# REASSESSING THE ROLE OF IMMIGRANT SELECTIVITY IN BLACK ETHNIC DISPARITIES

*A Longitudinal Study of African Americans and Black Immigrants from Africa and the Caribbean*

By

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Several studies show that Afro Caribbean immigrants outpace African Americans on various measures of socioeconomic status. Yet, today more than half of foreign-born blacks are African. The few studies that have incorporated Africans into this comparative provide mixed results. In this paper, we clarify the nature of these disparities using a large longitudinal data set to compare the earnings trajectories of African Americans and black immigrants from Africa and the Caribbean. Our data comes from a unique data set that combines the 1995-2008 Current Population Survey (March CPS) with over-time earnings data from the Longitudinal Employer Household Data (LEHD). This data allows us to estimate the relative earnings growth of these black ethnic groups – net education and the initial process of post-immigration adjustment. As a result, we are able to test for the relative role of immigrant selectivity and labor market discrimination in the manufacture of black ethnic disparities.

There is a longstanding debate concerning the causes of racial stratification in the United States. Broadly speaking, scholars have offered two perspectives on the question. Some point to *endogenous* or supply-side explanations that foreground the human capital and cultural attributes of 'blacks' – read: African Americans. Others argue for *exogenous* or demand-side explanations that focus on racial discrimination. In this study, we compare African Americans, Afro Caribbeans and black African immigrants on a key measure of socioeconomic status in order to shed new light on the sources of racial inequality in the US.

The utility of the 'black ethnic comparative' is that it provides for a quasi-experimental design where 'racial phenotype' (i.e., skin color, hair texture and bone structure) is held constant across different population groups, thus allowing for a rigorous examination of the degree to which endogenous characteristics are responsible for both black ethnic disparities and racial inequality more generally. That is, if black immigrants are able to 'do better' than African Americans while sharing the same stigmatized racial phenotype, then more widespread and disparate trends in racial

stratification might be a result of attributes specific to African Americans.

Since 1965 immigration reform, there has been a twenty-fold increase in the number of foreign-born blacks in the United States. According to recent estimates, the foreign-born account for about 12 percent of US blacks. The traditional source of black immigrants in the US has been from the Caribbean. However, immigration reforms in 1980 and 1990 have resulted in the rapid growth of black immigrants from Africa. Today, more than half of foreign-born blacks were born in Africa. Although there is a cottage industry of studies that compare the socioeconomic status of African Americans and Afro Caribbeans, and a growing number of studies that focus solely on African immigrants, very few single studies compare all three black ethnic groups together, making between group comparisons difficult.

Given the limited number of studies, we know very little about how the largest black immigrant group – Africans – fits within the black ethnic comparative. The evidence for comparisons between Afro Caribbeans and African Americans is clear; Afro Caribbeans consistently outperform African Americans. The evidence for how African immigrants fit into this 'black ethnic comparative' is mixed. One study, using data from the 1980 5 percent Public Use Sample of the US Census, shows Afro Caribbeans have the highest annual earnings, followed by African Americans and then Africans. Another study, using data from the 1990 5 percent Public Use Sample, gives Africans a slight edge at the top followed closely by Afro Caribbeans with African Americans at the bottom. Yet, another study, using data from 1990 and 2000 US Census, places Afro Caribbeans at the top, with Africans closing quickly over the ten-year period.

The dominant explanation for the relative success of black immigrants vis-à-vis African Americans is that immigrants are positively self-selected on attributes that are important for social mobility in the US. These 'selectivity attributes' are variously described as – observed and unobserved – levels of ability, motivation and self-efficacy. One of the consistent set of findings in support of this thinking is, first: although the unadjusted annual incomes of black immigrants generally outpace that of African Americans, immigrants do not outpace African Americans when they first arrive in the US. Second, it takes Afro Caribbean immigrants between 11 and 15

years to attain the average income of African Americans. Scholars interpret this 'lag time effect' as evidence of the selective nature of the immigrant population. The reasoning is that once immigrants learn how to navigate the US labor market, their greater selectivity allows them to reach and overtake the earnings of African Americans.

There are several important limitations to this line of research. First, the bulk of this research relies heavily on cross-sectional data, thereby potentially biasing lag time estimates. Some have attempted to account for this bias by aggregating data from consecutive decentenial Censuses. However, this approach to developing a more accurate assessment of 'lag time' suffers from the fact that ultimately analysts are not tracking the same person over time. The second limitation involves African immigrants. No previous studies estimate lag time for Africans. There are two reasons why incorporating African immigrants into the comparative is important for gaining a greater understanding of the role that immigrant selectivity plays in black ethnic disparities. First, the distance between Africa and the US is greater than the distance between the US and the Caribbean. Therefore, the cost of travel to the US is greater for the African immigrant population than it is for the Afro Caribbean immigrant population. Second, African immigrants have the highest mean level education of all immigrants to the US – including Afro Caribbeans. For these reasons, the lag time – or income growth trajectory – should be shorter – or steeper – for African immigrants than for Afro Caribbean immigrants.

In order to improve upon previous estimates, we draw upon the first longitudinal dataset with sizable numbers of African Americans and black immigrants from Africa and the Caribbean. Our data comes from a unique data set that combines the 1995-2008 Current Population Survey (March CPS) with over-time earnings data from the Longitudinal Employer Household Data (LEHD). This data provides quarterly earnings data on all privately employed workers in participating states. As of the 2008 version of the data, there are 30 available states. The first year that each state's data is available varies from 1992 to 2003, with the majority of the states available in 1996. Given this novel data, we calculate income growth-curve models to better determine lag time. We also analyze earnings growth net educational attainment and the initial process of adjustment. Given that

immigrant selectivity theory proposes that selectivity attributes are both observable and unobservable, these additional analyses allow us to assess the role of selectivity factors that would otherwise be unobservable.

Our findings will also help advance larger debates on the causes of racial inequality. That is, if selectivity attributes – either observed or unobserved – account for black ethnic disparities then trends in racial inequality may be attributable to the endogenous attributes of African Americans. However, if selectivity attributes do not account for black ethnic disparities or the trajectories of African immigrants are not the steepest, we might begin to consider the ways in which the immigrant selectivity hypothesis may be limited by the role of various exogenous factors. For example, there is growing support for 'differential treatment' or the idea that labor market actors might perceive and treat black ethnic groups differently and in ways that drive disparities. In order to test this competing theory, we also estimate multivariate decomposition models in order to assess the relative contribution of 'endowment' and 'treatment' effects in black ethnic disparities.