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21 September, 2012

The Redistribution and Socioeconomic Mobility of Immigrants in America's Interior

Gap in the Migration Literature

This paper addresses two gaps in the migration literature: (1) the need for longitudinal microdata to study the impact of migration and (2) the absence of studies that analyze whether immigrants in so-called "new destinations" in the U.S. are doing better or worse socioeconomically in those places. The 1996 and 2001 panels of the Survey of Income and Program Participation (SIPP) are used here to track the before- and after-migration incomes of natives and immigrants in the U.S. The goal is to assess whether immigrants who migrated between metropolitan statistical areas (MSAs) during the late 1990s and early 2000s are better or worse off in terms of income compared to (1) before they migrated, (2) non-migrant immigrants, and (3) native migrants. The first two comparisons take a step beyond the current literature by asking, now that we have established this immigrant redistribution trend and have documented qualitative aspects of this redistribution, are they better off there than before they migrated? The third comparison is important for determining whether this trend is distinct for immigrants, or whether we see similar income trajectories for immigrant *and* native migrants, and hence no nativity distinction is necessary.

Background

Since the 1980s, scholars have identified a new settlement trend among immigrants in the U.S.: their movement away from states and MSAs that have historically hosted immigrants (called "traditional" destinations, e.g., in California and New York), instead moving into "new" destinations (e.g., in Georgia and Minnesota) (*among many others:* Iceland, 2009; Massey & Capoferro, 2008). Researchers have begun to investigate who exactly is migrating to new destinations, the welcome and unwelcome contexts of reception toward immigrants there, industrial changes occurring there that attract immigrant labor, and the working conditions and treatment of immigrants in these industries. The task of this paper turns to investigating another crucial and until this point neglected aspect of immigrant movement into new destinations: immigrant socioeconomic mobility.

Some analyses have examined immigrants' incomes in new destinations using cross-sectional data, e.g., by comparing the median income, earnings, and hourly wages of Mexicans in new destinations in the 1990 and 2000 censuses (Donato et al., 2007), or using dichotomous variables representing new Asian destination counties to predict median household income (Kuk & Lichter, 2011), but I've unearthed no research that investigates the socioeconomic *mobility* of immigrants who move to new destinations—a task that necessitates longitudinal analysis. The motivating question here is whether secondary migration (the internal migration of immigrants) provides immigrants an opportunity to improve their economic circumstances. We assume that opportunities are better in the destination place, but is that really the case? Answering this question is also vital to understanding the resource demands immigrants in new destinations are making on those local communities.

Theory

Three theories guide this analysis: neoclassical economic migration theory, dual labor market theory, and classical assimilation theory.

The labor market saturation hypothesis, which falls under the neoclassical economic theory of migration that people migrate to places where they expect higher returns (Lucas, 1997; Todaro, 1969), speculates that people will migrate when the labor market in which they live is saturated. In the context of immigrants leaving traditional MSAs and entering new destinations, labor markets in traditional destinations might be saturated, and new destination labor markets unsaturated (*see* Light, 2006; Friedberg & Hunt, 1995). When the labor supply is high, wages are generally lower; we thus expect that immigrants who leave a saturated labor market for an unsaturated labor market will earn higher income than those who do not migrate, net of general economic indicators in the origin and destination. Immigrants are thus expected to have better economic outcomes in new destinations than in traditional destinations, and are expected to have better economic outcomes than non-migrants.

Dual labor market theory, on the contrary, does not anticipate economic gain for immigrants who migrate to new destinations. According to this theory, the labor market is segmented into the primary and secondary sectors, the former consisting of high skill, highly compensated, stable jobs and the latter consisting of low skill, low paying, unstable jobs. The native population finds secondary sector jobs socially and economically unfavorable, and the demography of labor supply leaves a dearth of natives willing and able to work in secondary sector jobs, leaving secondary sector employers to rely on immigrant labor (Leach & Bean, 2008; Donato et al., 2007; Brown & Bean, 2005). Immigrants take these jobs because they are target earners; their social status does not derive from their jobs in the host society, so the low status of secondary sector jobs does not repel them (Piore, 1986; Massey et al., 1993). The limited job options available to low skill and undocumented immigrants also might expect why immigrants work in secondary sector jobs. As such, immigrants who migrate to new destinations are expected to experience little socioeconomic improvement once there, their economic indicators will not differ significantly from those of immigrant non-migrants, and natives will experience greater economic gain from migrating than will immigrants.

The classical assimilation perspective expects upward socioeconomic mobility for immigrants who migrate to new destinations, like the labor market saturation hypothesis, but the comparison is to the native population, and immigrants' duration in the host society is paramount. The Chicago School social theorists who developed this paradigm emphasized immigrants' gradual adoption over time of the host society's culture and institutional participation that would buttress their socioeconomic attainment (Park, 1924; Burgess, 1967; Gordon, 1964; McKenzie, 1984; Alba & Nee, 2005). Pertaining to internal migration, Park (1926: 7) noted that changes of occupation and income "tend to be registered in changes of location". Immigrants' secondary migration within the host society may thus be part of their socioeconomic assimilation. Their migration signifies that they have the financial means to leave co-ethnics who helped them upon arrival in the host society. Classical assimilation theory thus predicts that immigrants who migrate to new destinations will earn higher incomes than in their previous residence and than non-migrants, and will work in similar jobs and earn similar incomes as natives who migrate to new destinations.

Data Source and Method

The SIPP is a better data source for modeling temporal processes such as migration and socioeconomic mobility than the census or the American Community

Survey, two data sources commonly used to study migration in the U.S. The 1996 and 2001 panels have 12 and 9 waves of data collection, respectively; households were interviewed every four months and asked to report on intervening months. MSA of residence and socioeconomic indicators are thus available at monthly resolution, allowing me to track changes in income (the outcome of interest) before and after migration. The SIPP's income variable measures total monthly pre-tax personal income from all sources.

Table 1 presents frequency distributions for key variables. The pooled 1996 and 2001 SIPP panels have a substantial number of immigrants (note that the frequencies presented represent person-months) and inter-MSA migration events. Table 1 also shows two categorizations of migrants' destinations. The first is according to the state in which the MSA is located (a traditional immigrant destination state, a new destination state, or a residual other state category). The second is by MSA size (large, medium, or small). While most migrants (immigrant and native alike) migrated to traditional states (or remained in a traditional state, if the origin and destination MSA were in the same state), we see that more immigrant secondary migrants went to medium-size or non-metropolitan/unidentifiable MSAs than to large or small MSAs. Native white migrants gravitated toward medium, small, and non-metropolitan/unidentifiable MSAs. Table 2 displays mean and median incomes for the month before and after a migration event, and for non-migrants. Little difference is discerned in income the months before and after a migration event, but non-migrants have slightly higher incomes than migrants (for both immigrants and natives), and immigrants have higher monthly income than native whites.

I will explore other ways of measuring before- and after-migration income, and I will also use a multivariate OLS regression framework to test for the differential effect, after controlling for individual- and place-level characteristics, of migrating versus not migrating on income change. The model is run on the overall sample, and also stratified by nativity and by destination type. Stratifying by destination type will tell us whether, all else equal, people who migrate to certain destinations experience positive or negative income change. To address issues of endogeneity and migrant selection, a series of controls recorded before migration, at t_1, will be included in the regressions; I will also explore a matched case-control comparison of migrants and non-migrants.

Contribution

This paper picks up where the literature to date leaves off by conducting a thorough investigation of the economic returns of secondary migration to immigrants in the U.S. and compares their experience to that of natives. It tests the validity of the new vs. traditional destination dichotomy by working under a more general framework of population distribution. This research is necessary in order to understand how immigrants in different parts of the U.S. are incorporating socioeconomically.

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Table 1: Descriptive Statistics

	Immigrants N	Native whites N
Nativity	548,560	4,905,990
Inter-MSA‡ migration events	2,320	14,360
Destination Type: MSA in traditional vs. new destination state		
Traditional	1,604	6,232
New	282	2,926
Other	434	5,202
Destination Type: size of MSA		
Large – population 3 million+	198	1,231
Medium – population 1 million to 2,999,999 million	235	2,376
Small – population under 1 million	135	1,786
Non-metropolitan or unidentifiable	1,752	8,967

Source: Survey of Income and Program Participation, 1996 and 2001 panels
Note: *i* indexes the person-month. ‡ MSA = metropolitan statistical area or consolidated metropolitan statistical area

Table 2: Summary of Monthly Personal Income

	Immigrants $$	Native whites $$
Income month *before* migration event		
Mean	1,620	1,470
Median	1,000	600
Income month *after* migration event		
Mean	1,631	1,491
Median	1,000	600
Income for *non-migrants*		
Mean	1,756	1,594
Median	1,120	850

Source: Survey of Income and Program Participation, 1996 and 2001 panels