

The Dynamics of Income, Earnings, and Poverty of the Foreign-Born Population in the United States: 2006 to 2009

By

Eric Jensen and Nathan P. Walters
Population Division
U.S. Census Bureau

For submission as a paper presentation to the annual meeting of the Population Association of America, Washington, DC, March 31-April 2, 2011

This report is released to inform interested parties of ongoing research and to encourage discussion of work in progress. Any views expressed are those of the authors and not necessarily those of the U.S. Census Bureau.

U S C E N S U S B U R E A U

Helping You Make Informed Decisions

Abstract

The dynamics of income, earnings, and poverty of the foreign-born population in the United States have broad implications for both immigration flows and stock characteristics. Increased economic opportunity has always been one of the strongest motivating forces behind international migration and changes in economic opportunities might influence immigration. Differences between the economic well being of the native and foreign-born populations can suggest the degree to which immigrant groups are integrated within the U.S. economy and society, and economic downturns may differentially impact the foreign-born population. This research focuses on changes in the income, earnings, and poverty status of the foreign-born population in the United States from 2006 to 2009. Using data from the 2006, 2007, 2008, and 2009 American Community Surveys (ACS), we analyze the changes in median household income, median earnings, and poverty status by nativity, world region of birth, and selected countries of birth. We also look at the relationship between immigration related characteristics—citizenship status, English language ability, and period of entry—and median earnings.

Data and Methods

The data for this analysis come from the 2006, 2007, 2008, and 2009 single-year American Community Survey (ACS). The ACS is a nationally representative survey of the U.S. household and group-quarters sample populations that provide detailed information on the demographic, social, and economic characteristics of the U.S. population. For this analysis we focus specifically on the adjusted annual household

income, adjusted annual earnings, and the income-to-poverty status of the foreign-born population.

We begin by calculating median annual household incomes by nativity, world region of birth, and selected countries of birth for 2006-2009, in 2009 inflation-adjusted dollars. To identify foreign-born households, we use the nativity status and place of birth of the householder (or reference person) as a proxy for the entire household. Because income varies by household structure, and the foreign-born population often has unique household characteristics, we also compare income by household type and family size. Next we focus on median annual earnings by citizenship status, English language ability, and period of entry. We calculate median annual earnings for the foreign-born population 16 years or older who were year-round workers. Because earnings generally vary by sex, we present men's earnings, women's earnings, and women's earnings as a percentage of men's earnings. Again, the annual earnings are presented in 2009 inflation-adjusted dollars. Finally, we compare the percentage in poverty and depth of poverty by nativity, world region of birth, and selected countries of birth for 2006-2009.