Africans in America

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Abstract

It is estimated that over 1.5 million people born in Africa are living in the United States and they make up about 4% of all the foreign born in the U.S. African-origin migrants are the most rapidly growing group of new migrants in the U.S. Over the last half century immigration from Africa has risen 50-fold. Over three-quarters of that growth has taken place in the last 25 years. The vast majority of the African-born in the U.S. today arrived during their prime working years and over 5 out of every 6 migrants is aged between 15 and 65. Not only are African migrants in their prime ages but they also constitute the most educated groupof foreign-born. Over 90% of the African-origin migrants have completed high school, over 50% have completed college and over 25% have some post college training. These levels far exceed the average levels of education in the countries where the migrants were born, indicating that those who move to the U.S. from Africa are selected from the top of the education distribution.

In spite of this advantage relative to those they left behind, Africans do not appear to perform better than native-born blacks in the U.S. labor market. Many hypotheses have sought to explain this fact. Few studies, however, have investigated heterogeneity within the African-born population in the U.S. This gap in the literature is surprising for several reasons. First, across the African continent there is tremendous diversity in human capital, economic prosperity and the returns to human capital,which would suggest that selectivity of migrants to the U.S. likely varies with country of birth. Second, the availability of visas to the U.S. varies systematically by country. For countries such as Nigeria, Ghana and Egypt, that have been the source of migrants from Africa for many years, a substantial fraction of migrants today enter on family-related visas. In contrast, many of the migrants from Somalia, Sudan, Eritrea and Ethiopia enter the U.S. as refugees. For those from other countries, entry visas are primarily for work or education.

This paper focuses on heterogeneity among migrants from Africa and compares levels of human capital as well as several labor market outcomes for each of the major African origin countries. Rather than compare African-origin migrants with blacks who are native-born, or with migrants from other parts of the world, we compare African migrants with each other. The research builds on work by, for example, Dodoo (1997) who compares African migrants with native-born blacks and those born in the Carribean. Tesfai (2012) refines this work by identifying Africans by the colonial power that formerly ruled the country.

In order to put aside the complexity of dealing with selection into the work force, we begin with prime age African-born males (age 25-65), as labor force participation is extremely high among this group. Using data from the 2006 through 2010 waves of the American Community Survey, Table 1 presents some illustrative preliminary multivariate regression models. All estimates are weighted by the person-level sampling weight.

The first column of Table 1 reports the fraction of African-origin migrants from each of 18 countries. These countries contribute 82% of the African-origin migrants in the U.S. with three countries – Nigeria, Egypt and Ethiopia contributing over one-third of the migrants. While Africans account for about one-third of the refugee and asylum-based visas, these types of visas account for less then 10% of all African-origin migrants.

The countries in the table are ordered by average years of completed education. The average male in the sample has 14.6 years of education. The second column reports the difference between the average level of education of prime age males in each country and the average for the 18% of countries not included in the table. Nigerian and Egyptian males in the U.S. are the best educated and have over 1.2 additional years of schooling over and above the average. Migrants from the Anglophonic countries of south and east Africa also tend to be better educated than the average with the Cameroons being the only francophonic country with relatively better educated migrants in the U.S. At the other end of the distribution, migrants from the refugee-sending countries of Sudan, Eritrea and Somalia have, on average, about a year less schooling than the average migrant. Migrants from Cape Verde have much less education than the other countries.

Education levels have risen dramatically across Africa over the last few decades and it is possible that the differences in column 2 reflect differences in which cohorts the migrantsfrom various countries are from, or it may be a reflection of variation in other demographic characteristics. Column 3 of the table reports average education for migrants from each country relative to the excluded countries, after controlling age at the date of the interview, age of arrival in the U.S., race and citizenship. The differences between the adjusted and unadjusted education gaps are modest for all but three countries: Egypt, South Africa and Morocco. The key characteristic that explains the change in the education gap for these countries is race.

Not all Africans are black. About 25% of African-origin migrants in the U.S. report themselves as being white and 3% report themselves as being Asian. One-third of the white Africans are from Egypt, one quarter from South Africa and one-sixth are from Morocco. The rest are from Algeria, Zimbabwe, Kenya and Ethiopia. A question that will be explored in this research is whether identification as white is related to time in the U.S., location in the U.S. or living arrangements in the U.S.

Column 4 of the table displays the average earnings by country of origin, relative to the excluded countries. The table reports the gap in the logarithm of annual earnings and can be interpreted as a percentage difference. Since the better educated Africans in America are likely to earn more than those African-origin migrants with less education, we expect the earnings gaps to decline moving down from the top of the table. While the trend is negative, the decline is far from monotonic. The largest gap is among South Africans who earn 70% more than Africans from the excluded countries, 50% more than (the better educated) Nigerians and over 100% more than migrants from Somalia.

A large fraction of the gaps in column 4 reflect differences in observed characteristics of migrants across the countries. Adjusted ln(earnings) in column 5 are the gaps after controlling education, ability to speak English, age at arrival in the U.S., year of birth, race and citizenship status. These characteristics are important predictors of performance in the labor market. For example, those with a college education earn over 40% more than those who did not complete high school and those with some post college training earn 20% more than those who did not study beyond college. African-origin migrants who identify themselves as Asian earn 35% more than black Africans and white Africans earn 31% more.

The adjusted earnings gaps tend to be smaller than the unadjusted gaps. However, even after controlling human capital and experience in the U.S., South African migrants continue to earn a significant and sizeable premium (of 25% over migrants from the excluded countries) as do Kenyans (10%). In contrast, migrants from the Sudan and Somalia, earn 20% less than migrants from the excluded countries. Migrants from these two East African countries are likely to be refugees and they earn about 30% less then migrants from neighboring Kenya. Adjusting for human capital has a dramatic impact on the estimated wage gap among Egyptian-origin migrants. The gap falls by nearly 50 percentage points from a 36% wage advantage (without controls) to a 12% adjusted wage disadvantage.

As shown in columns 6 and 7, these differences largely reflect differences in productivity (as measured by hourly wages) rather than longer hours of work. There are, however, significant differences in the probability a migrant works suggesting additional selection into the labor market and into sectoral choice.

Clearly, there is tremendous heterogeneity in the characteristics of migrants from different countries in Africa and that the role human capital plays in labor market success in the U.S. varies by country. This research will delve into several potential hypotheses. To this end, we will reach back to the 2000 ACS and the 1990 Census and exploit both variation across countries and variation over time drawing data from administrative sources. First, we will provide a systematic assessment of the role of variation in the nature of visas allocated to each of the African countries. Second, we will explore the role of variation in the location of education (in the origin country or the U.S.) and the concomitant issue of the quality of education in the origin country. Third, we will explore how variation in the timing of arrival of the migrant and variation in the age of arrival among African-origin migrants explains heterogeneity in labor market outcomes. Fourth, the role of race will be explored. The earnings advantage reported for South Africans is driven primarily by white South Africans; black South Africans do not enjoy such an advantage. This raises the fifth hypothesis: does the extent of selectivity of those who leave their country of origin vary across Africa. To address this question, we will draw on micro-level data to estimate models of labor market outcomes and compare migrants in the U.S. with those of the same cohort living in the origin country. These analyses will be conducted for a set of key countries.

Table 1: Human capital and labor market outcomes of African-origin migrants in the United States.

Country of origin	Sample %	Years of education Unadj	Adj	ln(earnings) Unadj	Adj	ln(wage) (earn/hr)	Hours of work	Resp works?	Self-employed
		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
Nigeria	14.2	1.29	1.24	17.6	4.2	3.5	0.5	3.7	4.2
		[12.8]	[12.1]	[4.1]	[1.0]	[1.0]	[1.0]	[3.2]	[3.6]
Egypt	10.6	1.20	0.80	36.3	-11.6	-8.2	-0.9	-2.6	2.6
		[10.2]	[5.4]	[7.1]	[2.1]	[1.6]	[1.2]	[1.7]	[1.6]
Cameroon	2.4	1.04	1.27	2.0	10.6	10.1	-0.5	1.4	1.1
		[6.4]	[8.0]	[0.2]	[1.5]	[1.6]	[0.6]	[0.7]	[0.6]
South Africa	8.5	0.97	0.70	69.0	26.2	23.0	1.9	4.3	9.8
		[8.4]	[5.0]	[12.8]	[5.0]	[4.7]	[2.7]	[3.2]	[5.4]
Tanzania	1.5	0.94	0.97	26.7	-7.0	-2.6	-0.6	-3.1	-2.3
		[4.9]	[4.8]	[2.6]	[0.8]	[0.3]	[0.4]	[0.8]	[1.1]
Uganda	1.4	0.93	0.95	26.1	8.9	10.6	-0.6	3.8	4.9
		[4.4]	[4.4]	[2.4]	[1.0]	[1.3]	[0.5]	[1.6]	[1.8]
Zimbabwe	1.3	0.90	0.90	27.1	13.2	10.4	1.3	4.7	8.9
		[3.4]	[3.5]	[2.5]	[1.5]	[1.2]	[1.1]	[2.4]	[2.5]
Kenya	5.4	0.75	0.89	11.8	11.2	10.6	0.6	3.7	0.0
		[6.0]	[7.0]	[2.1]	[2.3]	[2.5]	[0.8]	[3.0]	[0.0]
Ghana	6.5	0.49	0.49	3.2	5.8	6.9	-0.2	3.0	-1.2
		[3.9]	[3.8]	[0.6]	[1.3]	[1.7]	[0.3]	[2.3]	[1.1]
Algeria	1.4	0.44	0.20	31.8	-7.4	-7.7	-0.2	0.6	6.0
		[1.2]	[0.5]	[2.9]	[0.6]	[0.7]	[0.2]	[0.2]	[1.7]
Morocco	5.7	-0.05	-0.31	11.1	-10.4	-9.0	-0.7	2.5	6.6
		[0.3]	[1.7]	[2.2]	[1.9]	[1.8]	[0.9]	[1.7]	[3.4]
Liberia	3.4	-0.06	0.06	-11.9	-4.4	-2.1	-0.9	3.2	-2.4
		[0.3]	[0.3]	[1.7]	[0.7]	[0.4]	[1.4]	[2.0]	[1.6]
Senegal	1.1	-0.07	0.00	-20.7	-4.4	-9.5	2.0	6.4	6.8
		[0.2]	[0.0]	[2.0]	[0.5]	[1.1]	[1.4]	[4.3]	[2.2]
Ethiopia	9.4	-0.38	-0.28	-9.0	6.2	4.3	0.4	3.9	3.9
		[2.1]	[1.7]	[2.0]	[1.4]	[1.1]	[0.8]	[3.4]	[3.2]
Sudan	2.2	-0.93	-0.83	-34.6	-19.2	-18.1	0.2	0.8	1.0
		[3.1]	[2.9]	[4.4]	[2.6]	[2.6]	[0.2]	[0.4]	[0.6]
Eritrea	1.5	-1.20	-1.14	-4.2	4.6	2.6	-0.2	-2.4	1.5
		[3.3]	[3.2]	[0.5]	[0.6]	[0.4]	[0.2]	[0.7]	[0.7]
Somalia	2.9	-2.80	-2.50	-50.4	-19.6	-18.6	-0.3	-1.6	5.1
		[7.9]	[7.4]	[6.9]	[2.7]	[3.0]	[0.3]	[0.6]	[2.6]
Cape Verde	2.6	-3.70	-3.73	-21.9	-4.7	-0.6	-2.1	-1.3	-5.5
		[9.6]	[9.7]	[2.4]	[0.5]	[0.1]	[2.3]	[0.6]	[3.4]

Source: American Community Surveys (2006-2010) – Sample includes 11,908 African born males age 25-65. Excluded group is males born in all other African countries. [t statistics in parentheses] based on robust variance-covariance matrices.