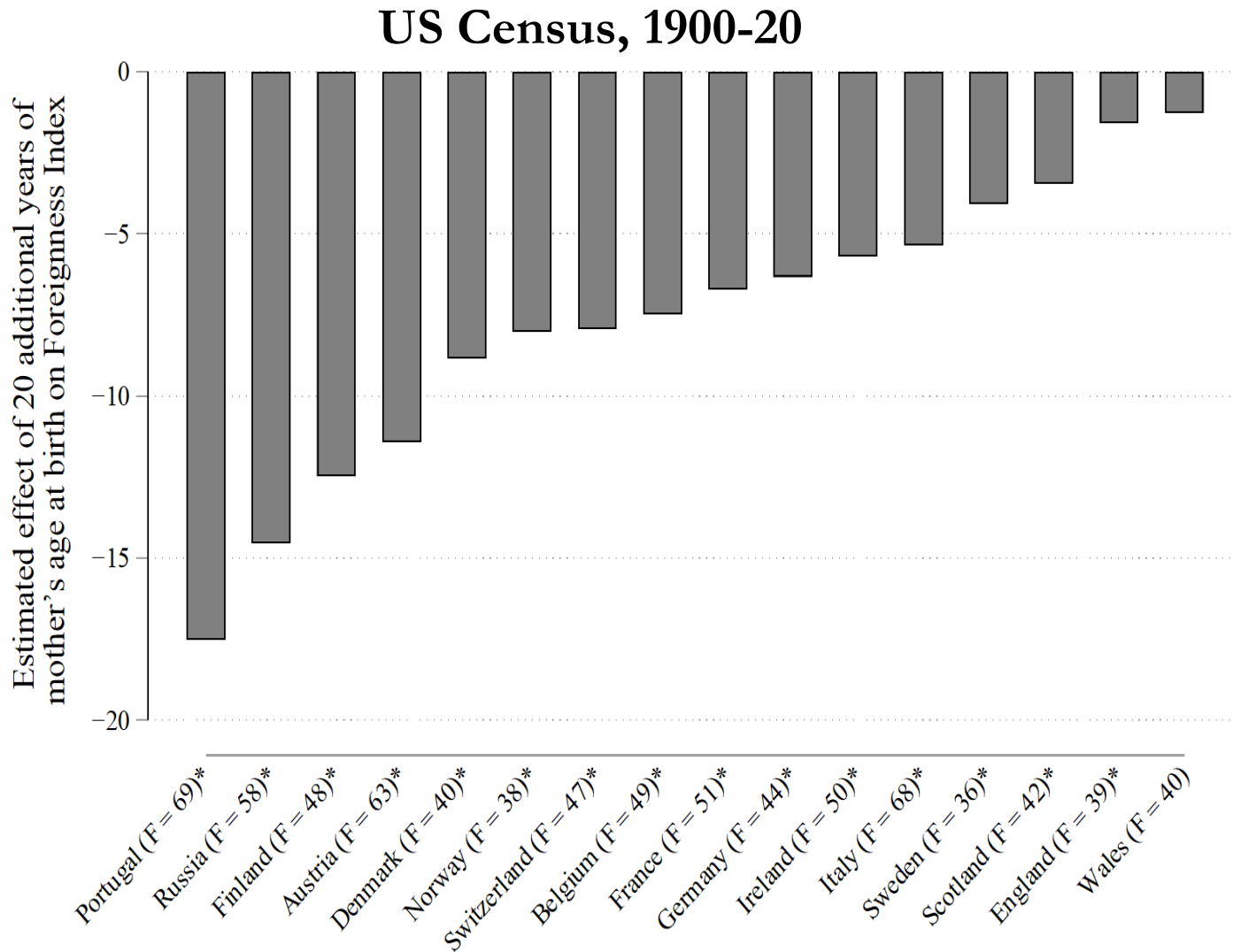


Some immigrant groups assimilate rapidly - TODAY

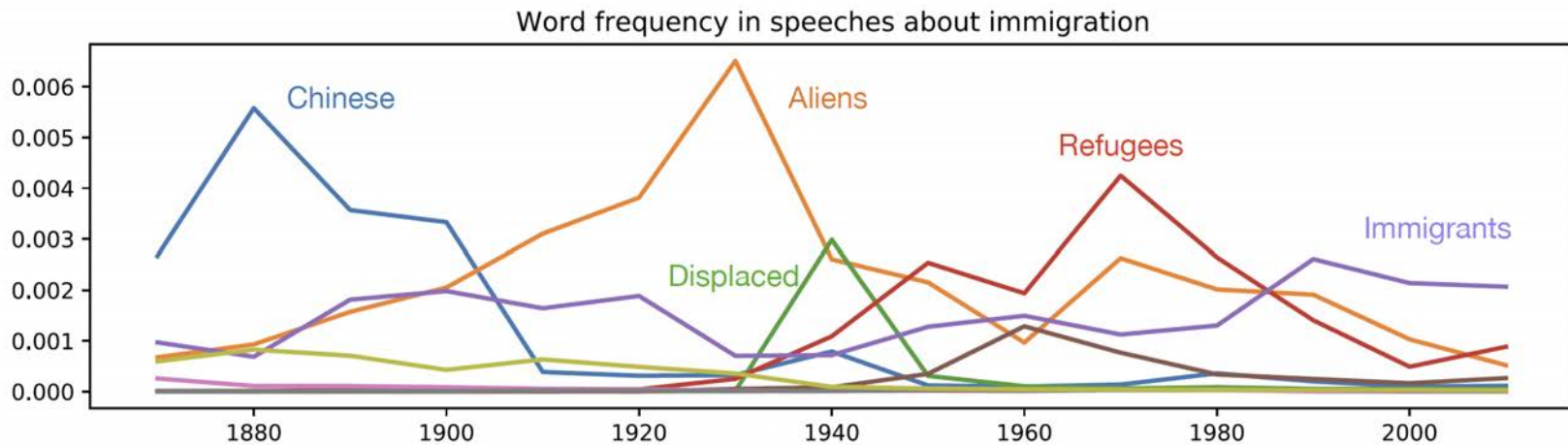
CA birth certificates, 1980-2010



Some immigrant groups assimilate rapidly - PAST

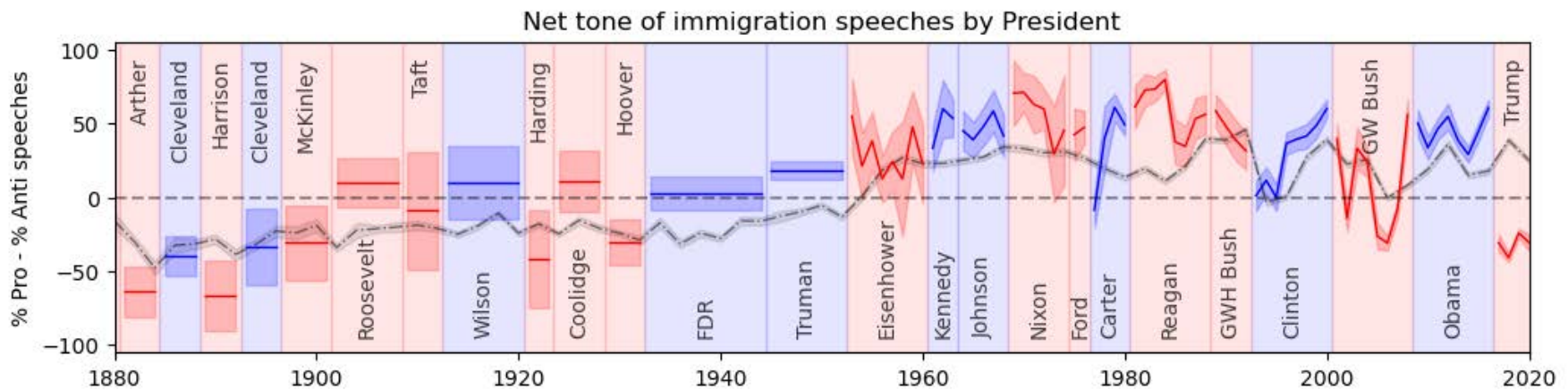


Words used to describe “immigrant” changing over time



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All modern presidents have been pro-immigration, Trump was major break



Partisan gap emerges. Focus on crime/ legality (GOP) and family/victims/contribution (Dem)

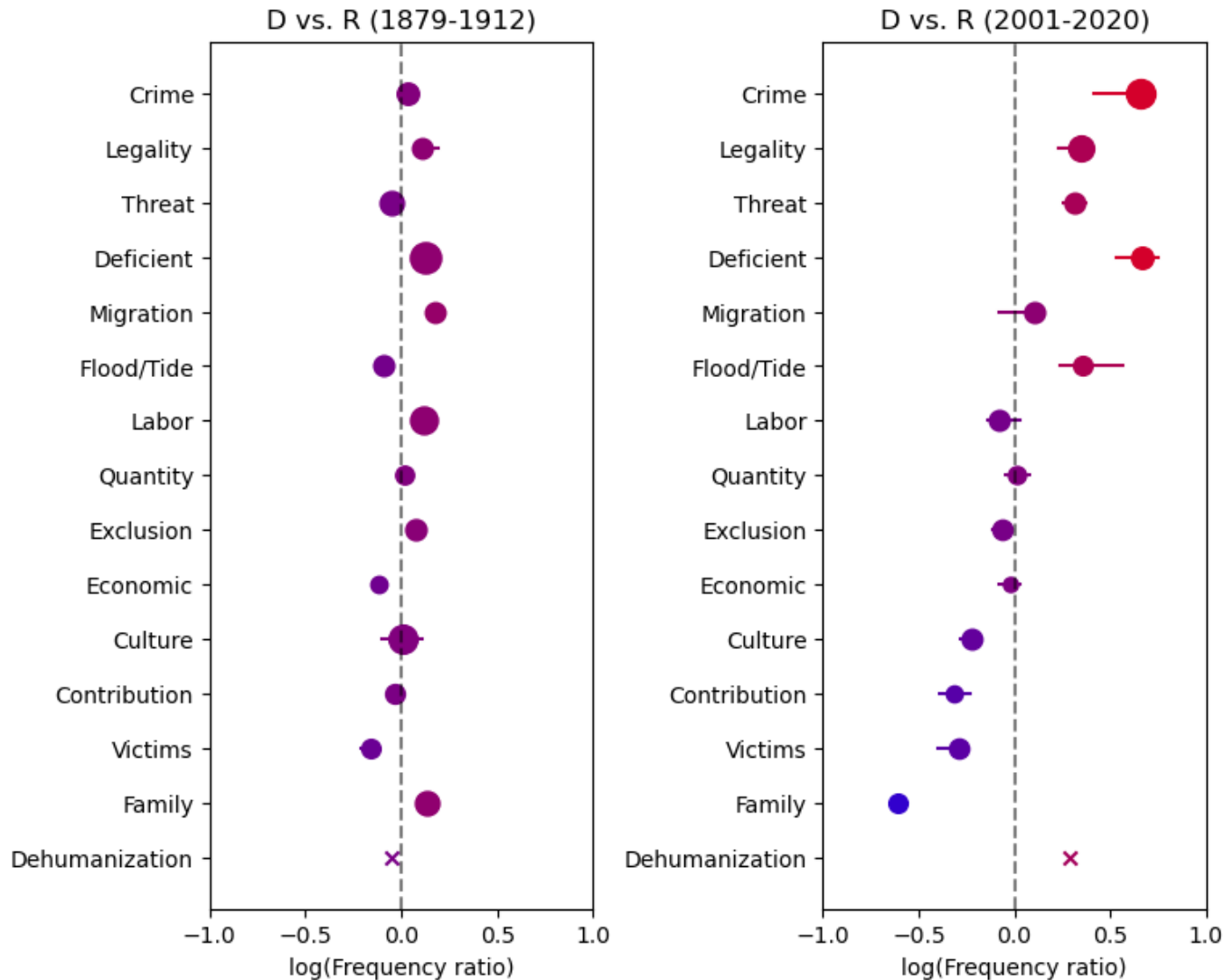
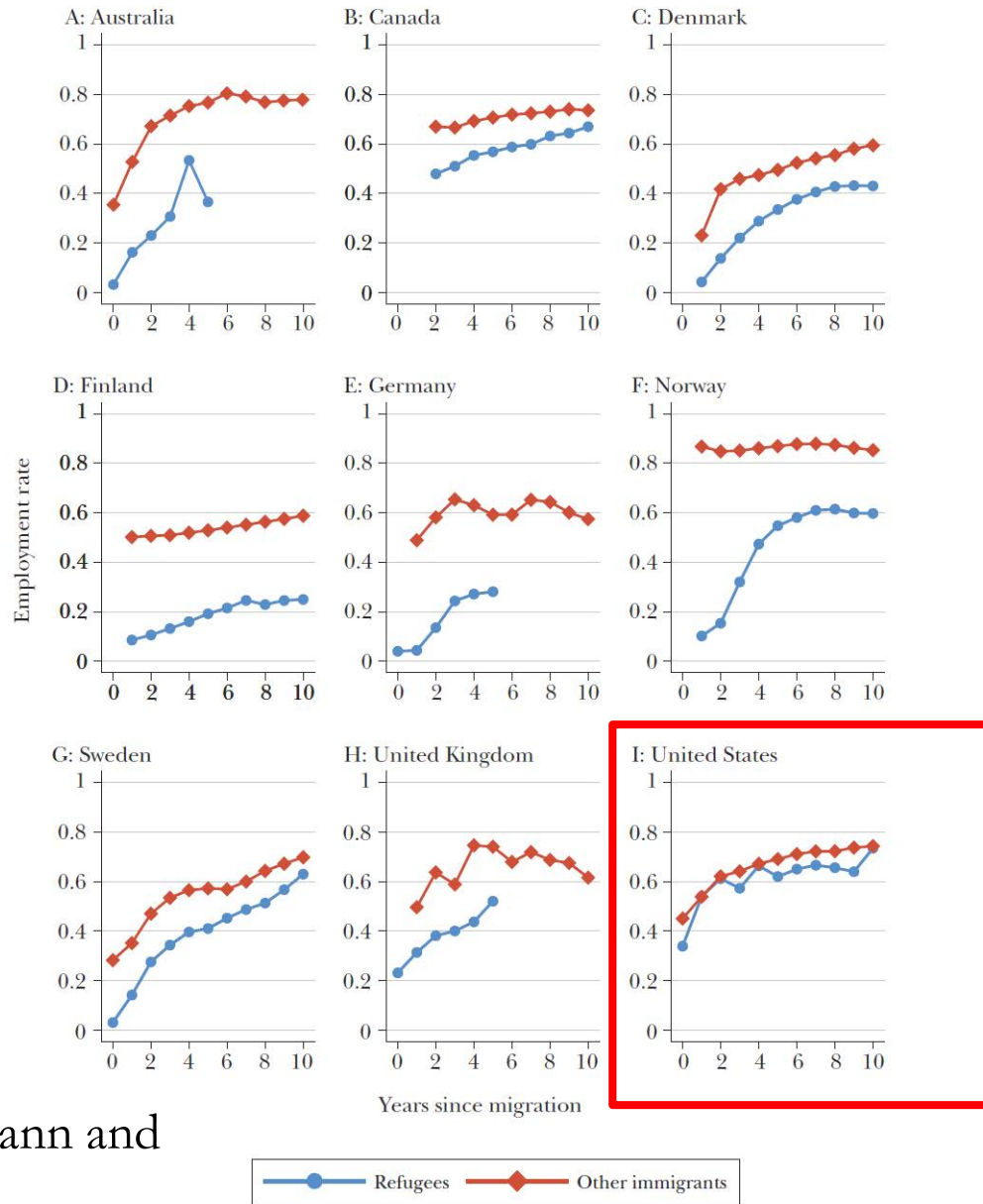


Figure 2

Employment Rates of Immigrant Groups over Time since Migration



Source: Brell, Dustmann and Preston, JEP 2020

Refugees assimilate faster in US today

(Chin and Cortes, 2015)

	Refugees		All other immigrants	
	1980	2010	1980	2010
> some English	0.68	0.81	0.55	0.73
Years schooling	11.99	12.90	10.70	11.34
Log annual earnings	9.44	10.46	9.54	10.27

Cohort = Arrived between 1975-80

Refugee = Afghanistan, Cambodia, Cuba, Ethiopia, Haiti, Laos, Vietnam, USSR

Other immigrants = All other countries of origin

Source: Chin and Cortes (2015), Table 12.8

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Whether able to speak English.	OCCUPATION.			Number of farm sched- ul- ul.
	Trade, profession, or partic- ular kind of work done, as spinner, salesman, laborer, etc.	Industry, business, or estab- lishment in which at work, as cotton mill, dry goods store, farm, etc.	Employer, salary or wage worker, or working on own account.	
25	26	27	28	29
Yes	None			51
Yes	None			52
Yes	Proprietor	drft. drinks	O.A.	53
Yes	None			54
Yes	Milliner		W.	55
Yes	Book Keeper		W.	56
Yes	Proprietor	Store	O.A.	57
Yes	None			58
Yes	Book Keeper		W.	59
Yes	Stenographer		W.	60
Yes	Salisbury	Shoe store	W.	61
Yes	Sales lady	Apper store	W.	62
Yes	None			63
Yes	None			64
Yes	None			65
Yes	None			66
Yes	Barber		O.A.	67
Yes	None			68
Yes	None			69
Yes	Wholesale	Fruits	O.A.	70
Yes	None			71
Yes	None			72
Yes	None			73

On linking methods: Abramitzky, Boustan, Eriksson, Feigenbaum and Perez, *JEL* 2021. Download linked files at censuslinkingproject.org