Wealth among Immigrants and Native-Born Americans:

Persistent Racial/Ethnic Inequality

ABSTRACT

Wealth attainment is a strong indicator of immigrants' integration in U.S. society. Drawing on new assimilation theory, we emphasize how racial/ethnic realities in the United States provide differential opportunities and constraints for immigrants' wealth attainment. In addition to race/ethnicity, we examine how immigrants' U.S. experience, such as immigration status, U.S. education, English language proficiency, and time spent in the United States, affects their ability to acquire assets and attain wealth. Using the Survey of Income and Program Participation and quantile regression techniques, we find that race/ethnicity, as well as immigrants' U.S. experience, shape immigrant wealth attainment. In addition, immigrants also vary in home and stock ownership. Overall, this study documents persistent racial/ethnic inequality, revealing that even when accounting for key aspects of U.S. experience, wealth parity with whites for racial/ethnic minorities is not attained.

Keywords: race/ethnicity, immigrants, U.S. experience, wealth inequality, investments, assets

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INTRODUCTION

Immigrants move to the United States for a variety of reasons, including the pursuit of

opportunities to improve their financial well-being (e.g., Portes and Rumbaut 2006; Smith and

Edmonston 1997). Recently, a growing body of literature has focused on wealth attainment as an

indicator of financial well-being in an effort to broaden understanding of just how immigrants

financially integrate into U.S. society (e.g., Akresh 2011; Hao 2004, 2007; Painter 2013). The

focus on wealth attainment is important because wealth signifies a unique set of resources that

reflect financial attitudes and behaviors as well as priorities, goals, and values (Hao 2007).

Together, the various investments within a financial portfolio represent a pool of resources that

can be used to meet short- and long-term needs and provide a number of additional financial

advantages (e.g., return on investment, investment collateral, transferability) (Keister 2000b,

2005). How much wealth immigrants possess provides valuable insight into their financial well-

being and into how well they are integrating into U.S. society.

If immigrants possessed characteristics that mirrored those of the U.S. population, we

would expect immigration to have little influence on U.S. society and the wealth attainment of

immigrants would resemble that of the native born (Hao 2007). Immigrants, however, are mostly

racial/ethnic minorities, with some characteristics that facilitate integration into U.S. society

while others serve as barriers. To understand immigrants' differential patterns of incorporation,

we draw on new assimilation theory (Alba and Nee 2003). In this reformulation of classical

assimilation theory, race/ethnicity is considered a social boundary embedded not only in a

variety of social, economic, and cultural differences at the individual level but also in social

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institutions. While immigrants' social, financial, and human capital are important for immigrants' integration into U.S. society, existing racial/ethnic inequalities limit their ability to apply these resources. Thus, our first contribution of this paper is to highlight how racial/ethnic realities in the United States provide differential opportunities and constraints for immigrants – and the native born – of different racial/ethnic groups.

Our second contribution examines four additional dimensions of immigrants' U.S. experience that will affect their integration into U.S. society and their ability to acquire assets and attain wealth: immigration status, U.S. education, English language proficiency, and time spent in the United States. Specifically, we discuss naturalization and legal permanent residency and explore how these immigration statuses affect immigrants' financial well-being. We then turn to two indicators of immigrants' human capital and assess how acquiring U.S. education and greater English language proficiency ease immigrants' transition into U.S. society. Last, the time immigrants have spent in the United States is an important factor for wealth attainment (Zhang 2003). The longer immigrants live in the United States, the more familiar they become with U.S. customs, financial institutions and savings/investment opportunities.

For our last contribution, we seek to expand understanding of immigrant integration by exploring how immigrants' characteristics affect wealth attainment across the entire wealth distribution. To do this, we use quantile regression techniques, which allow us to move beyond a single summary measure and broadly describe immigrant financial well-being. This approach is important, in part, because immigrants are disproportionately concentrated near the bottom of U.S. society (e.g., Lichter, Qian, and Crowley 2005; Smith and Edmonston 1997) and quantile regression offers a more complete picture of how select characteristics affect wealth inequality across the distribution of net worth.

We examine wealth inequality by using data from the 2001 and 2004 panels of the Survey of Income and Program Participation (SIPP). These data are nationally representative of the noninstitutionalized U.S. population and are well-suited for the study of both immigrant and native-born wealth attainment because they contain detailed migration and financial information. Following Hao (2004, 2007), we expand the concept of immigrant financial well-being to include wealth attainment and investment behavior. In addition to net worth, we examine two key investments – home and stock ownership – because portfolio composition strongly affects wealth attainment (e.g., Bertaut and Starr-McCluer 2002; Choudhury 2001; Cobb-Clark and Hilderbrand 2006). In sum, the contributions of this paper offer insight into U.S. wealth attainment for both immigrants and the native-born by focusing on racial/ethnic differences as well as other key characteristics of immigrants' experience in the United States.

CONCEPTUAL FRAMEWORK

Assimilation, Immigrant Integration, and Racial/Ethnic Realities

Assimilation theory has long been used to understand immigrants' experiences in the United States. It captures the process where the distinctiveness of immigrants' ethnicity gradually diminishes over time as they adopt cultural patterns of the majority or host population (Gordon 1964). This theory has been used successfully to explain the experiences of European immigrants in the United States at the turn of the twentieth century, who were highly diverse from an ethnic, racial, cultural, and/or economic standpoint at the time of arrival (Hirschman 2005).

Classical assimilation theory has been criticized, however, in a number of ways, including its inability to address the continued salience of race/ethnicity among contemporary immigrants (for a summary of the criticism, see Alba and Nee 2003:3-5). The deeply rooted and

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highly institutionalized racial/ethnic inequality in the United States suggests that immigrants of various racial/ethnic minority backgrounds are unlikely to follow the path of European immigrants at the turn of the twentieth century. In their reformulation of assimilation theory, Alba and Nee (2003) argue that race/ethnicity is a social boundary, one that creates distinctions among immigrants and affects their ability to integrate into U.S. society. Importantly, racial/ethnic distinction is evident not only in large social structures and institutional constraints, but also in numerous social, economic, and cultural differences at the individual level (Alba and Nee 2003; see also Omi and Winant 1994). Thus, immigrants' incorporation in U.S. society undoubtedly depends on the social, financial, and human capital they possess, but is also contingent upon the ways they apply resources within existing racial/ethnic structures and institutions. As a result, subject to similar structural barriers, immigrants' incorporation patterns are likely to hinge on how well their native-born racial/ethnic counterparts fare in U.S. society.

Nonwhite immigrants may experience serious challenges to integration into the white middle class mainstream (Portes and Rumbaut 2001). Indeed, studies on wealth (Hao 2004, 2007; Painter 2013) as well as education, earnings, and residential and intermarriage patterns among immigrants (e.g., Alba et al. 1999; Borjas 1994; Kao and Thompson 2003; Qian and Lichter 2007) underscore the role of immigrants' race/ethnicity. These studies show that racial/ethnic minority immigrants lag behind white immigrants, similar to the differences between their native-born counterparts and whites. Thus, whether immigrants encounter obstacles to integration (and if so, how severe) depends on their particular racial/ethnic status. Alba and Nee (2003:132) note that the perception of racial distinctiveness between whites and both more recent Asian and lighter-skinned Latino immigrants has already shifted. In this way, racial/ethnic status as an indicator of cultural and social distinction for these groups has

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decreased in importance and serves as less of an impediment (if at all) for their integration into U.S society. At the same time, Alba and Nee (2003:133) call the black-white divide the "most intractable racial boundary," which continues to limit the incorporation of immigrants with a black racial status (see Portes and Zhou 1993; see also Waters 1999). In sum, the salience of race/ethnicity – particularly in terms of the black-white divide – in U.S. society shapes immigrants' assimilation patterns and influences their wealth attainment.

Other Dimensions of Immigrants' U.S. Experience

In this section, we discuss four additional dimensions of immigrants' U.S. experience: immigration status, U.S. education, English language proficiency, and time spent in the United States. We first describe each dimension and then develop a link to immigrants' financial well-being.

Immigration status – legal permanent residency and naturalization

Immigrants can live in the United States permanently by applying for legal permanent resident (LPR) status. There are two main ways by which immigrants can be granted LPR status: adjustment or new arrival. Adjusted immigrants have often lived in the United States for a number of years with a nonimmigration status before they apply for LPR status. New arrival immigrants apply for LPR status in their home country; however, some may actually live in the United States before returning to their home country to file and receive their LPR paperwork. LPR immigrants generally have the same rights and responsibilities as citizens except that they have no voting rights and lack access to jobs that require U.S. citizenship (Massey and Bartley 2005).

Immigrants are eligible to naturalize after living a certain number of years in the United States and satisfying several other requirements.[1] For most immigrants, this time period is 5 years, though spouses of U.S. citizens, military personnel, and minor children of naturalized citizens are eligible for naturalization sooner (U.S. Citizenship and Immigration Services 2013). With naturalization, immigrants gain the right to vote, the ability to sponsor adult relatives for migration, full Social Security benefits, access to a U.S. passport, and eligibility for educational programs, certain employment opportunities, and jury duty (Bratsberg, Ragan Jr., and Nasir 2002; Jasso and Rosenzweig 1990; Massey and Bartley 2005; Yang 1994). Immigrants do encounter some costs associated with naturalization, which may encourage immigrants to maintain their status as legal permanent residents. For one, unless dual citizenship is permitted, immigrants may lose citizenship in their country of origin, which may result in the forfeiture of access to public benefits (e.g., retirement funds, public health care), restricted travel, and/or constrained home country employment prospects (Van Hook, Brown, and Bean 2006; Yang 1994). Additionally, naturalization is a complex, time consuming, and expensive process that requires financial resources, the ability to navigate bureaucracy, and satisfactory English language and civics proficiency (Alvarez 1987; Gilbertson and Singer 2003; Van Hook et al. 2006; see also North 1987).

For wealth attainment, we expect naturalized citizens to have similar levels of financial well-being as the native born. In part, this is due to lowered educational and occupational barriers. Indeed, research documents that naturalization is associated with higher earnings, mainly because immigrants move into better jobs and experience greater wage growth (Bratsberg et al. 2002; Chiswick and Miller 2002). Research on wealth and asset attainment, however, is

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[1] Other requirements for naturalization include immigrants' physical presence in the United States for set time periods (for some paths to naturalization), good moral character, English and civics knowledge, and attachment to the Constitution (U.S. Citizenship and Immigration Services 2013).

quite mixed. For example, there is disagreement in the literature surrounding ownership of retirement, savings, and checking accounts with some research finding that naturalized citizens are more (Fontes 2011), just as, (Amuedo-Dorantes and Bansak 2006; Osili and Paulson 2007), or less (Osili and Paulson 2007) likely than the native born to hold these investments. Other research finds that, when compared with the native born, naturalized citizens are associated with equivalent home ownership rates, home value, and home equity (Kossoudji 2007; Osili and Paulson 2007), greater wealth (Hao 2004), and a lower likelihood of owning stocks or mutual funds (Osili and Paulson 2007).

In contrast, we have a clear expectation that LPR immigrants have lower levels of wealth attainment than citizens (whether native born or naturalized). This is due to greater occupational obstacles, but also because their status as immigrants provides a more tenuous tie to U.S. society. This expectation is generally supported in the literature as immigrants have less wealth than naturalized citizens (Hao 2004) and a lower likelihood of home (Borjas 2002; Chatterjee and Zahirovic-Herbert 2011; DeSilva and Elmelech 2012; Osili and Paulson 2007), stock/mutual fund (Osili and Paulson 2007), and savings, checking, and retirement account (Osili and Paulson 2004, 2007) ownership when compared to the native born. Immigrants also possess less real estate equity (Cobb-Clark and Hildebrand 2006b), total vehicle value (Cobb-Clark and Hildebrand 2006a), financial wealth (Amuedo-Dorantes and Pozo 2002; Chatterjee and Zahirovic-Herbert 2012), and net worth than the native born (Amuedo-Dorantes and Pozo 2002; Cobb-Clark and Hildebrand 2006; Painter 2013).

U.S. education

Research consistently finds that foreign education, relative to U.S. education, is associated with worse financial well-being in the United States, either in terms of earnings (Aly and Ragan Jr 2010; Bratsberg and Ragan Jr. 2002; Kaushal 2010; Kim and Sakamoto 2010; Schoeni 1997; Tao 2010, 2011; Tong 2010; Zeng and Xie 2004) or wealth (Hao 2007; Painter 2013).[2] Foreign education is devalued in the United States for a number of reasons, including a (perceived or actual) lower quality of education in source countries (Bratsberg and Ragan 2002; Friedberg 2000; Mattoo et al. 2008; Schoeni 1997; Zeng and Xie 2004), difficulty in transferring certain majors and/or degrees (Basran and Zong 1998; Bratsberg and Ragan Jr. 2002; Friedberg 2000; Grant and Nadin 2007), and/or discrimination by U.S. employers or a lack of familiarity with how to assess the quality and/or level of education (Butcher 1994; Chiswick 1978; Greeley 1976).[3] Lower earnings reduce immigrants' ability to save, invest, and accumulate wealth, but foreign educated immigrants may also expend financial resources and/or take on debt while pursuing additional schooling, training, and/or professional accreditation in the United States.

Obtaining additional education in the United States helps immigrants overcome these barriers. Indeed, U.S. education leads to higher wealth (Hao 2007; Painter 2013) and a greater likelihood of owning homes, financial assets, stocks, checking accounts, and retirement investments (Chatterjee and Kim 2011; Kim, Chatterjee, and Cho 2012). U.S. education leads to this improved financial well-being in several ways. For one, U.S. education serves to upgrade or

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[2] There are several exceptions in the literature of which we are aware. Stewart and Hyclak (1984) find no difference in earnings for immigrants' pre- and post-migration schooling. There is also some evidence that higher education is rewarded among Arab immigrants (Aly and Ragan 2010). Nurses educated abroad earn higher wages in the United States than U.S.-educated nurses, which reflects the number of nurses with experience working in hospitals or in English-speaking countries (Huang 2011).

[3] There is likely important variation by source country in the devaluation of foreign education as immigrants from countries that commit more resources to education and/or have comparable educational systems to the United States likely experience a better transition of their skills and educational credentials (Bratsberg and Ragan 2002; Mattoo et al. 2008; Schoeni 1997).

authenticate education received in the country of origin, which helps immigrants transfer their

source-country specific skills to the U.S. labor market (Bratsberg and Ragan 2002). Additionally,

beyond the credential itself, colleges and universities provide valuable job search resources,

including access to recruitment networks, internships, and job fairs. Further, a U.S. education

also improves immigrants' English language proficiency, increases their contact with U.S.

culture, and encourages interactions with U.S. institutions, in particular financial establishments

(Chiswick 1978; Hao 2007). This creates opportunities for immigrants to acquire U.S.-specific

skills and information (Friedberg 2000; Kaushal 2011).

English language proficiency

A number of factors are associated with greater English language proficiency, including

immigrants' length of time spent in U.S. society (Akresh 2007; Carliner 2000; Chiswick 1991;

Espenshade and Fu 1997; Espinosa and Massey 1997; Grenier 1984; Hwang and Xi 2008;

McConnell and Leclere 2002; Rivera-Batiz 1990, 1992; Stevens 1992; Xi 2013), education

(Chiswick 1991; Espenshade and Fu 1997; Grenier 1984; Hwang and Xi 2008; McConnell and

Leclere 2002; Stevens 1992; Xi 2013), and naturalization status (Espenshade and Fu 1997).

Other factors include whether immigrants' country of origin is English speaking (Espenshade

and Fu 1997; Xi 2013) and the linguistic heterogeneity and inequality of their community in the

United States (Chiswick and Miller 1995; Hwang and Xi 2008).

Research has also documented several obstacles to immigrants' proficiency in English,

including older ages at migration (Espenshade and Fu 1997; Grenier 1984; Hwang and Xi 2008;

McConnell and Leclere 2002; Xi 2013). The linguistic distance between English and

immigrants' home language also affects English language acquisition (Hwang and Xi 2008;

Snow 1998; Xi 2013). Further, the size of an immigrant group within a given area matters as

larger concentrations of individuals speaking the same language facilitate retention of the home language and diminish opportunities to learn and practice English (Hwang and Xi 2008; Stevens 1992). Similarly, greater concentrations of co-ethnics reduce contact with English speakers and limit chances to increase proficiency (Hwang and Xi 2008; Stevens 1992; Xi 2013; see also Chiswick and Miller 2002).

But how is English language proficiency related to wealth attainment? First, greater command of English indirectly affects wealth attainment through better job access and higher income (e.g., Chiswick and Miller 2002; Hall and Farkas 2008; Tainer 1988). Second, English language ability directly affects wealth attainment through participation in formal U.S. financial institutions, where greater command of the language allows for more familiarity with the customs of these institutions, easier communication with financial personnel (e.g., bank employees, financial advisors, investment brokers), and more comfort within financial settings (Paulson et al. 2006). In this way, English language proficiency aids in immigrants' acquisition of investment knowledge and strategies (Hao 2007).

Our expectation, therefore, is that greater English language proficiency will be associated with higher financial well-being. This expectation is reflected in the literature as, when compared to the native born, immigrants who are less proficient in English have less wealth (Painter 2013). Further, better English language proficiency is related to a higher likelihood of owning a number of assets (e.g., savings, checking, and retirement accounts; stocks; home; business) (Chatterjee and Kim 2011; Fontes 2011; Kim et al. 2012).

Time in the United States

The length of time immigrants have resided in the United States is an important factor for integration and correlated with the factors discussed above. Longer durations in the United States

allow immigrants opportunities to learn local customs and develop knowledge of economic, social, and political institutions (Bass and Casper 2001). As argued above, immigrants' familiarity with financial institutions would be essential for improvement of financial well-being. More time in the United States also lets immigrants build social networks, including creating ties with the native born. Social networks may provide immigrants with a number of resources that will help improve their financial well-being, including help searching for and obtaining financial information and knowledge about particular types of accounts and/or investments (Chang 2005).

For wealth attainment, assimilation theory predicts that greater time in the United States would be associated with improved financial well-being. And, indeed, research on immigrant wealth (Akresh 2011; Hao 2004; Painter 2013; Zhang 2003) and asset attainment (Akresh 2011; Amuedo-Dorantes and Pozo 2002; Chatterjee and Kim 2011; Chatterjee and Zahirovic-Herbert 2011; DeSilva and Elmelech 2012; Kim et al. 2012; Osili and Paulson 2007) consistently finds this pattern, with some exceptions (see Akresh 2011; Cobb-Clark and Hildebrand 2006; Osili and Paulson 2007). Therefore, in line with the literature, we expect that immigrants will improve their financial well-being as their time in the United States increases.

Race/Ethnicity, Portfolio Composition, and Immigrant Wealth Attainment
While it is important to examine a broad measure of wealth attainment, net worth may not accurately capture financial resource allocation and investment strategies (Oliver and Shapiro 2006). Therefore, we turn our attention to portfolio composition and examine two key assets – homes and stock – that contribute to wealth attainment. But what particular advantage does an analysis of portfolio choices provide over net worth? One advantage is that portfolio choices affect the rate of wealth attainment because returns, risk, and liquidity vary across assets. For

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example, stocks are liquid investments that carry relatively high risk but have the potential for greater returns, which may prove to be too much risk for immigrants. Notably, immigrants may prefer to invest in assets that are more conservative and/or insured (e.g., savings accounts) or purchase assets that provide immediate benefits (e.g., home). Further, immigrants may face additional limitations such as financial resources, investment knowledge, confidence in U.S. financial institutions, credit constraints, and/or risk tolerance, which may affect their portfolio composition (e.g., Cobb-Clark and Hildebrand 2006b; Guiso, Sapienza, and Zingales 2004; Hao 2004; Kossoudji 2007).

Because most immigrants are nonwhite, their race/ethnicity serves as a barrier to wealth attainment because of the highly institutionalized racial/ethnic inequality in the United States (Omi and Winant 1994). In this way, immigrants are likely subject to similar structural barriers as their native-born racial/ethnic counterparts. For example, Waters (1999) documents that West Indian immigrants strive to maintain their ethnic identity as a way of distinguishing themselves from black Americans and to help facilitate upward mobility. In the end, however, "race as a master status . . . overwhelms the identities of the immigrants and their children, and they are seen as black Americans" (Waters 1999:8). Thus, immigrants' race/ethnicity affects their abilities to navigate the social environment and influences their job opportunities, social connections, and, ultimately, asset attainment (Hao 2007; Portes and Rumbaut 2006; Waldinger 1996; Waters 1999).

Since the racial/ethnic status of both immigrants and the native born is strongly associated with wealth attainment, it is essential to briefly review this literature in order to shed light on how race/ethnicity affects wealth attainment for both the native born and for immigrants. Furthermore, since asset acquisition and portfolio composition affect net worth (Bertaut and

Starr-McCluer 2000), it is important to examine the individual assets that comprise a typical household portfolio. We expect that race/ethnicity affects immigrants' investment behavior and portfolio choice in much the same way as their U.S.-born co-ethnic peers.

Asians. A growing body of research examines Asian wealth attainment and asset acquisition. Among the native born, there is mixed evidence with Asian Americans having more (Hao 2004; Painter 2013), less (Campbell and Kaufman 2006; Hao 2007), or equivalent (Painter 2013) wealth as native-born whites, though educational attainment and ethnic diversity may explain these discrepancies. By ethnicity, with the exception of Japanese immigrants, Asian immigrants are associated with less wealth than white immigrants (Hao 2004).

Turning to portfolio choices, Asian Americans are just as likely as native-born whites to own financial assets (Chatterjee and Zahirovic-Herbert 2012) and savings accounts (Fontes 2011 2012). There is some evidence that Asian Americans are less likely to have retirement savings than native-born whites (Fontes 2011) and contradictory evidence for home ownership (DeSilva and Elmelech 2012; Krivo and Kaufman 2004). For Asian immigrants, there is evidence of similar portfolio choices as white immigrants (Chatterjee and Kim 2011), but a lower likelihood of checking or retirement account ownership and an equivalent levels of savings account and stocks/mutual fund ownership when compared to Asian Americans (Osili and Paulson 2007). For homeownership, there is mixed evidence as research finds that Asian immigrants are less (DeSilva and Elmelech 2012) or just as (Osili and Paulson 2007; Painter, Gabriel, and Myers 2001) likely to own homes as Asian Americans, which likely reflects differences in data sources.

Blacks. Most of the literature on racial/ethnic wealth inequality has focused on the black-white divide. Research overwhelmingly demonstrates that native-born blacks have less wealth than native-born whites (e.g., Blau and Graham 1990; Conley 1999; Hao 2004b, 2007b; Keister

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2000a, 2004; Killewald 2013; Oliver and Shapiro 2006; Smith 1995). There are also stark

differences in stock ownership (e.g., Gutter and Fontes 2006; Hanna, Wang, and Yuh 2010;

Keister 2000a), financial assets (Chatterjee and Zahirovic-Herbert 2012), retirement savings

(Fontes 2011), general savings (Fontes 2011), home ownership (e.g., Flippen 2001, 2004; Haan

2007; Keister 2000a, 2004), and home equity (Krivo and Kaufman 2004). When compared to

white immigrants, black immigrants are associated with less wealth (Hao 2004; Painter 2013)

and a lower likelihood of owning important assets such as homes and stock (Chatterjee and Kim

2011; DeSilva and Elmelech 2012; Chatterjee and Zahirovic-Herbert 2011; Flippen 2001). There

is some evidence, however, of equity in ownership of other assets like checking and retirement

accounts (Chatterjee and Kim 2011). Among blacks, there is also some evidence that immigrants

are less likely to own homes than the native born (Osili and Paulson 2007), but there are no

nativity effects for other aspects of wealth attainment (Osili and Paulson 2007; Painter et al.

2001).

Latinos. As with Asians, the wealth literature has increasingly focused on Latino

financial well-being. For net worth, native-born Latinos are associated with less wealth than

native-born whites (Campbell and Kaufman 2006; Cobb-Clark and Hildebrand 2006a, 2006c;

Hao 2004, 2007; Painter 2013; Smith 1995). A similar pattern is evident when comparing Latino

immigrants to whites, whether they are fellow immigrants or native born (Hao 2004, 2007;

Painter 2013). Among Latinos, there is mixed evidence with some research reporting that there is

no nativity effect (Painter 2013), while other research finds that Latino immigrants attain a lower

level of wealth than native-born Latinos (Hao 2007).

In terms of portfolio composition, there is a more varied pattern for Latinos than for other

racial/ethnic groups. Native-born Latinos are associated with lower likelihoods of holding stock

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(Hanna et al. 2010), financial assets (Chatterjee and Zahirovic-Herbert 2012), value in their

vehicles (Cobb-Clark and Hildebrand 2006c), and home ownership and equity (Krivo and

Kaufman 2004) than native-born whites. In contrast, there is no inequality between native-born

Latinos and whites for retirement or general savings (Fontes 2011) and native-born Latinos are

advantaged over native-born whites in business assets, including real estate (Cobb-Clark and

Hildebrand 2006c). When comparing Latino immigrants with whites, there is again substantial

variation. Latino immigrants are associated with a lower likelihood of owning key assets like

stock and homes (Chatterjee and Kim 2011; Chatterjee and Zahirovic-Herbert 2011; DeSilva and

Elmelech 2012; Flippen 2001), but have similar levels of ownership for other assets like

checking accounts, retirement accounts, and business ownership (Chatterjee and Kim 2011).

Finally, among Latinos, immigrants are consistently associated with a lower likelihood of asset

ownership (Osili and Paulson 2007), though there is some disagreement for home ownership

(Osili and Paulson 2007; Painter et al. 2001).

DATA AND METHODS

Data

This research uses data from the 2001 and 2004 panels of the Survey of Income and Program

Participation (SIPP). SIPP is a continuous series of national multistage-stratified panels of the

U.S. civilian noninstitutionalized population that interviews all household members 15 years old

and over. Respondents are interviewed every four months over the duration of the panel (3 years

for the 2001 panel; 2.5 years for the 2004 panel) with interviews designed around a core set of

questions with rotating topical modules. SIPP data are especially valuable for immigration

studies because the large sample size yields a relatively substantial sample of immigrants and, in

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particular, racial/ethnic minorities. SIPP has also been previously used to analyze immigrant wealth attainment (Cobb-Clark and Hildebrand 2006a, 2006b, 2006c; Hao 2004, 2007; Painter 2013) because of its extensive financial and migration information.

From the larger SIPP data files, we created a cross-sectional dataset by using select waves from each panel.[4] We did this by combining the core files with the Wave 2 (Migration History) and Wave 3 (Assets and Liabilities) topical modules for both the 2001 and 2004 panels. We also used information from a third module in the 2001 panel because English language proficiency questions are located in Wave 8 (Adult Well-Being).[5]

The analytical sample included native-born and immigrant adults who were currently living in the United States. We excluded Native Americans[6] and respondents from U.S. territories[7] due to small sample sizes. With these restrictions, the analytical sample size is 70,947 and includes 2,098 non-Latino Asians, 9,243 non-Latino blacks, 5,861 Latinos, and 53,745 non-Latino whites.

SIPP used a sequential hot deck procedure to impute missing data. This procedure matched a respondent with missing information to a donor respondent according to multiple categories including sex, race, age, and marital status. The missing information for the respondent were then replaced with the donor's valid data. This resulted in no missing data *within* waves; therefore, the only source of missing data in SIPP arises when respondents enter or exit a panel *between* waves (U.S. Census Bureau 2001:13-15–13-17). Merging multiple waves within a panel thus introduced missing data. For respondents who exit the SIPP sample, but

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[4] We do not use the longitudinal structure of the SIPP data because the interval between the waves that ask about assets and liabilities are too short (1 year for 2004 panel; 2 years for 2001 panel) to provide meaningful insight into wealth attainment.

[5] These questions are included in the Wave 2 topical file in the 2004 data.

[6] Native Americans included American Indians, Aleutians, and Eskimos.

[7] U.S. Territories included American Samoa, Guam, Puerto Rico, and the Virgin Islands.

remain in the population represented by the sample, one strategy SIPP recommended was

multiple imputation (U.S. Census Bureau 2001:13-20–13-21). We imputed missing data using

the multiple imputation, then deletion (MID) procedure (Von Hippel 2007).[8]

Measures

Wealth Outcomes. SIPP contains detailed information on asset and debt holdings in the United

States. *Net worth* is measured as the US$2004 value of assets less debts. Assets include the value

of financial investments, such as checking and savings accounts, bonds, stocks, and Individual

Retirement Accounts (IRAs). Also included are the value of non-financial holdings, such as

homes, automobiles, real estate, and other valuable possessions. The value of these assets is

weighed against total debts, such as those from credit cards, hospital bills, mortgages, and

property liens. For specific assets, we analyze two dichotomous variables (1=ownership):

home/personal residence (e.g., home, condo, apartment, farm, or mobile home), and

stocks/mutual funds.

Explanatory Variables. We use five sets of explanatory variables. First, race/ethnicity is

classified as non-Latino white (reference), non-Latino Asian, non-Latino black, and Latino.[9]

Second, we include five dichotomous variables for immigration status: native born (reference),

naturalized citizen, LPR status at arrival, adjustment to LPR status, and a residual category.[10]

Third, U.S. education is measured with a dichotomous variable that indicates immigrants' (and

native-born's) place of education or where they completed their last degree (1=completed last

degree in the United States). For English language proficiency, we identify whether respondents

are native English speakers (reference) or speak English "not at all," "not well," "well," or "very

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[8] Five datasets were imputed for each model using SAS Proc MI and SAS Proc Quantreg. Final results were obtained using SAS Proc MIAnalyze.
[9] For the rest of the paper, we shorten the label for racial/ethnic groups by dropping "non-Latino".
[10] The residual category includes students, certain refugees/asylees, and undocumented immigrants, among others.

well." Last, we include a measure of immigrant's length of residence in the United States (age at survey less age at arrival).

Control Variables. We used several controls from the life cycle. Continuous variables included age and its square, household size, and income (logged). We accounted for gender with a dichotomous variable (1=female). Educational attainment was measured as: no high school (reference), high school, some college, college degree, and advanced degree. Marital status was captured with dichotomous variables: married (reference category), never married, and separated, divorced, and widowed. For place of residence, we included a variable for urban/rural residency (rural is the reference category) and a set of four dichotomous variables that captured the U.S. Census regions: Northeast (reference category), Midwest, South, and West. Last, we also controlled for respondents' participation in a particular panel with a dichotomous variable (1=2004 panel).

Analytical Approach

We use several approaches to model immigrants' wealth attainment. For the dichotomous outcomes, we use logistic regression. For net worth, we use quantile regression analysis. In recent years, the empirical quantile regression literature "makes a persuasive case for the value of going beyond models for the conditional mean" (Koenker and Hallock 2001:151). Wealth variables have many outliers, especially in the higher tail of the wealth distribution, and these outliers affect the results of OLS regression. Quantile regression provides more robust estimates to outliers than the mean. Median regression, for example, estimates the 50th percentile and minimizes the sum of absolute residuals. This minimization equates the number of positive and negative residuals and assures the same number of observations above and below the median (Koenker and Bassett, Jr. 1978). Areas of application for quantile regression include earnings

and wealth inequality (for example, see Conley and Galenson 1998; Gosling, Machin, and Meghir 2000).

An additional advantage of quantile regression is that it provides a more complete assessment of the effects of covariates across the distribution of net worth (at specified quantiles), which may reveal unique features of the data. Therefore, we also explore other types of quantile regression by setting the quantile threshold, τ, to deciles in order to explore the relationship between our covariates and wealth attainment at these levels. This allows us to examine racial/ethnic inequality across the distribution of net worth, giving us a more complete picture of the various percentage points of the distributions.

We use a variable-nested modeling approach to explore how immigrants' U.S. experience affects immigrant wealth attainment. Four models in Table 2 examine net worth. Model 1 introduces the race/ethnic variables. Model 2 adds the measures of immigration status. Model 3 includes the rest of the U.S. experience variables. Model 4 is the full model, with controls. Results for logged wealth are interpreted in terms of percent change (Wooldridge 2009). To provide a sense of effect size, we also generate predicted values with an antilog or exponential transformation. To explore the relationship between immigrants' U.S. experience and wealth attainment over the wealth distribution, Table 3 presents quantile regression results by decile.[11] Models 5 and 6 in Table 4 present results from logistic regressions for home and stock ownership.

** Table 1 about here **

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[11] To conserve space, Table 3 presents coefficients and significance levels for the explanatory variables. Full results are available from the authors upon request.

RESULTS

Descriptive Results

Table 1 presents descriptive statistics. For the measures of wealth attainment, median wealth for

the full sample is $66,915, about two-thirds of the sample own a home, and slightly less than

one-fifth own stocks. By racial/ethnic group, whites have the highest median wealth ($92,917),

followed by Asians ($70,275). Blacks and Latinos have similar median levels of wealth with

$8,425 and $9,080, respectively. For homeownership, there is a substantial gap between whites,

with 73% ownership, and racial/ethnic minorities all closer to 50% ownership. Investment in

stocks is similar between Asians and whites and equivalent between blacks and Latinos. For the

latter groups, this lower level of ownership likely reflects their relative lack of wealth.

For the immigrant and native-born composition of the sample, almost 90% are native

born and an additional 5% are naturalized citizens. For the remaining categories, 3% received

their LPR status at arrival while 1% adjusted to LPR status later. By race/ethnicity, the vast

majority of black and white respondents are native born and relatively few are legal permanent

residents. In contrast to these two groups, the majority of Asians are either currently naturalized

citizens (46%) or LPR immigrants (23%). Almost half of Latinos are native born, with similar

proportions of naturalized citizens and immigrants with LPR status at arrival.

Last, Table 1 reports descriptive statistics for the remainder of the U.S. experience

variables, though it is more informative to examine these variables among immigrants only. A

substantial proportion of immigrants complete their education in the United States (39%) and the

average duration is almost 14 years. For English language proficiency, half of the immigrants in

the sample are either native English speakers (32%) or speak the language "very well" (20%). In

contrast, approximately one-third of the immigrants speak English "not well" or "not well at all."

By race/ethnicity, there is relatively similarity in the attainment of U.S. education with black immigrants associated with a slightly higher frequency of completion. For U.S duration, Asian immigrants have been in the United States for the least amount of time while Latinos and whites have the longest average residencies. More than half of black immigrants speak English as a native language, but only 20% of Latinos and 25% of Asians are native speakers. Of the racial/ethnic groups, Latinos are associated with least command of the English language.

** Figure 1 about here **

Median Wealth and Portfolio Choices by Race/Ethnicity and Immigration status

To provide insight into two dimensions of immigrants' U.S. experience, we graph wealth and asset ownership by race/ethnicity and immigration status. Several patterns stand out in the graph of median wealth (Figure 1). First, there is a clear contrast between the wealth of Asians and whites and that of blacks and Latinos. The wealth inequality between Asians/whites and blacks/Latinos is larger for native-born and naturalized citizens while the gap is smallest among immigrants with LPR status at arrival and those with a non-LPR status. Second, with the exception of Asians, there is a wealth divide between citizens – either native born or naturalized – and immigrants. In Figure 1, naturalized citizens have the highest median wealth within each racial/ethnic group, followed by the native born for every group except for Asians. Last, there are differences in wealth by immigration status within racial/ethnic groups. Among immigrants, those who attain LPR status via adjustment are associated with a higher median wealth value, followed by immigrants with LPR status at arrival, and then by other immigrants.

** Figure 2 about here **

Figure 2 presents two graphs that highlight racial/ethnic and immigration status variation for home and stock ownership. First, Graph 1 shows that native-born and naturalized citizens are

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associated with the highest proportion of home ownership. Among immigrants, there is a clear advantage for LPR adjustees, which likely reflects their relatively longer durations in the United States. For race/ethnicity, inequality in home ownership is not as evident as for net worth; however, blacks and Latinos are generally disadvantaged relative to whites, and Asians in some categories

Graph 2 provides key insight into the wealth inequalities in Figure 1. Here, there is a substantial racial/ethnic gap with Asians and whites much more likely to own stocks than blacks and Latinos. By immigration status, those with LPR status via adjustment have the highest proportion of stock ownership and the highest ownership overall among Asians and blacks. The pattern of ownership for the remainder of the immigrant categories generally reflects that of Figure 1. Notably, no Latino immigrants with a non-LPR status own stock.

<center>** Table 2 about here **</center>

Median Quantile Regression Results

Table 2 contains four variable-nested models estimated with median regression. Together, these models document the persistence of racial/ethnic inequality and the importance of U.S. experience for immigrant wealth attainment. Model 1 introduces the race/ethnicity variables. In comparison to whites, all racial/ethnic minority groups are associated with less wealth. The smallest wealth inequality is between Asians and whites with Asians having 1% ($=100[\exp(0.012) - 1]$) less wealth. In real dollars, this wealth inequality is \$18,741. The wealth gap between both blacks and Latinos and whites is much larger. The models predicts that these groups have 5% ($=100[\exp(0.055) - 1]$) or approximately \$87,000 less wealth than whites.

<center>22</center>

Model 2 adds the immigration status variables.[12] With the introduction of these variables, the racial/ethnic coefficients change relatively little. For the immigration status variables, naturalized citizens are advantaged relative to the native born with a wealth premium of 2% or $33,302. In contrast, immigrants have less wealth. In terms of percent change, immigrants are associated with approximately 1% less wealth than the native born; however, the predicted values differ slightly by the immigrant category. In comparison to the native born, wealth inequality is greatest for immigrants with a non-LPR status ($17,223), followed by new arrivals ($13,093) and adjustees ($9,436).

Model 3 introduces the remainder of the U.S. experience variables and their addition only slightly changes the racial/ethnic and immigration status results from the previous models. The most notable change is that the coefficient for naturalized citizens is no longer significant, which signals wealth parity between this group and the native born. Immigrants who are not native English language speakers are associated with wealth disadvantage ranging from $6,520 for those who speak English "very well" to approximately $18,539 for those who speak English "not at all." Time spent in the United States is positively associated with wealth attainment: each additional year is associated with .07% or $1,188 increase in wealth

Model 4 is the full model with controls. With the addition of the control variables, the coefficients for the race/ethnic and immigration status variables are reduced, though they remain significant. In contrast to Model 3, the coefficients for naturalized citizens and U.S. education are now statistically significant. Beginning with race/ethnicity, the results suggest a three-tiered racial/ethnic hierarchy.[13] Whites have the most wealth and both Asians and Latinos occupy the

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[12] In supplemental analyses, we explored interactions between the race/ethnicity and immigration status variables. The results suggested that there was little variation by immigration status within racial/ethnic groups.

[13] We established this hierarchy using t-tests for the equality of coefficients within the same model (Clogg et al. 1995; see also Paternoster et al. 1998).

second tier. These groups have 1% less wealth ($14,896 for Asians; $17,691 for Latinos) than whites. Blacks are at the bottom of the racial/ethnic wealth hierarchy and attain 2% (=100[exp(0.024) – 1]) or $38,960 less wealth. For the immigration status variables, the wealth gap between the native-born and naturalized citizens is the smallest ($22,737) while immigrants are clustered closely together, independent of their LPR or non-LPR status. Immigrants are associated with 2% less wealth and the predicted values reveal that the wealth inequality with the native born is greatest for new arrivals ($35,266) and smallest for immigrants with a non-LPR status ($34,358). A U.S. education is advantageous relative to a foreign education with a wealth premium of 1% or $18,657. Speaking English with proficiency below "very well" is related to less wealth, ranging from 1% ($12,167) less wealth for immigrants who speak English "well" to 2% ($29,018) for immigrants who speak English "not at all." Last, for U.S. duration, each additional year of residency is associated with .03% ($537) more wealth.

Together, the results are largely in line with expectations. The wealth gaps between whites and both Asians and blacks support the racial wealth inequality expectations from the literature; however, that the wealth inequality between Latinos and whites is similar to the Asian/white contrast is counter to expectation. For the other U.S. experience variables, the results generally reflect our expectations: U.S. education and duration are associated with greater wealth while LPR and non-LPR immigration status and lesser English language proficiency are associated with less wealth.

** Table 3 about here **

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Quantile Regression Results by Decile

We now explore how the U.S. experience affects wealth attainment across the wealth distribution. Model 4 is re-estimated, but the quantile threshold, τ , is set to deciles. We present just the coefficients and significance levels for the explanatory variables in Table 3 to conserve space.[14]

Racial/ethnic wealth inequality is consistent across the wealth distribution. Indeed, the three-tiered hierarchy identified by median regression holds for most of the wealth distribution and it is only after the 70th percentile that a more nuanced pattern emerges. Among the wealthiest individuals, the quantile regression results suggest a pattern of racial/ethnic wealth inequality that aligns with the larger wealth literature. T-tests for the equality of coefficients confirm that, at the upper-end of the wealth distribution, whites are associated with the most wealth, followed by Asians, Latinos, and then blacks.

For the immigrant categories, wealth inequality between the native-born and naturalized citizens is evident across the entire wealth distribution. Among immigrants, there appears to be little distinction between those with (either at arrival or via adjustment) and without LPR status. Only at the 90th percentile is there substantial divergence among immigrants.

The remaining explanatory variables largely reflect the pattern identified at the median. U.S. education has a wealth premium, an advantage that grows across the wealth distribution. Those who speak English "very well" are generally associated with a level of wealth attainment that is equivalent to native English speakers. English proficiency below this level is associated with lower wealth attainment. Last, time spent in the United States is positively associated with wealth attainment over most of the wealth distribution; however, above the 70th percentile there is no relationship between U.S. duration and wealth attainment.

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[14] Full results are available from the authors upon request.

** Table 4 about here **

Immigrants' Investment Strategies: Homeownership and Stocks

Table 4 presents results from logistic regression that focus on two investment strategies: home and stock ownership. For race/ethnicity, Asians are associated with a lower likelihood of home ownership than whites, but attain an equivalent level of stock ownership. Inequality in both home and stock ownership is largest between blacks and whites. Latinos are again between these two groups: the smallest gap in home ownership is between Latinos and whites, but there is a substantial inequality for stock ownership. Further, equality of coefficients t-tests indicates that the coefficient for each racial/ethnic category is statistically distinct from the others.

The immigration status variables also illustrate substantial inequality in financial portfolio composition: all of the immigrant categories are less likely to own both homes and stocks than the native born. The largest contrast with these assets is between the native born and immigrants without LPR status, followed by immigrants with LPR status at entry. Naturalized citizens are associated with the smallest contrast with the native born for home ownership; however, inequality in stock ownership is the least between the native born and immigrants who adjust to LPR status. Last, the other U.S. experience variables present a similar pattern as for net worth.

Wealth of Immigrants – Racial/Ethnic Stratification among Immigrants

As a final examination of the importance of the U.S. experience for immigrant wealth attainment, we limit our sample to immigrants. Table 5 displays the results from the full models for net worth, home ownership, and stock ownership. Overall, the results show that race/ethnicity plays an important role for immigrant wealth attainment. For net worth, Asian and white immigrant attain equivalent levels of net worth, but black and Latino immigrants have less

wealth than white immigrants. Wald tests of the equality of coefficients indicate that black immigrants have a lower level of net worth than Latino immigrants, which provides further evidence of the pervasiveness of racial inequality for blacks – and black immigrants – in the United States. For home ownership, all three racial/ethnic minority groups are associated with a lower likelihood of possession of this key asset. Here, the Wald tests suggest that the racial/ethnic hierarchy for home ownership is: white, Asian and Latino, and then black immigrants. Stock ownership presents a slightly different pattern. Latino and black immigrants have a lower likelihood of stock ownership than white immigrants. Here, the Wald tests suggest a dichotomy with Asian and white immigrants and then Latino and black immigrants having similar likelihoods of stock ownership. Overall, the racial/ethnic hierarchy in financial well-being observed among immigrants is similar to the pattern observed with the larger sample. While the exact ordering of the racial/ethnic groups is slightly different, it is clear that race/ethnicity plays an important role for wealth attainment among immigrants as among the native born.

DISCUSSION AND CONCLUSION

Immigrants move to the United States, in part, to pursue a higher standard of living and improve their financial well-being (Portes and Rumbaut 2006). Social scientists have long been interested in immigrants' economic integration into U.S. society, but much of the previous research focuses on immigrants' low income and poverty (e.g., Lichter, Qian, and Crowley 2005; Smith and Edmonston 1997). A relatively neglected aspect of immigrant financial well-being is wealth or net worth. Given that economic mobility is often the primary goal for immigrants in the United States, wealth – or the lack thereof – is a strong indication of immigrant integration in U.S.

society (Farley 1996; Kritz and Gurak 2001). We use new assimilation theory to overcome

limitations of classical assimilation theory and acknowledge the implications of race/ethnicity for

immigrant integration. Immigrants' racial/ethnic minority status serves as a social boundary,

which hinders their ability to integrate into U.S. society. Immigrants' incorporation, therefore,

depends not only on larger social structures and institutional constraints, but also on social,

economic, and cultural differences that are associated with race/ethnicity at the individual level

(Alba and Nee 2003; see also Omi and Winant 1994). In this way, we posited that immigrants'

integration into U.S. society would reflect existing racial/ethnic inequalities.

Our first contribution focused on how immigrants' racial/ethnic status in the United

States affected their ability to economically integrate and improve their financial well-being.

Because our measure of financial well-being – wealth or net worth – was highly skewed (even

when using a logarithmic transformation), we began our exploration of immigrant and native-

born racial/ethnic wealth inequality in the middle of the wealth distribution. Here, we found

racial/ethnic inequality that corresponded to three tiers: whites, Asians/Latinos, and blacks. Most

of the research in racial/ethnic wealth inequality focuses on the black-white divide and the results

reported in this study align with this larger body of research (e.g., Blau and Graham 1990;

Conley 1999; Hao 2004, 2007; Keister 2000, 2004; Killewald 2013; Oliver and Shapiro 2006;

Smith 1995). Relatively few studies examine contrasts between whites and either Asians and

Latinos. Here, our work resembled some prior research that finds Asian and Latino wealth

inequalities (Hao 2004, 2007; Painter 2013), but not others (Campbell and Kaufman 2006). We

also examined racial/ethnic inequality among immigrants and observed a slightly different

pattern with Asian and white immigrants attaining equivalent levels of wealth, followed by

Latinos and then blacks. This hierarchy among immigrants differs from other research examining

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wealth attainment among a sample of legal permanent residents, which finds a white/nonwhite

racial/ethnic divide in median net worth (Painter, forthcoming; Painter and Qian 2014). Yet, the

key finding remains robust: racial/ethnic minority immigrants are associated with less wealth

than white immigrants.

Our second contribution was to document the pervasiveness of racial/ethnic inequality

over the full wealth distribution. We found that blacks consistently had the least amount of

wealth. In contrast, Asians and Latinos had similar levels of wealth inequality when compared to

whites across most of the wealth distribution; however, the financial well-being of these groups

clearly separated among the wealthiest respondents. The only point where we did not observe

consistent racial/ethnic wealth inequality was at the bottom of the wealth distribution, which

likely reflects a relative lack of wealth. Therefore, there appears to be more evidence of

racial/ethnic wealth differentiation when we move beyond the median and focus on the top half

of the wealth distribution. As far as we are aware, this is the first study to examine the

persistence of racial/ethnic inequality across the wealth distribution. These results should

encourage scholars to move beyond the mean and explore how the relationships among their

concepts and variables of interest (do not) change across the full distribution of their outcome

variable.

Our third contribution was to examine two key assets for wealth attainment: home and

stock ownership. Portfolio composition provides insight into the mechanisms that contribute to

larger racial/ethnic wealth inequality because particular assets represent a trade-off between

financial risk and reward as well as serve as indicators of immigrant integration. For instance,

homeownership is the most common asset within the typical financial portfolio and signals

immigrants' ability to convert their socioeconomic progress into residential gain (Alba and

Logan 1992). Owning stocks and bonds, which represents greater financial risk in exchange for the potential for higher returns, serves as an indicator of financial stability and economic integration in the United States.

Turning to these assets, we observed a more nuanced racial/ethnic hierarchy for home ownership in the full sample. Here, there were four tiers of racial/ethnic inequality with Latinos having the smallest inequality relative to whites. For stock ownership, Asians attained a similar level of ownership as whites and both Latinos and blacks are associated with a lower likelihood of investment in the stock market. Together, these results help explain racial/ethnic inequality in net worth. Blacks have the least financial resources to save and invest, which is reflected in their lower level of wealth attainment and in ownership of two key assets. Moreover, discriminatory practices are often the reason for low homeownership among native-born blacks (Holloway and Wyly 2001; Massey and Denton 1993; Oliver and Shapiro 2006) and these discriminatory practices may also affect black immigrants. Asians may be privileging investment in stocks and, conversely, de-emphasizing home ownership, which may reflect Asians' greater likelihood of residing in relatively expensive housing markets (Coulson 1999; Simmons 2001). Overall, greater weight in an investment portfolio on assets with higher risk and corresponding potential for higher returns provides some insight into why Asians are associated with the least wealth inequality relative to whites among the wealthiest respondents (see Table 3). Last, for Latinos, similar financial constraints as blacks may explain the lower likelihood of stock ownership when compared to whites. That the Latino-white contrast is the smallest for home ownership may reflect – as with Asians – patterns of residential settlement and their associated housing costs. Further, though we control for household size, Latinos may be able to purchase homes and

accrue equity at a higher rate because they tend to have multiple generations and extended families living under one roof (Glick 1999).

In addition to race/ethnicity, other dimensions of immigrants' U.S. experiences are important for their ability to improve their financial well-being and integration into U.S. society. In this study, we focused on four additional indicators of U.S. experience: immigration status, place of education, English language proficiency, and time spent in the United States. Thus, our fourth contribution was to describe how these other U.S. experiences matter for wealth attainment. The results were generally consistent both for wealth attainment and asset acquisition. Naturalized immigrants, at least in theory, should have access to the same resources, privileges, and rights as native-born citizens; however, we found that naturalized citizens were associated with less wealth and a lower likelihood of owning key assets. These findings are contrary to previous work on wealth (Hao 2004) and home ownership (Amuedo-Dorantes and Bansak 2006; Fontes 2011; Kossoudji 2007; Osili and Paulson 2007), which may reflect differences in data and estimation strategies.

Among immigrants, and in line with our expectations, those with a non-LPR status were associated with the lowest likelihood of asset ownership, but similar levels of wealth attainment as LPRs. These inequalities are likely due to differing barriers to integration and levels of commitment to living in the United States that each immigration status represents. For the other dimensions of immigrants' U.S. experiences, when compared to native speakers, lower levels of English language proficiency were associated with lower levels of financial well-being (Chatterjee and Kim 2011; Fontes 2011; Kim et al. 2012; Painter 2013; but see Osili and Paulson 2009). The exception was for immigrants who spoke English "very well;" this level of proficiency did not harm wealth attainment, but did limit asset acquisition. Greater English

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language proficiency likely helps immigrants improve their financial well-being by increasing their access to good jobs and higher wages (e.g., Chiswick and Miller 2002; Hall and Farkas 2008; Tainer 1988), but also by facilitating interactions with U.S. financial institutions. Last, U.S. education and time spent in the United States were consistently related to improved financial well-being, though U.S. duration did not lead to greater wealth among the wealthiest respondents. These findings reflect prior research (e.g., Akresh 2011; Chatterjee and Kim 2011; Cobb-Clark and Hildebrand 2006; Kim et al. 2012; Hao 2007; Painter 2013) and illustrate the value of gaining U.S.-specific resources.

Along with the above contributions of this study, we need to acknowledge its limitations. First, we do not have information on immigrants' financial well-being at the time of their arrival. This information would be valuable because it would provide insight into the actual processes underlying wealth accumulation, rather than provide insight into levels of wealth attainment at a single – and arbitrary – point in time. Second, there is no information on remittances in the SIPP. Remittances reduce immigrants' investment capacity in the United States, but may represent investment if immigrants send money to purchase and/or maintain assets back in their home country. The overall impact of remittances on wealth attainment in the United States, however, may actually be quite small. For example, research examining U.S. wealth attainment among immigrants who recently received LPR status comments that less than 10% of immigrants report sending more than $500 in the past year to their home country (Painter and Qian 2014; Painter, Holmes, and Bateman 2014).

To close, immigrants move to the United States for an opportunity to expand their life chances. Upon arrival, immigrants' racial/ethnic status affects their ability to achieve this goal. This paper shows that for some groups; namely, blacks and Latinos, the U.S. social structure

serves as a barrier to economic integration and improved financial well-being. Other groups, like Asians, may encounter some obstacles to wealth attainment, but they also are advantaged in key ways (e.g., educational attainment, socioeconomic status, stock ownership) that help facilitate their incorporation into U.S. society. Overall, this study documents persistent racial/ethnic inequality, revealing that even when accounting for key aspects of U.S. experience, wealth parity with whites for racial/ethnic minorities is not attained. This suggests that the very opportunities that immigrants pursue with their relocation to the United States are stratified and may be for quite some time.

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TABLES AND FIGURES

Table 1. Means and Standard Deviations, SIPP 2001 and 2004, N=70,947

	Total	Asian	Black	Latino	White
Outcome variables					
Net worth[a] - median value	$66.915	$70.275	$8.425	$9.080	$92.917
Home ownership	0.67	0.54	0.48	0.48	0.73
Stock ownership	0.17	0.18	0.05	0.05	0.20
Explanatory variables					
Race/Ethnicity					
Asian	0.03	—	—	—	—
Black	0.13	—	—	—	—
Latino	0.08	—	—	—	—
White	0.76	—	—	—	—
Immigrant status					
Native born	0.89	0.21	0.93	0.49	0.95
Naturalized citizen	0.05	0.46	0.04	0.18	0.03
LPR at arrival	0.03	0.17	0.02	0.16	0.01
Adjusted to LPR status	0.01	0.06	0.01	0.07	0.00
Other immigrant status	0.02	0.10	0.01	0.10	0.00
Place of education - U.S. degree					
Immigrants only	0.39	0.40	0.46	0.38	0.40
English language proficiency					
Native speaker	0.90	0.36	0.95	0.37	0.96
Immigrants only	0.32	0.25	0.56	0.20	0.48
Very well	0.05	0.31	0.03	0.26	0.02
Immigrants only	0.20	0.35	0.22	0.14	0.20
Well	0.02	0.18	0.01	0.11	0.01
Immigrants only	0.15	0.20	0.11	0.14	0.13
Not well	0.02	0.10	0.01	0.17	0.01
Immigrants only	0.22	0.16	0.08	0.33	0.13
Not at all	0.01	0.04	0.00	0.09	0.00
Immigrants only	0.11	0.04	0.03	0.19	0.05
U.S. duration	2.03 (7.66)	14.11 (12.61)	1.03 (4.99)	9.05 (12.81)	1.10 (6.30)
Immigrants only	13.79 (10.49)	10.71 (8.25)	12.71 (9.77)	14.94 (9.99)	14.22 (12.47)
Control variables					
Education					
No high school degree	0.13	0.10	0.19	0.38	0.10
High school degree	0.28	0.17	0.31	0.27	0.29
Some college	0.33	0.22	0.35	0.25	0.34
College degree	0.16	0.30	0.09	0.06	0.18
Advanced degree	0.09	0.21	0.05	0.03	0.10
Household characteristics					
Age	49.34 (16.93)	44.66 (14.90)	48.08 (16.26)	41.86 (14.71)	50.55 (17.09)
Female	0.52	0.42	0.64	0.48	0.51
Household size	2.58 (1.49)	3.06 (1.64)	2.62 (1.57)	3.53 (1.86)	2.46 (1.38)
Income[a]	$44,180 ($57,910)	$64,114 ($73,128)	$29,329 ($37,793)	$37,888 ($42,477)	$46,641 ($60,928)
Marital status					
Married	0.52	0.66	0.32	0.58	0.55
Never married	0.17	0.19	0.31	0.20	0.15
Separated	0.03	0.02	0.07	0.06	0.02
Divorced	0.16	0.08	0.17	0.11	0.16
Widowed	0.11	0.05	0.13	0.05	0.12
Residency					
Northeast	0.17	0.22	0.15	0.11	0.18
Midwest	0.25	0.13	0.18	0.10	0.29
South	0.37	0.20	0.59	0.36	0.34
West	0.20	0.46	0.07	0.43	0.19
Urban	0.76	0.93	0.85	0.87	0.73
2004 panel	0.53	0.49	0.53	0.46	0.54

Note: Some columns may not total 1.0 due to rounding. Standard deviation in parentheses.

[a] U.S.$2004 (in thousands).

Table 2. Median Regression Estimates for Logged Net Worth, SIPP 2001 and 2004, N=70,947

Explanatory Variables	Model 1		Model 2		Model 3		Model 4	
Race/Ethnicity (ref=white)								
Asian	-0.012	*	-0.018	*	-0.014	***	-0.009	***
	(0.005)		(0.004)		(0.003)		(0.002)	
Black	-0.056	***	-0.052	***	-0.052	***	-0.024	***
	(0.001)		(0.001)		(0.001)		(0.001)	
Latino	-0.055	***	-0.048	***	-0.044	***	-0.011	***
	(0.001)		(0.001)		(0.001)		(0.001)	
Immigrant status (ref=native born)								
Naturalized citizen	—		0.020	***	0.000		-0.014	***
			(0.002)		(0.003)		(0.003)	
LPR at arrival	—		-0.008	***	-0.015	***	-0.022	***
			(0.001)		(0.001)		(0.002)	
Adjusted to LPR status	—		-0.006	***	-0.015	***	-0.021	***
			-0.001		-0.002		(0.003)	
Other immigrant status	—		-0.011	***	-0.016	***	-0.021	***
			(0.001)		(0.001)		(0.003)	
Place of education (ref=foreign degree)								
U.S. degree	—		—		0.002		0.011	***
					(0.001)		(0.002)	
English language proficiency (ref=native speaker)								
Very well	—		—		-0.004	**	-0.001	
					(0.001)		(0.002)	
Well	—		—		-0.006	***	-0.007	**
					(0.001)		(0.003)	
Not well	—		—		-0.008	***	-0.013	***
					(0.001)		(0.002)	
Not at all	—		—		-0.012	***	-0.018	***
					(0.001)		(0.002)	
U.S. duration	—		—		0.001	***	0.000	***
					(0.000)		(0.000)	

Table 2, continued

Control Variables							
Education (ref= no high school)							
High school	—		—		—		0.015	***
							(0.001)	
Some college	—		—		—		0.023	***
							(0.001)	
College degree	—		—		—		0.057	***
							(0.002)	
Advanced degree	—		—		—		0.089	***
							(0.002)	
Household characteristics							
Age	—		—		—		0.003	***
							(0.000)	
Age, squared	—		—		—		0.000	***
							(0.000)	
Female (ref=male)	—		—		—		-0.002	***
							(0.001)	
Household size	—		—		—		0.002	***
							(0.000)	
Income (logged)	—		—		—		0.001	***
							(0.000)	
Marital status (ref=married)							
Never married	—		—		—		-0.024	***
							(0.001)	
Separated	—		—		—		-0.035	***
							(0.001)	
Divorced	—		—		—		-0.041	***
							(0.001)	
Widowed	—		—		—		-0.039	***
							(0.001)	
Residence (ref=northeast)							
Midwest	—		—		—		-0.004	***
							(0.001)	
South	—		—		—		-0.009	***
							(0.001)	
West	—		—		—		0.001	
							(0.001)	
Urban (ref=rural)	—		—		—		0.007	***
							(0.001)	
2004 panel (ref=2001 panel)	—		—		—		0.005	***
							(0.001)	
Intercept	7.401	***	7.397	***	7.397	***	7.258	***

* *p* < .05; ** *p* < .01; *** *p* < .001, two-tailed

Note: Standard errors in parentheses.

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Table 3. Coefficients and Significance Levels from Quantile Regression Estimates for Logged Net Worth, SIPP 2001 and 2004, N=70, 947

	10th		20th		30th		40th		50th		60th		70th		80th		90th	
Race/Ethnicity (ref=white)																		
Asian	-0.001		-0.004	***	-0.005	***	-0.010	***	-0.009	***	-0.014	***	-0.016	***	-0.013	***	-0.021	***
Black	-0.003	***	-0.008	***	-0.014	***	-0.019	***	-0.024	***	-0.029	***	-0.036	***	-0.043	***	-0.056	***
Latino	-0.001		-0.002	***	-0.005	***	-0.008	***	-0.011	***	-0.015	***	-0.022	***	-0.028	***	-0.038	***
Immigrant status (ref=native born)																		
Naturalized citizen	-0.002	***	-0.007	***	-0.011	***	-0.013	***	-0.014	***	-0.010	***	-0.011	***	-0.016	***	-0.024	***
LPR at arrival	-0.002	***	-0.008	***	-0.013	***	-0.017	***	-0.022	***	-0.024	***	-0.026	***	-0.029	***	-0.034	***
Adjusted to LPR status	-0.001		-0.008	***	-0.013	***	-0.017	***	-0.021	***	-0.022	***	-0.026	***	-0.031	***	-0.043	***
Other immigrant status	-0.001		-0.009	***	-0.013	***	-0.017	***	-0.021	***	-0.020	***	-0.021	***	-0.025	***	-0.030	***
Place of education (ref=foreign degree)																		
U.S. degree	0.001	***	0.005	***	0.007	***	0.009	***	0.011	***	0.011	***	0.014	***	0.018	***	0.018	***
English language proficiency (ref=native speaker)																		
Very well	-0.001		-0.001		-0.003	***	-0.002	***	-0.001		0.000		0.001		-0.004		-0.001	
Well	-0.003	***	-0.005	***	-0.007	***	-0.008	***	-0.007	***	-0.009	***	-0.010	***	-0.007	***	-0.005	***
Not well	-0.003	***	-0.005	***	-0.009	***	-0.010	***	-0.013	***	-0.014	***	-0.014	***	-0.020	***	-0.022	***
Not at all	-0.004	***	-0.008	***	-0.013	***	-0.015	***	-0.018	***	-0.021	***	-0.023	***	-0.026	***	-0.029	***
U.S. duration	0.000	***	0.000	***	0.000	***	0.000	***	0.000	***	0.000	***	0.000		0.000		0.000	

Note: the column headers above are grouped under "Percentiles".

* $p < .05$; ** $p < .01$; *** $p < .001$, two-tailed

Note: Models control for the control variables described in the text and displayed in Model 4, Table 2.

Table 4. Logistic Regression Estimates for Home and Stock Ownership, SIPP 2001 and 2004, N=70,947

	Model 5			Model 6		
	Coeff.		S.E.	Coeff.		S.E.
Explanatory Variables						
Race/Ethnicity (ref=white)						
Asian	-0.42	***	-0.06	0.06		-0.08
Black	-0.83	***	-0.03	-1.24	***	-0.06
Latino	-0.23	***	-0.04	-0.77	***	-0.08
Immigrant status (ref=native born)						
Naturalized citizen	-0.79	***	-0.09	-0.50	***	-0.13
LPR at arrival	-1.24	***	-0.08	-0.94	***	-0.13
Adjusted to LPR status	-1.05	***	-0.12	-0.35	*	-0.17
Other immigrant status	-1.77	***	-0.10	-1.40	***	-0.22
Place of education (ref=foreign degree)						
U.S. degree	0.47	***	-0.06	0.29	**	-0.10
English language proficiency (ref=native speaker)						
Very well	-0.20	***	-0.05	-0.33	***	-0.07
Well	-0.45	***	-0.07	-0.81	***	-0.13
Not well	-0.62	***	-0.07	-1.22	***	-0.21
Not at all	-1.12	***	-0.11	-1.60	***	-0.43
U.S. duration	0.02	***	0.00	0.01	*	0.00
Control Variables						
High school degree	0.32	***	-0.03	0.94	***	-0.07
Some college	0.50	***	-0.03	1.49	***	-0.06
College degree	0.91	***	-0.04	2.29	***	-0.07
Advanced degree	0.99	***	-0.05	2.46	***	-0.07
Household characteristics						
Age	0.16	***	0.00	0.06	***	-0.01
Age, squared	0.00	***	0.00	0.00	***	0.00
Female (ref=male)	-0.04		-0.02	-0.01		-0.02
Household size	0.12	***	-0.01	-0.04	***	-0.01
Income (logged)	0.07	***	0.00	0.03	***	0.00
Marital status (ref=married)						
Never married	-1.34	***	-0.03	-1.16	***	-0.05
Separated	-1.63	***	-0.05	-1.35	***	-0.11
Divorced	-1.29	***	-0.03	-1.46	***	-0.04
Widowed	-0.74	***	-0.04	-1.17	***	-0.05
Residence (ref=northeast)						
Midwest	0.39	***	-0.03	0.07	*	-0.04
South	0.47	***	-0.03	-0.25	***	-0.03
West	0.01		-0.03	-0.04		-0.04
Urban (ref=rural)	-0.10	***	-0.02	0.36	***	-0.03
2004 panel (ref=2001 panel)	0.08	***	-0.02	-1.05	***	-0.02
Intercept	-4.79	***		-4.33		

* $p < .05$; ** $p < .01$; *** $p < .001$, two-tailed

Table 5. Median Regression Estimates for Logged Net Worth and Logistic Regression Estimates for Home and Stock Ownership, Immigrants Only, SIPP 2001 and 2004

Explanatory Variables	Model 1 - Net Worth		Model 2 - Home ownership		Model 3 - Stock ownership	
Race/Ethnicity (ref=white)						
Asian	-0.004		-0.318	***	0.206	
	(0.002)		(0.075)		(0.112)	
Black	-0.021	***	-0.690	***	-0.987	***
	(0.001)		(0.083)		(0.187)	
Latino	-0.015	***	-0.276	***	-1.041	***
	(0.001)		(0.073)		(0.161)	
Immigrant status (ref=naturalized citizen)						
LPR at arrival	-0.011	***	-0.461	***	-0.426	**
	(0.002)		(0.072)		(0.143)	
Adjusted to LPR status	-0.010	***	-0.332	**	0.202	
	(0.003)		(0.101)		(0.161)	
Other immigrant status	-0.011	***	-0.982	***	-0.766	***
	(0.003)		(0.094)		(0.202)	
Place of education (ref=foreign degree)						
U.S. degree	-0.004	*	-0.232	***	-0.167	
	(0.002)		(0.060)		(0.109)	
English language proficiency (ref=native speaker)						
Very well	-0.001		-0.109		-0.285	*
	(0.002)		(0.070)		(0.119)	
Well	-0.006	**	-0.365	***	-0.782	***
	(0.003)		(0.085)		(0.177)	
Not well	-0.010	***	-0.527	***	-1.034	***
	(0.002)		(0.098)		(0.264)	
Not at all	-0.011	***	-0.924	***	-1.087	
	(0.002)		(0.122)		(0.579)	
U.S. duration	0.001	***	0.057	***	0.046	***
	(0.000)		(0.004)		(0.006)	

Table 5, continued

Control Variables

Education (ref= no high school)

High school	0.005	*	0.164	*	0.870	***
	(0.001)		(0.071)		(0.218)	
Some college	0.013	***	0.379	***	1.617	***
	(0.001)		(0.077)		(0.212)	
College degree	0.030	***	0.717	***	2.230	***
	(0.002)		(0.094)		(0.220)	
Advanced degree	0.061	***	0.837	***	2.685	***
	(0.002)		(0.102)		(0.225)	
Household characteristics						
Age	0.000		0.079	***	0.003	
	(0.000)		(0.010)		(0.019)	
Age, squared	0.000		-0.001	***	0.000	
	(0.000)		(0.000)		(0.000)	
Female (ref=male)	0.000		-0.006		-0.251	**
	(0.001)		(0.050)		(0.086)	
Household size	0.002	***	0.158	***	-0.061	
	(0.000)		(0.016)		(0.033)	
Income (logged)	0.001	***	0.061	***	0.032	*
	(0.000)		(0.007)		(0.013)	
Marital status (ref=married)						
Never married	-0.014	***	-0.893	***	-1.069	***
	(0.001)		(0.072)		(0.150)	
Separated	-0.020	***	-1.324	***	-1.352	***
	(0.001)		(0.126)		(0.334)	
Divorced	-0.026	***	-1.013	***	-1.220	***
	(0.001)		(0.078)		(0.154)	
Widowed	-0.029	***	-0.679	***	-0.924	***
	(0.001)		(0.106)		(0.200)	
Residence (ref=northeast)						
Midwest	0.001		0.640	***	0.274	*
	(0.001)		(0.085)		(0.131)	
South	-0.001		0.648	***	-0.069	
	(0.001)		(0.066)		(0.113)	
West	0.002		0.236	***	0.052	
	(0.001)		(0.069)		(0.112)	
Urban (ref=rural)	0.002		-0.068		0.256	
	(0.001)		(0.069)		(0.132)	
2004 panel (ref=2001 panel)	0.007	***	0.176	***	-1.223	***
	(0.001)		(0.046)		(0.084)	
Intercept	7.323	***	-3.613	***	-3.291	***

* *p* < .05; ** *p* < .01; *** *p* < .001, two-tailed

Note: Standard errors in parentheses.

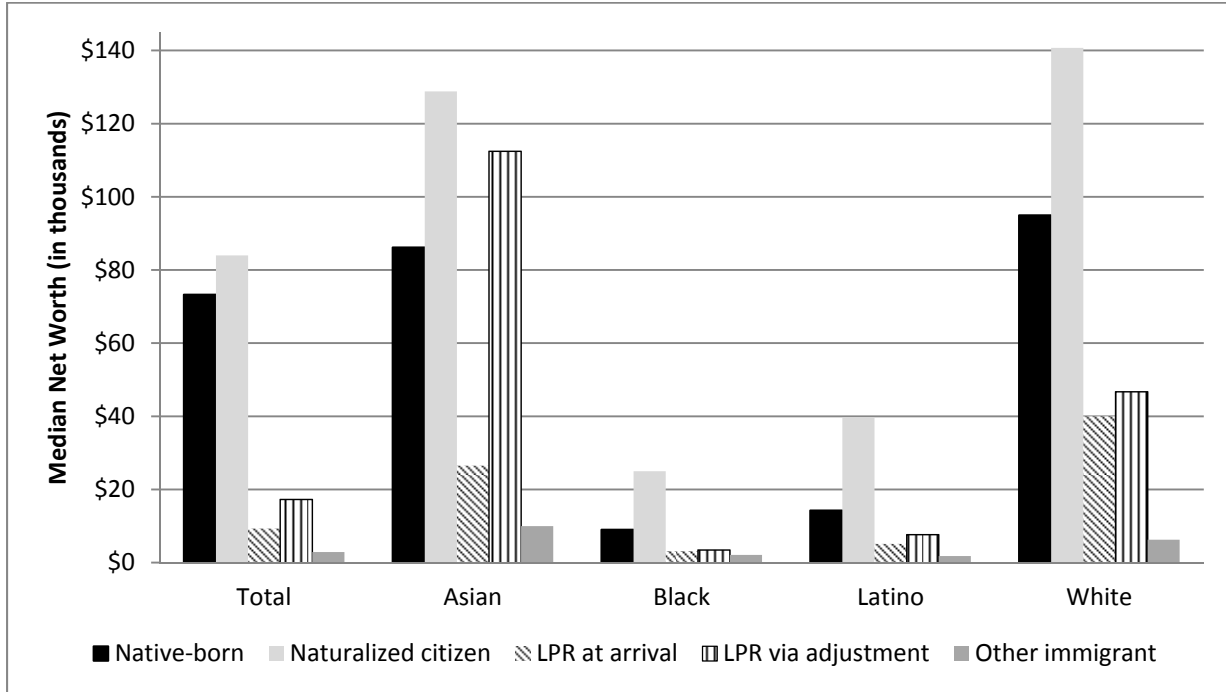**Figure 1. Median Net Worth by Race/Ethnicity and Immigration status**

Figure 2. Portfolio Composition by Race/Ethnicity and Immigration status

Graph 1. Home ownership

Graph 2. Stock ownership