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## IMMIGRANTS STILL CLIMBING AMERICA'S ECONOMIC LADDER, BUT TRENDS SUGGEST PROGRESS IS SLOWING

*Average wages have declined sharply for both first and second generation immigrants compared to non-immigrants*

(WASHINGTON, D.C.) -- America continues to be the land of opportunity for immigrant families, but the degree of upward economic mobility for newer arrivals has slowed from that experienced by earlier waves of immigrants, according to a report released today by the Economic Mobility Project, an initiative of The Pew Charitable Trusts.

“The American economic assimilation machine remains strong for immigrants and they continue to seize our nation’s historic promise of opportunity, working to make a better life for themselves and their children,” said John E. Morton, managing director of economic policy at Pew. “But trends are heading downward and there are substantial changes in wages that raise real questions about the degree of continued upward movement for future generations.”

The report was written by Ron Haskins, a principal of the Economic Mobility Project and senior fellow at the Brookings Institution. It draws on the pioneering research of George Borjas, Ph.D., of Harvard University on immigration economic trends using data from the Current Population Survey that captures both legal and illegal immigrants. It is one in a series of reports that the project will release in the next 18 months, including future new analyses on gender, race, wealth, education and other factors that illuminate the status of U.S. economic mobility.

“The great story of America is that it still offers a job to first generation immigrants and better jobs to their children,” Haskins said. “Historically, the U.S. economy has successfully created opportunity and economic mobility for immigrant families, but the scale of recent immigration – and especially of poorly educated immigrants – could be cause for future concern.”

The report’s key findings are:

- **Immigrants continue to experience strong upward economic mobility over generations.** A comparison of first generation immigrants in 1970 and second generation immigrants in 2000 reveals that average wages increased by nearly five percentage points relative to non-immigrant wages. By contrast, between 1940 and 1970, there was an increase of nearly nine percentage points. In both cases, second generation immigrants continue to have higher wages than non-immigrants.
- **Immigrant wages have dropped steadily over the past six decades.** First generation immigrants today are poorer relative to non-immigrant Americans than at any other time since World War II. In 2000, the average first generation immigrant earned about 20 percent less than

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the typical non-immigrant worker, compared to 1940 when first generation immigrants earned 5.8 percent more than the typical non-immigrant worker. Additionally, although second generation immigrant workers today continue to earn higher wages than non-immigrant workers, that difference has narrowed. This raises questions about the ability of future immigrant generations to continue to achieve at higher-than-average levels.

- **Initial differences in wages due to country of origin seem to moderate over a generation.** Upon arrival, those from industrialized nations tend to earn more than non-immigrants—and those from non-industrialized nations tend to earn less. But by the second generation, wages for immigrants from both groups move toward average nonimmigrant wages.
- **The diversity and size of America’s immigrant population have changed in the past forty years.** As compared to the 1960s, the fraction of legal immigrants who are from European nations or Canada has declined, while the fraction from Asia, Latin America, and the Caribbean has increased from about half to nearly three quarters of all incoming immigrants. Today, one million legal immigrants enter the country annually, compared to about 300,000 per year in the 1960s. Recent studies estimate about 500,000 illegal immigrants arrive each year.
- **Education remains a crucial factor for immigrant economic mobility.** Overall, the mix of educational achievement of arriving immigrants remains roughly constant with 1970 levels, but education levels vary depending on country of origin. The education level of first generation immigrants upon arrival appears to be a key factor in the transmission of higher wages to the second generation.

Economic mobility is defined as the ability of a person or family to move up the economic ladder over a lifetime or across generations. It has been a central tenet of the American experience for more than two centuries but recent research has suggested America may be a less mobile society than generally believed.

The Economic Mobility Project is a unique nonpartisan collaborative effort of The Pew Charitable Trusts that seeks to focus attention and debate on the question of economic mobility and the health of the American Dream. It is led by Pew staff and a Principals’ Group of individuals from four leading policy institutes – The American Enterprise Institute, The Brookings Institution, The Heritage Foundation and The Urban Institute. As individuals, each principal may or may not agree with potential policy solutions or prescriptions for action but all believe that economic mobility plays a central role in defining the American experience and that more attention must be paid to understanding the status of U.S. economic mobility today. For more information, please visit [www.economicmobility.org](http://www.economicmobility.org).

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