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

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Princeton University

16. June 2022
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

1\textsuperscript{st} generation: selection vs. lack of family safety net
- Sergey Brin (Google), Elon Musk (Tesla, SpaceX)
- Stephane Barcel (Moderna),….
- Carnegie Foundation prize

2\textsuperscript{nd} 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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16. June 2022
Markus Brunnermeier
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

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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/Boushhan, JEL (2017)
Major changes in immigration regime over time

- Europe:
  - Few restrictions
  - “Huddled masses”

- Asia & Latin America:
  - Limited visas
  - Educated few
2. Ellis Island generation did not go from “rags to riches”

Source: Abramitzky, Boustan 2014

Sample = 1900-1920
3. Immigrant families are not stuck in a permanent underclass

\[ Y_{iac} = \alpha + \sum_{c=1}^{N} \beta_c \text{Country}_c + \delta_a + \epsilon_{iac}. \]

Source: Abramitzky, Boustan, Jacome, Perez, 2021

- 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.
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 sons of immigrants from almost every country have been able to do so, regardless of where they come from.

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

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* 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.
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

Figure 2. : SEA Quota Exposure Measure $Q_E_2$, Controlling for Census Region and 1900 Foreign Born Share

Note: The figure plots the residuals from a regression of quota exposure measure $Q_E_2$ 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!
STREETS OF GOLD
America’s Untold Story of Immigrant Success
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)
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.”
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

$$F_{\text{Index}_{ijt}} = \alpha_j + \beta_1 \text{YearsUS}_{ijt} + \beta_2 \text{BirthOrder}_{ijt} + \gamma_{ijt} + \varepsilon_{ijt}$$

Immigrants shift away from ‘foreign names’ in past, erasing 10-15 points of gap after 20 years in US

Mean for US-born moms
Some immigrant groups assimilate rapidly - TODAY
CA birth certificates, 1980-2010

Estimated effect of 20 additional years of mother's age at birth on Foreignness Index

- Mexico (F = 53)*
- Rest of World (F = 39)*
- Vietnam (F = 27)*
- China (F = 28)
- Philippines (F = 26)*
Some immigrant groups assimilate rapidly - PAST

US Census, 1900-20
Words used to describe “immigrant” changing over time
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)

<table>
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<tr>
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<th>Refugees 1980</th>
<th>Refugees 2010</th>
<th>All other immigrants 1980</th>
<th>All other immigrants 2010</th>
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<td>&gt; some English</td>
<td>0.68</td>
<td>0.81</td>
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<td>10.46</td>
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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