U.S. Impacts of Mexican Immigration

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Introduction

An assessment of the impacts of Mexican immigration in the United States depends on how many come, and when (first chapter); who migrates, where they come from and where they settle; how long they stay, how they and their offspring adjust (second chapter); why they come and how they select their U.S. destinations (third chapter). Previous chapters have elaborated the complexity of each of these themes, which bear on the nature and magnitude of demographic, social, and economic impacts of Mexican migration. An assessment of the impacts is further complicated because, in addition to the difficult issues considered in prior chapters, the consequences of Mexican immigration differ over time, across diverse regions, and among various segments of the society and sectors of the economy.

This chapter is concerned with the consequences of recent (largely 1960 to the present) streams of Mexican migrants, although we acknowledge that many current impacts have accumulated over several decades. Impacts deriving from decades of Mexican migration are manifested in multiple spheres of social, political, and economic life. Today these impacts are most clearly evident in locations where the

Mexican-born population is densely settled, notably the cities along the U.S.-Mexico border, and, several large cities in the Southwest (e.g., Los Angeles, San Diego, Houston, Dallas), and Chicago. That many native-born Mexican origin residents are themselves descendants of recent migrants renders the focus on recent entrants arbitrary, yet necessary for policy considerations. We elaborate these issues in the discussion of demographic impacts.

It is important also to acknowledge how changed economic and socio-political circumstances may alter the contemporary impacts of Mexican migration relative to earlier periods. There is extensive empirical evidence that the returns to education have been rising in the United States since the mid-1970s, and this implies more limited economic mobility for recent migrants relative to earlier migrants from Mexico. Taken together, the lowered demand for unskilled workers coupled with a less tolerant climate for welfare and health care benefits have increased the challenges of migrant integration and adaptation while fueling public perceptions that the costs of migration exceed the benefits.[2]

The preponderance of scientific evidence refutes this view, but acknowledges that not all segments of society share equally in the benefits of immigration (Borjas, 1977; Hammermesh, 1997; Smith and Edmonston, 1997). Moreover, the costs are borne disproportionately by certain groups in the United States. Herein resides an important source of misunderstanding about the benefits and costs of migration generally and Mexican migration in particular, namely the distributional aspects of gains and losses. Therefore, we depart from the simple premise migration from Mexico produces benefits to the United States, and that these benefits come at a cost. Accordingly, our main task is to identify the benefits and costs and to specify which groups benefit and lose from Mexican migration.

To decipher benefits and costs deriving from out-migration from Mexico and in-migration to the United States, we lay out a heuristic framework that differentiates national from regional and local impacts and also separates, for analytic convenience, economic from socio-cultural, demographic and political consequences. For most outcomes, the distinctions are largely theoretical because all of these dimensions are highly inter-related. We also acknowledge that short and long-term impacts differ, that some impacts are transmitted intergenerationally, and that many benefits and costs can not be quantified. Although we mainly emphasize measurable impacts, we also consider unmeasured benefits and costs, including those based on perceptions rather than facts, because these also can be highly influential in shaping responses to migration. Our attempt to provide a balanced and nuanced portrait of benefits and costs is crucially important for contemplating policy strategies, whose ultimate goal is to maximize benefits and minimize costs for both countries.

Impacts and the Changing
Character of Migration

Migration from Mexico to the United States has changed over time, which suggests that the historical dimensions of the labor flow are important for understanding contemporary impacts. Initially Mexican workers were almost exclusively destined to jobs in the agricultural industry. In this instance, the local costs might be relatively contained, even though the benefits were enjoyed by the entire U.S. population through lower food prices. However, over time, the Mexican flow has changed in size, volume and characteristics (first two chapters, this volume). Even though current migrants from Mexico largely seek urban destinations and find employment outside of agriculture, vestiges of the historical role of Mexican workers in U.S. agriculture remain, as evident in their disproportionate representation in farming industries. We elaborate on these points below.

The highly fluid social, demographic and political contexts in which U.S.-bound Mexican migration has evolved render the task of drawing conclusions about some impacts tentative, although other impacts are amenable to firmer conclusions. For example, we are confident in our inferences (substantiated below) that the magnitude of impacts in the United States are more pronounced in places that send and receive large volumes of migrants. However, we also emphasize that social, economic and demographic impacts are not confined to migrant-sending and receiving areas because local impacts may be arbitraged by secondary migration of people and capital, and by multiplier effects that yield benefits to consumers of less expensive goods produced by migrants. In addition to migration, other channels distribute the economic effects of migration, notably international trade, taxes and transfers.

Two additional features of contemporary Mexican migration are relevant for understanding social, demographic, political and economic impacts in the United States. One is the changing composition of the flows between temporary and permanent migrants. Temporary migrants are themselves highly differentiated in ways that shape their impacts in the United States: some sojourn back and forth throughout their productive lives, while others take a single or a few trips over their life cycle (Massey, et al., 1995). These patterns of migration have different implications for all types of impacts, be they social, economic, demographic, or political. Unfortunately, owing to data limitations, few studies of impacts distinguish between permanent and temporary migrants, except in discussions of highly specialized flows, such as braceros or other temporary seasonal workers.

A second feature of Mexican migration that has important implications for impact assessment concerns the legal status of the migrants. This feature is crucial

because participation by unauthorized workers in social programs and their consumption of tax-financed social services is a highly sensitive political issue undergirding the latest round of restrictions on the access of the foreign born to social welfare benefits (see note 2). Although, it is difficult to distinguish various types of impacts according to legal status, several recent studies have attempted to estimate the fiscal and labor market impacts of documented and undocumented flows. We report on these studies below, and where data permit, refer to the experiences of the legalized population.[3]

Chapter Organization

Our assessment of the myriad impacts of Mexican migration to the United States is based on new syntheses of existing studies as well as several original papers. First, we summarized existing studies about the impacts of Mexican migration to the United States. Because the literature about the impacts of the foreign born in the United States is voluminous, we sought to distinguish, as much as possible, whether and how impacts of Mexican migration differ from those of migration in general.

To preface our evaluation, we first present a typology that frames our discussion of various dimensions of impacts according to level of aggregation, and we discuss the distributional aspects of Mexican migration for understanding local, regional and national impacts. This section is followed by a general overview that describes how Mexican migration to the United States differs from U.S. immigration in general. The purpose is to identify what these differences portend for understanding impacts of Mexican migration in various social domains and areas of the country that receive the largest shares of Mexican migrants. We use the 1990 Census of Population and several additional surveys and published data sources to depict demographic, economic, social and political impacts. All data sources have their limitations, which are discussed in appropriate sections. In striving to present our main findings in nontechnical prose, we have prepared a series of appendices to present technical and tabular materials as well as detailed descriptions of the various data sources used.

Conceptualizing Impacts of U.S.-Bound Mexican Migration

We begin with a heuristic framework that depicts various domains through which Mexican migration impacts receiving communities. Our purpose is two-fold. One is to identify the various domains where impacts of Mexican migration will be identified. Second, the framework serves as a basis for organizing the literature reviews and

presenting findings from prior studies and those prepared specifically for the binational study. We strive for the most balanced accounting possible, but because the nature of the impacts (both benefits and costs) differs in magnitude, kind, and amenability to quantitative analysis, we provide considerable detail and comment on the conclusiveness of the evidence presented in various studies.

Dimensions of Impacts

We define impacts as consequences or changes in social, demographic, economic, cultural or political arrangements that stem directly or indirectly from Mexican migration to the United States. Not all of these impacts are measurable, but for heuristic purposes, it is worthwhile to think broadly about the myriad consequences of such migration. Moreover, the nature and magnitude of impacts manifest themselves differently at national, regional, and local levels, and vary over time, partly because some are cumulative, and partly because migrants (and especially their offspring) assimilate economically and socially in the United States, thereby changing the character and magnitude of impacts inter-temporally and/or inter-generationally.

Levels of aggregation are important because benefits and costs differ accordingly, and because policies governing migration may originate at one level, but may produce various intended and unintended consequences at different levels. Although some impacts measured at the national level may be quantitatively small, at the regional and local levels these same impacts can be very large. Put another way, studies based on specific local labor markets or school districts are more likely to show large effects of Mexican migration than those based on regional or national levels analyses.[4]

Simply stated, most impacts of Mexican migration will be more pronounced in locales and industries where migrants reside and work. For example, the impacts of Mexican migration on U.S. public education outlays are much greater (both in absolute per-capita terms and in relative terms) in Los Angeles than in Fargo, ND, and, as we show below, they also depend on the legal status of the migrants and their children. Average impacts (per capita or relative shares) lose this important distributional dimension, which is crucial for understanding the political hysteria in California leading to Proposition 187 and related initiatives to limit access of migrants to social consumption services and means-tested income transfers. Accordingly, we make every attempt to spell out channels through which impacts are produced and to specify the level of aggregation at which generalizations and specific conclusions obtain.

1. *Demographic impacts* stemming from migration from Mexico manifest themselves through changes in the age structure and gender composition, as well as the

ethnic and racial composition of a population, which can be quite substantial at the local level if migrants leave from or settle in a few selected cities and states, even if the national population composition does not change much. Although Mexican migration also contributes to net U.S. population increase, this "outcome" has not been a major preoccupation of national demographic impact assessments.[5] Rather, population losses and gains are more salient at local levels, where a relatively large influx not only can lead to overcrowding (Myers and Lee, 1996), but also visible changes in race and ethnic population composition.

Beyond these direct demographic impacts (i.e., changes in population composition, density, and natural increase), indirect demographic impacts derive from other migrant characteristics. For instance, the higher fertility of Mexican-born women relative to native-born women of Mexican or other origins have implications for future demographic impacts, and in particular, the size of the Mexican-origin population (Forste and Tienda, 1996; Smith and Edmonston, 1997). However, these effects may be tempered by patterns of intermarriage that not only reduce the numbers who self-identify as Mexican origin, but also may result in lower fertility among assimilated groups (Smith and Edmonston, 1997). Additional indirect demographic impacts of migration may stem from residential mobility of native populations from localities that receive large shares of migrants to those that receive few migrants. Also, native populations can respond by not moving to places where immigrants locate which they might consider in the absence of immigration. However, it is unclear whether concentrated settlements of the foreign born result because natives move out first, creating residential opportunities for the newcomers, or whether the rising migrant composition of a community results in out-migration of native populations. Unfortunately, this question can not be addressed with existing data.

2. *Economic impacts* of Mexican migration to the United States are concerned with quite diverse outcomes. Therefore we distinguish several broad channels of influence through which migration has made an impact on the economy of the receiving society. The dominant and most commonly studied broad channel of influence focuses on the *labor market*, namely the direct effect of migrants on the employment and wages of U.S. residents (both natives and prior migrants). One common view of labor market impacts is that migrants take jobs away from native workers and depress their wage rates. Although this belief is widely shared because it proliferated in the popular media during the 1980s, empirical evidence is mixed, as we elaborate below.

Mexican migrants also influence employment and wages through their demand for goods and services. Moreover, migrant workers can be complements as well as substitutes for native workers, and the net effects of migrants on the wages of natives are also difficult to assess. That migrants also create jobs through their

contributions to production and their own demand for goods and services makes it very difficult to estimate their net employment and wage effects. Industry-specific studies suggest some substitution of migrants for domestic workers, but these studies fail to identify what happens to the displaced workers (Martin and Midgley, 1994:30). Moreover, these studies do not clearly indicate whether the substitution resulted from wage competition (i.e., whether employers pay migrant workers less for comparable work) or whether employers prefer migrants because of other unobserved characteristics, such as attitudes, dependability and willingness to work extra time (Krischenman and Neckerman, 1991; Tienda and Stier, 1996; Tienda, 1989).[6] Neither is it obvious that Mexican migrants have lower reservation wages than equally unskilled domestic workers (Tienda and Stier, 1996).

A second broad channel through which migration to the United States produces economic impacts is the *fiscal channel*. Narrowly defined, fiscal impacts are the current account balance between what migrants pay in taxes and fees, and what they consume in tax-supported amenities and services. Conceived more broadly, fiscal impacts also involve the prices of public goods where immigrants live (e.g., higher taxes due to the increased costs of providing various public services), as well as the quality of services received (e.g., overcrowding in schools). That the majority of Mexican migrants earn low wages is undisputed. Therefore, as a group, they also pay lower than average income taxes. Mexicans who reside in the United States also have larger than average family size, so they may consume proportionately more in public education services than they pay in local taxes. However, many Mexican migrants who move back and forth may pay taxes and not receive equivalent benefits.

Migrant participation in the welfare system has been an issue of considerable concern in recent years. Migrants from Mexico come to the United States in search of employment opportunities and higher wages. Welfare availability does not appear to play a major role in their decisions to enter the United States, and when they are young, their propensity to participate in the welfare system (primarily Aid for Dependent Children or AFDC) is lower than that both of otherwise comparable natives in general and of otherwise comparable native-born persons of Mexican ancestry. However, older persons born in Mexico tend to participate more in SSI than otherwise comparable natives, perhaps in part because those who are 65 and over do not qualify for Social Security, whereas native-born persons do qualify.

The fiscal issue is further complicated by the fact that Mexican (and other) migrants pay Social Security taxes, but many are not eligible for Social Security benefits either because they are too young to collect, because of their legal status, or because they return to Mexico before paying the required number of quarters. However, many receive Supplemental Security Income benefits, which results in another source of income transfers. Finally, costs of migration services also have

risen because tighter border surveillance is expensive. Although these expenditures disproportionately benefit the Southwestern states that share a border with Mexico, they are financed from federal taxes, and therefore the costs are incurred by all citizens. This outlay is seldom considered in assessments of fiscal impacts, perhaps because the outlay also involves opportunity costs that are not easily estimated (e.g., funds that may be spent on welfare, highways, etc.).

Of course, fiscal impacts change over time, depending on (1) changes in the demographic profile of the foreign born population (especially the relative balance of school-age and elderly groups); (2) changes in the economic status of successive cohorts; and (3) future paths of government spending. In general, immigrants are more costly than natives during childhood because school-aged children often require special outlays for bilingual education, but immigrants are usually less expensive in old age. Over a lifetime these differences tend to balance out, but whether costs exceed benefits ultimately depends on future earnings and successful economic adaptation of migrants. Age at arrival is crucial for assessing lifetime earnings: the younger the age at arrival, the more likely that future earnings will offset costs of immigration (Smith and Edmonston, 1997).

A third and less studied broad channel of economic influence focuses on *scale effects*, namely whether the volume of Mexican migration coupled with its high geographic concentration has a positive economic effect. Virtually all of the formal theoretical work on the effects of immigration assumes constant returns to scale, which tends to make the predicted effects less positive than if increasing returns were assumed. As consumers, the foreign born and their offspring expand the domestic market and also encourage increased investment expenditures, thereby augmenting aggregate demand.

Some public goods, such as national defense, do not depend directly on the size of the population (as does education). An increase in population ought not increase the need for national defense, but would increase the number of people paying for defense, thus lowering the cost per capita and lessening the burden on the native residents. On the other hand, Mexico-born and Mexican-ancestry populations have low U.S. military participation rates, which also may deprive them of an important path to occupational mobility. Scale effects associated with migration emerge in highly complex ways, with variable impacts for national, regional and local markets.

3. *Social and political impacts* are perhaps the most difficult to assess partly because it is difficult to classify social and political consequences into costs and benefits. Because most Mexican migrants are integrated into the United States through existing Mexican migrant or Mexican-American neighborhoods, barrios, and settlements, the interaction between the migrants and the wider U.S. citizenry is partly mediated through the existing Mexican-American community. The Mexican-

American community has experienced major changes since 1960: the population became more urban; more educated; and, importantly, more politically active. Another important consideration for understanding social impacts is that levels of residential concentration of contemporary migrants are unprecedented by historical standards (Higham, 1997). Also, the intense inflow of new migrants from Mexico coupled with dense settlement patterns have permitted the proliferation of Spanish in both public and private arenas while slowing the pace of language shift (to English) among the native born (Lopez, 1996).

All the changes summarized above have important implications for discussions about the social and political impacts of Mexican migration in the United States. In particular, it is essential to consider the paradoxical way in which Mexican-American political assimilation in the past 30 years has widened the breach between Mexican migrants and the more settled Mexican-American communities. The breach between migrants and natives has proved to be something of a limiting factor in further Mexican-American political empowerment. If ethnic diversity has been heralded as a major asset of American society, it is also considered a cost, particularly when tied to migration. The migrant origins of the U.S. population are quickly forgotten when negative public perceptions about migrants are fueled by fears that they increase job competition, drive up taxes, and contribute to rising crime rates. Such perceptions, however misguided, can exert powerful influences on the climate of opinion toward migrants, including early and recent arrivals, and trigger prejudice and, under the worst case scenario, ethnic uprisings (Higham, 1997; Smith and Edmonston, 1997).

4. *Other impacts*, our residual category, includes a myriad of consequences ranging from cultural transformation of U.S. neighborhoods and communities to human costs incurred by the migrants stemming from tightened border controls that raise the risk (and consequences) of unauthorized entry and the impoverization generated by new legal restrictions on access to means-tested benefits. Cultural impacts of the sustained migratory streams between Mexico and the U.S. are evident in the proliferation of businesses that cater to ethnic concerns; the proliferation of Spanish-speaking in public places; and the emergence of "sister" communities in the United States which reproduce Mexico's rich cultural variation in the United States.

Theoretical Principles and Their Distributional Implications

Labor migration, whether internal or international, involves three general types of (income) redistributions: (1) from the origin area to the destination area; (2) within the origin area between the various factors of production, usually from other

factors to labor; and (3) within the destination area between the various factors of production, usually from labor to other factors. These effects are seldom symmetrical, but they are crucial for framing binational relationships politically. Moreover, numerous issues arise regarding the assumptions that underlie these three redistributions, such as whether the migrants own capital and bring it with them, or acquire it and take it to their origin countries. Nevertheless, international migration triggers income redistribution, although the specific redistributions depend on who moves between which places.

These redistributions derive from three sources: (1) pecuniary externalities; 2) technological externalities; and (3) the presence of market distortions and public goods. Pecuniary externalities occur through the market as supply and demand changes caused by migration affect relative wages and relative prices. With regard to migration from Mexico to the United States, this type of externality has received the most attention. The workings of the market to a large extent determine how wages and employment opportunities are affected for natives and prior migrants. Such wage and price changes produce income redistribution within both countries. For example, the historical flow of Mexican migrants to jobs in southwestern agriculture redistributed income in favor of land and capital owners.

The redistribution between the countries involves individuals who were productive members of Mexico's labor force becoming productive members of the U.S. labor force. If the migration was motivated by a positive wage differential favoring the U.S.—a wage differential that reflects a labor productivity differential—then the aggregate output of the two nations taken as a whole rises. The migrants themselves clearly benefit, and as long as the migrants have positive marginal products in each nation, Mexico's aggregate output falls whereas that of the United States rises. However, aggregate output or income is probably a less relevant indicator of a nation's economic welfare than per capita income. Whereas per capita income of both nations combined presumably would rise because of migration from Mexico to the United States, that of either nation could fall.

Technological externalities occur through nonmarket mechanisms, and not because of market-induced wage and price changes. These externalities may cause either positive or negative effects in origin and destination areas, but have not played a major role in the debate regarding the effects of Mexican migration to the United States. Many potential technological externalities have been discussed in connection with the education of migrants, especially those migrants who are well-educated relative to the population of the origin society. For example, the "brain-drain" debate questioned whether scientists and engineers trained at public expense in poor countries like India developed technologies at their destinations that were beneficial to the new society. Because migration from Mexico has been primarily from areas where education levels are low (especially by comparison to the U.S. averages),

this issue has not been at the forefront of the debate about the economic consequences of U.S.-bound Mexican migration.

The presence of market distortions and public goods is a third source of income redistributions that result from migration. Market distortions occur when workers are paid less than their private marginal product, due perhaps to monopsonistic hiring practices or discrimination. Moreover, progressive tax and spending policies can create a difference between an individual's net real wage (i.e., actual wage minus any tax payments plus any benefits received that are financed through the general tax system) and his marginal contribution to national product. This net wage, rather than the actual money wage, is relevant for the assessment of the costs and benefits of migration (Usher, 1977).

If migrants are relatively poor, a progressive tax system may induce an adverse impact on the welfare of the native residents. Furthermore, by virtue of their presence, migrants acquire a share of publicly owned property, thereby receiving a wealth transfer. Whether a net transfer actually occurs depends on the migrant's impact on the cost sharing of social overhead capital. Furthermore, because the financing of social capital frequently occurs over many years following actual construction, it is not clear that a transfer exists. If one does exist, it would be offset to some unknown extent because a large fraction of public expenditures is for the provision of public goods and services that do not vary appreciably with the level of immigration (e.g., Simon, 1982; Reder, 1963). Thus, for example, migrants contribute to the cost of public goods such as national defense, reducing the cost to each original resident without reducing the amount of defense provided. A second major aspect of the debate regarding the economic consequences of Mexican migration to the United States focuses on fiscal effects, which we discuss below.

Migrants are the clearest beneficiaries from migration. Presumably, after taking into account the physical and financial risks associated with their northward journey, individuals who migrate expect to improve their economic status in the United States relative to what it was in Mexico. These economic benefits to migrants are largely produced through participation in the labor market. However, beyond workers as beneficiaries from migration, it is difficult to identify other gainers and losers in the two-nation system, because even when gainers and losers can be identified, the gains and losses are hard to measure. Moreover, many normative issues arise regarding the weights that society attaches to particular gains and losses, or more generally, the welfare function that immigration policy seeks to optimize.[7]

Admittedly, it is easier to theorize about the broad range of possible impacts of Mexican migration than to quantify them. This is because some costs are measurable, albeit quite imprecisely, while the vast majority are not measurable at all. Direct benefits of migration are difficult to measure. For example, economic

impacts that are exerted through increases in aggregate demand or expansion of local markets are usually ignored by analysts due to measurement problems. Impacts operating through international trade are seldom addressed separately, except in connection with labor market influences. Social, political and cultural impacts are most difficult to assess, and we treat these influences in less depth than demographic and economic impacts because existing data do not permit much in the way of original analysis, and because available studies about impacts are similarly limited. Our discussion of social and political impacts is largely, although not exclusively, based on evaluations and insights from existing studies. In the remainder of this chapter we summarize what is known about the U.S. demographic, economic, social, political and other impacts of Mexican migration to the United States.

Guidelines for Impact Assessment

Several attributes of the Mexican foreign-born population are directly relevant for understanding the nature and magnitude of demographic, economic and social impacts in the United States. These include the relative and absolute size of recent cohorts, their settlement patterns, the volume of unauthorized entries, as well as socioeconomic characteristics of those admitted (or who manage to enter without inspection). Before reviewing existing evidence and providing new evidence about the demographic, economic and social impacts of Mexican migration to the United States, we briefly discuss the relevance of each of these characteristics for impact assessment.

Changing Volume of Migration

Mexico currently contributes a larger share to the U.S. foreign-born population than any other country—roughly as much as the entire continents of Asia and Europe. During 1994 alone the United States admitted as legal resident aliens 111,398 persons born in Mexico. Between 1989 and 1993, boosted by legalizations under terms of the Immigration Reform and Control Act of 1986, 2.4 million persons of Mexican birth were legally admitted to the United States. The size of the immigrant flow is important for understanding impacts because arguments about scale economies and about magnitudes of impacts derive directly or indirectly from the volume of migrants, depending, of course, on residential patterns, return migration rates, and other social and demographic characteristics, which we discuss below.

Although recent streams are the focus of most impact assessments, it is important to recognize that contemporary impacts also derive from past migration streams. In the decade 1911-1920, 219,000 Mexicans legally immigrated to the U.S. (Bean

and Tienda, 1987). This flow more than doubled during the 1920s, but abated during the 1930s and 1940s, when immigration virtually stopped (except refugees). Migration from Mexico resumed during 1950s (299,000), and has steadily increased, rising to more than a million immigrants during the 1980s. Between 1990 and 1994, over 2 million Mexicans became legal residents of the United States and accounted for about one in three legal admissions during the period (INS, 1997). This unusually large number, at least by comparison to prior decades reflects the large impact of the amnesty program on Mexicans residing in the United States. All Mexicans granted amnesty were supposed to have been continuous residents of the United States since before 1982.

The temporal pattern of the stream is important for an assessment of impacts because earlier migrants will have aged and retired by 1990; hence, profiles of utilization of Social Security and other tax supported programs will be directly affected. Furthermore, more established streams appear to have a built-in momentum which, given current admission criteria, has accelerated the volume of new migrants in more recent decades.

Settlement Patterns

For historical reasons, the Mexican-origin population is residentially concentrated in the five Southwestern states, especially California and Texas, and Illinois (Bean and Tienda, 1987). Within these locations, Mexican migrants tend to reside in the inner cities of the largest metropolitan areas. Moreover, Los Angeles, Chicago, San Antonio and Houston contain sizable established Mexican-American communities. The residential concentration of Mexican migrants bears on impact assessments for several reasons. First, existing studies are clear that the strongest impacts occur in areas of greatest concentration, and often accrue to earlier immigrants, who are good labor market substitutes for their recently arrived compatriots. Second, geographic concentration of population makes possible scale effects, although many of these are not easily measured and may be arbitraged through other mechanisms, including secondary migration of native populations. Third, political impacts and cultural imprints on the host society are contingent on geographic concentration, to some extent, as we elaborate below.

Undocumented Migration

Not only is Mexico the single most important source of legal immigrants, it is also the primary source of unauthorized migrants. Representative data on undocumented migrants are necessarily sketchy, but studies of the legalized population indicate that 70 percent of undocumented migrants granted amnesty

under the provisions of the immigration Reform and Control Act (IRCA) of 1986 were of Mexican origin (see Tienda, et al., 1991; Borjas and Tienda, 1993; Singer, 1994). Although IRCA included provisions for tighter border enforcement, the undocumented stream has continued to increase in recent years. Between 1989 and 1994, the U.S. Border Patrol located 6.4 million entries from Mexico who were deemed deportable. Tienda and Singer (1995: Table 1) reported that roughly 90 percent of Mexicans who adjusted their legal status under IRCA resided in three states: California (61 percent); Texas (17 percent) and Illinois (11 percent). This implies that these three states bear the brunt of costs and benefits associated with undocumented migration.

Legal status of migrants is important for understanding the impacts of Mexican migration because public attitudes and behavior toward migrants from Mexico are often driven by images, accurate or not, of undocumented migrants. Employers who fear sanctions for hiring migrants who entered the United States unlawfully may deliberately avoid hiring all workers who look and sound like foreigners. Such behavior could directly affect the employment and wage opportunities of earlier arrivals who entered legally, as well as some native residents who speak English with an accent or "look Mexican." Although these effects are difficult to quantify, there is little disagreement that the presence of a large share of undocumented migrants among the Mexican migrant population shapes the policy and social climate surrounding Mexican migration to the United States. Moreover, beliefs that undocumented migrants are heavy users of tax-funded social programs has triggered legislative initiatives to restrict access to social programs by all migrants, including legal, non-citizen immigrants and undocumented migrants. We discuss this issue in some detail because Mexican migrants—both documented and undocumented—are at the center of the debate by virtue of their residential concentration in California, the state responsible for most initiatives to curtail access of migrants to social programs.

Labor Market Skills

Among recent and prior migrants, Mexican-born migrants feature the lowest levels of formal schooling and English proficiency. Both characteristics are important determinants of labor market success and the likelihood that immigrants will not become public charges. Tables 1A through 1F provide summary education and English proficiency statistics for Mexican migrants, compared to other foreign born, U.S.-born Mexicans, whites, and blacks separately for men and women residing in California, Texas and Illinois in 1990.[8] The lowest level of education corresponds to the Mexican foreign-born population in all three states (as well as the national population) and for both sexes.

Table 1A
Selected Social and Economic Characteristics:
California Men, Ages 16+ 1990

	Age	Mexican Natives	Mexican Foreign Born	Other Foreign Born	White Natives	Black Natives
Average Years of Education						
	16-24	11.2	8.8	11.2	12.1	11.6
CV		17.5	42.0	26.6	14.7	15.9
	25-54	12.2	7.8	12.5	13.9	12.9
CV		22.9	57.8	35.5	18.5	20.1
	55+	9.4	5.5	10.8	12.7	10.8
CV		42.5	81.3	47.1	25.6	36.4
Percent with High-school Diploma or More						
	16-24	47.1	25.8	53.2	67.1	58.7
	25-54	73.0	26.4	74.3	91.0	82.2
	55+	38.5	13.9	57.1	75.2	52.9
English Proficiency						
— Well	16-24	96.4	49.6	81.0	99.4	99.6
	25-54	96.9	52.2	77.0	99.4	99.6
	55+	92.1	48.3	62.8	99.5	99.6
Labor Force Participation						
—Employed	16-24	52.9	70.2	49.0	57.5	34.1
	25-54	80.0	83.7	82.5	86.6	64.9
	55+	43.1	43.8	41.7	39.0	34.1
—Unemployed	16-24	10.7	10.4	8.4	7.7	12.7
	25-54	6.2	7.7	5.0	3.7	8.0
	55+	3.2	5.9	3.5	1.8	1.8
—Not in						
Labor Force	16-24	33.5	19.1	40.7	27.7	41.8
	25-54	12.6	8.4	11.0	7.4	22.8
	55+	53.7	50.2	54.9	59.1	64.0
Percent in Professional Occupations[a]						
	16-24	6.1	2.5	9.4	11.6	9.4
	25-54	16.2	5.3	26.1	35.6	20.7
	55+	16.4	5.9	25.3	40.0	22.7
Percent in Extractive Industries[a]						
	16-24	4.0	16.4	2.5	2.9	1.3
	25-54	4.8	17.2	2.5	3.0	1.5
	55+	7.9	26.9	4.9	4.2	2.2
N	16-24	12,961	18,934	12,206	5,691	6,891
	25-54	21,807	38,363	38,835	20,080	17,132
	55+	5,608	5,243	10,011	9,097	5,650

[a] Conditional on being in the labor force
Source: 1990 PUMS 5% file

Table 1B

Selected Social and Economic Characteristics:

California Women, Ages 16+ 1990

	Age	Mexican Natives	Mexican Foreign Born	Other Foreign Born	White Natives	Black Natives
Average Years of Education						
	16-24	11.4	9.4	11.4	12.2	11.9
CV		16.6	37.0	26.6	15.0	15.9
	25-54	12.0	7.8	11.9	13.6	13.0
CV		20.8	56.2	37.6	16.6	17.9
	55+	8.9	5.2	8.9	12.0	10.7
CV		42.8	83.4	57.4	23.0	33.1
Percent with High-school diploma or More						
	16-24	52.1	31.4	57.0	70.1	62.9
	25-54	71.6	26.9	70.5	91.0	84.6
	55+	32.6	12.4	44.3	72.5	51.1
English Proficiency						
—Well	16-24	97.0	54.6	81.1	99.4	99.4
	25-54	97.3	45.8	72.1	99.5	99.6
	55+	90.4	37.8	51.9	99.4	99.8
Labor Force Participation						
—Employed	16-24	48.9	42.5	45.3	61.9	41.4
	25-54	65.4	49.3	65.6	72.2	64.6
	55+	27.6	17.7	24.6	22.5	24.5
—Unemployed	16-24	7.7	9.8	5.9	5.5	10.9
	25-54	4.7	8.5	4.5	3.1	6.8
	55+	2.3	3.8	2.4	1.0	1.4
—Not in						
Labor Force	16-24	43.2	47.7	48.6	31.8	46.1
	25-54	29.8	42.1	29.8	24.4	28.0
	55+	70.2	78.5	73.0	76.5	74.1
Percent in Professional Occupations[a]						
	16-24	9.9	4.9	12.4	14.5	12.2
	25-54	23.1	7.6	23.8	38.7	28.8
	55+	17.6	6.3	15.7	31.4	25.6
Percent in Extractive Industries[a]						
	16-24	1.5	5.6	0.7	1.0	0.3
	25-54	1.7	8.6	0.8	1.4	0.3
	55+	2.5	9.5	1.8	1.3	0.4
N	16-24	12,657	12,947	11,077	5,515	6,226
	25-54	23,155	31,401	42,786	20,270	19,134
	55+	6,748	6,145	13,854	113,316	7,701

[a] Conditional on being in the labor force

Source: 1990 PUMS 5% file

Table 1C

Selected Social and Economic Characteristics:

Texas Men, Ages 16+ 1990

	Age	Mexican Natives	Mexican Foreign Born	Other Foreign Born	White Natives	Black Natives
Average Years of Education						
	16-24	10.8	8.8	11.0	11.7	11.3
CV		18.7	41.0	30.0	17.0	16.2
	25-54	11.3	7.4	12.9	13.5	12.2
CV		29.3	64.6	38.3	20.2	21.7
	55+	6.6	4.4	11.4	11.8	9.0
CV		69.3	98.5	50.3	30.7	45.2
Percent with High-school Diploma or More						
	16-24	42.6	24.4	52.5	59.9	51.2
	25-54	64.2	25.1	75.1	87.4	74.5
	55+	23.5	10.3	61.5	65.3	32.7
English Proficiency						
—Well	16-24	94.7	62.6	83.9	99.1	99.5
	25-54	95.6	53.6	82.3	99.3	99.6
	55+	80.0	41.0	65.7	99.0	99.7
Labor Force Participation						
—Employed	16-24	49.9	64.4	49.6	54.2	37.3
	25-54	80.8	83.5	82.0	87.9	68.1
	55+	38.6	37.6	49.9	41.7	31.5
—Unemployed	16-24	12.4	9.5	7.5	7.0	13.8
	25-54	7.3	7.9	5.3	3.7	9.4
	55+	4.1	4.9	4.0	1.9	2.7
—Not in						
Labor Force	16-24	36.6	25.7	39.7	33.7	43.0
	25-54	10.8	8.4	10.1	6.4	19.3
	55+	57.2	41.0	46.1	56.4	65.7
Percent in Professional Occupations[a]						
	16-24	5.5	2.8	11.4	9.9	5.2
	25-54	14.6	5.4	29.3	32.1	13.4
	55+	11.7	5.6	31.6	31.6	11.9
Percent in Extractive Industries[a]						
	16-24	5.5	10.9	4.6	6.6	1.9
	25-54	6.8	11.9	3.9	7.0	3.4
	55+	11.1	19.8	4.5	11.3	6.1
N	16-24	12,417	4,967	2,041	3,604	6,860
	25-54	23,501	14,072	6,481	12,463	16,364
	55+	6,692	3,080	911	5,848	5,811

[a] Conditional on being in the labor force

Source: 1990 PUMS 5% file

Table 1D
Selected Social and Economic Charactertistics:
Texas Women, Ages 16+ 1990"

	Age	Mexican Natives	Mexican Foreign Born	Other Foreign Born	White Natives	Black Natives
Average Years of Education						
	16-24	11.1	9.3	11.2	12.0	11.6
CV		18.6	37.5	28.9	16.5	15.8
	25-54	11.2	7.4	12.2	13.2	12.5
CV		29.1	62.3	37.7	18.1	19.0
	55+	6.0	4.3	9.6	11.4	9.6
CV		73.9	98.4	53.4	27.1	39.3
Percent with High-school Diploma or More						
	16-24	48.8	30.5	55.8	65.1	58.3
	25-54	64.0	26.1	71.9	88.0	78.4
	55+	18.9	10.6	50.5	63.2	35.6
English Proficiency						
—Well	16-24	95.2	63.8	81.4	99.3	99.5
	25-54	95.1	45.9	78.3	99.4	99.7
	55+	70.4	36.3	59.4	98.8	99.9
Labor Force Participation						
—Employed	16-24	42.4	36.9	42.6	52.5	40.7
	25-54	62.9	43.2	62.4	71.1	69.4
	55+	21.0	13.7	26.8	20.6	26.0
—Unemployed	16-24	8.9	7.6	6.6	6.2	13.6
	25-54	5.1	6.9	5.7	3.1	7.8
	55+	1.5	1.6	1.7	1.0	1.6
—Not in Labor Force	16-24	48.6	55.3	50.2	40.4	44.1
	25-54	31.9	49.9	31.6	25.5	22.2
	55+	77.5	84.7	71.5	78.4	72.4
Percent in Professional Occupations[a]						
	16-24	8.9	4.3	11.2	15.8	7.4
	25-54	21.8	8.0	26.7	36.7	21.2
	55+	12.3	5.7	20.5	26.7	16.0
Percent in Extractive Industries[a]						
	16-24	1.1	3.1	0.9	2.1	0.5
	25-54	1.5	3.4	1.6	2.7	1.1
	55+	1.5	4.4	0.5	3.0	0.7
N	16-24	12,513	4,149	1,743	3,391	7,131
	25-54	25,326	12,755	6,542	12,871	19,201
	55+	8,293	3,874	1,253	7,528	8,506

[a] Conditional on being in the labor force
Source: 1990 PUMS 5% file

Table 1E
Selected Social and Economic Characteristics:
Illinois Men, Ages 16+ 1990

	Age	Mexican Natives	Mexican Foreign Born	Other Foreign Born	White Natives	Black Natives
Average Years of Education						
	16-24	11.1	9.5	11.8	12.0	11.3
CV		18.2	35.6	22.3	15.1	17.8
	25-54	11.7	8.2	13.4	13.5	12.2
CV		26.7	53.6	31.3	17.6	23.6
	55+	8.8	6.4	10.9	11.6	9.7
CV		42.3	71.6	48.7	25.4	40.4
Percent with High-school Diploma or More						
	16-24	47.5	34.0	63.4	65.2	48.9
	25-54	69.0	30.5	77.2	89.1	71.6
	55+	32.1	19.1	54.6	65.4	37.4
English Proficiency						
—Well	16-24	96.0	51.2	88.1	99.2	99.5
	25-54	96.7	57.5	85.4	99.7	99.7
	55+	95.8	55.8	71.7	99.4	99.7
Labor Force Participation						
—Employed	16-24	54.2	75.7	50.7	62.5	34.7
	25-54	83.8	89.1	85.8	89.8	63.7
	55+	53.1	54.7	45.9	40.0	33.4
—Unemployed	16-24	14.0	9.1	8.3	7.4	18.7
	25-54	8.1	6.7	4.7	3.9	13.7
	55+	3.3	6.1	3.4	10.4	17.0
—Not in						
Labor Force	16-24	30.2	14.9	39.2	28.1	44.6
	25-54	7.5	4.2	9.0	5.7	22.0
	55+	43.6	39.3	50.7	58.5	63.7
Percent in Professional Occupations[a]						
	16-24	5.9	2.3	12.0	10.5	5.0
	25-54	13.3	4.4	29.3	28.6	15.0
	55+	13.1	4.8	28.0	26.1	17.3
Percent in Extractive Industries[a]						
	16-24	1.5	7.5	1.0	3.0	0.4
	25-54	2.3	6.0	0.5	3.7	0.6
	55+	3.1	6.1	1.8	8.1	0.4
N	16-24	1,072	1,729	1,191	2,949	4,656
	25-54	1,409	4,008	4,895	9,639	10,349
	55+	322	547	1,275	4,632	4,091

[a] Conditional on being in the labor force
Source: 1990 PUMS 5% file

Table 1F
Selected Social and Economic Characteristics:
Illinois Women, Ages 16+ 1990

	Age	Mexican Natives	Mexican Foreign Born	Other Foreign Born	White Natives	Black Natives
Average Years of Education						
	16-24	11.5	10.0	12.1	12.3	11.6
CV		16.5	33.6	20.6	14.1	16.8
	25-54	11.9	8.2	12.7	13.3	12.6
CV		23.8	53.1	31.9	15.5	19.9
	55+	8.6	5.7	8.9	11.2	10.2
CV		46.9	75.8	56.5	23.0	36.1
Percent with High-school Diploma or more						
	16-24	52.5	40.3	64.7	69.1	54.2
	25-54	71.0	30.2	74.0	90.2	77.0
	55+	34.0	13.9	40.9	62.9	43.1
English Proficiency						
—Well	16-24	96.6	58.0	89.1	99.1	99.4
	25-54	96.8	47.9	80.0	99.7	99.7
	55+	88.1	34.9	57.5	99.6	99.7
Labor Force Participation						
—Employed	16-24	53.7	49.4	42.7	63.9	35.3
	25-54	69.6	55.0	65.4	73.1	63.4
	55+	31.9	19.9	26.3	21.9	24.8
—Unemployed	16-24	9.0	11.8	7.6	5.5	14.5
	25-54	3.9	8.8	4.7	2.8	9.7
	55+	3.1	5.1	2.1	0.9	1.5
—Not in						
Labor Force	16-24	37.1	38.8	49.2	30.3	49.6
	25-54	26.4	36.2	29.8	24.0	26.8
	55+	65.1	75.0	71.6	77.2	73.7
Percent in Professional Occupations[a]						
	16-24	8.5	5.1	13.2	15.4	8.6
	25-54	20.8	5.4	28.9	33.4	23.9
	55+	15.3	10.1	19.6	19.6	24.6
Percent in Extractive Industries[a]						
	16-24	0.5	1.5	0.0	0.9	0.3
	25-54	0.4	0.4	0.2	1.2	0.1
	55+	0.7	0.9	0.2	1.5	0.0
N	16-24	1,013	1,026	1,109	2,937	4,867
	25-54	1,584	2,924	5,267	9,897	13,543
	55+	366	468	1,686	6,174	6,089

[a] Conditional on being in the labor force
Source: 1990 PUMS 5% file

Focusing on the population in the prime working ages (25-54), foreign-born Mexican men and women averaged 7.5 to 8.2 years of education, compared to between 11 and 12 years for the U.S.-born Mexican men and women. Residents of Illinois average slightly higher education levels owing to the larger shares who received high school diplomas (30 versus approximately 25 percent for California and Texas residents). Other foreign-born men and women in their prime working ages averaged 12 to 13 years of education, depending on their state of residence, as did native white and black men and women.

Older men and women born in Mexico (ages 55 and over) completed even fewer years of graded schooling than their younger counterparts, usually six or fewer years. Mexican-born men and women who resided in the United States in 1990 were less proficient in English than their age counterparts born in other countries. Undocumented migrants from Mexico have especially low levels of formal schooling. Tienda and Singer (1995: Table 10) reported that Mexicans legalized under the IRCA amnesty program averaged 6.9 years of formal schooling compared to 9.4 years for those from other Latin American countries. Undocumented migrants from other regions of the world averaged 13.7 years of formal schooling.

The skill composition of Mexican migrants has important and profound implications for addressing questions about labor market impacts, and in particular, whether Mexicans compete mainly with other low wage workers (e.g., native-born teens, women, blacks, unskilled Mexican Americans and migrants who arrived earlier), or whether Mexican migrants fill labor market niches that domestic and other foreign-born workers do not want. In light of recent trends in U.S. wage inequality between skilled and unskilled labor groups, the question of whether large numbers of unskilled Mexican migrants can be absorbed in the labor market remains a central source of controversy about the U.S. impact of Mexican migrants.

Labor Market Profile

Based on their educational characteristics, Mexican migrants would appear to be at a disadvantage in competing for U.S. jobs and wages relative to other population groups compared in Tables 1A-1F. However, the evidence is mixed. Mexican-born men have consistently higher age-specific labor force participation rates than native blacks in all states considered in Tables 1A-1F, but this is not so for women, among whom native blacks have the participation advantage. Moreover, at younger ages, Mexican migrants have a substantial labor force participation advantage over their U.S.-born counterparts. Tienda and Singer (1995: Table 1) reported high labor force participation rates among newly legalized immigrants, around 95 percent for men. Mexican migrants experience higher unemployment rates than Mexican Americans, other immigrants, and native whites, but they do not always have higher

unemployment than native blacks. The disparity in labor force participation and unemployment rates between Mexican migrants and blacks is especially pronounced in Illinois, where inner city joblessness has risen dramatically since 1970 (Wilson, 1987; 1996). These two comparisons—labor force participation rates and unemployment rates—are highly relevant for a study of impacts not only because Mexican migrants are disadvantaged relative to blacks and Mexican Americans in terms of the language and educational credentials they bring to the labor market, but also because they bear on questions about job competition and displacement.

For historical reasons detailed by Verduzco and Unger (this volume), Mexican migrants are highly concentrated in agriculture and other extractive industries. Table 2A shows that among men ages 16 and over who resided in California in 1990, 17 percent of Mexican migrant men were employed in agricultural jobs compared to under 3 percent of other foreign-born men, and under 5 percent of U.S.-born Mexican origin men. Even among women, those born in Mexico were disproportionately concentrated in agriculture, where they accounted for 8 percent of industry employment compared to under 2 percent for U.S. Mexican-origin women (Table 2B).[9] Less than 1 percent of other foreign-born women who resided in California and were employed in 1990 worked in agriculture. Mexican- born men also find jobs in construction, nondurable manufacturing and retail trade, each sector absorbing over 12 percent of the employed. For Mexican migrant women, durable and nondurable manufacturing, retail trade and business repair services are important employment sectors.

In Texas, another state where Mexican workers historically have been concentrated in agriculture, about 11 percent of all Mexican migrants were so employed in 1990, compared to less than 3 percent of other migrants and about 5 percent of Mexican Americans. However, in Texas nearly one in four Mexican migrant men were employed in construction, the modal employment sector for them but no other group. In Texas foreign-born men from places other than Mexico were concentrated in retail trade (their modal employment sector), business and repair services, and nondurable manufacturing. Among employed migrant women who resided in Texas in 1990, nearly one-in four worked in retail trade and there were no differences between those born in Mexico and elsewhere in this respect. However, Mexican-born women living in Texas were more likely to work in manufacturing goods compared to other migrant women, 15 versus 6 percent, respectively.

Because Illinois does not have as large an agricultural sector as either California or Texas, the shares of Mexican migrants who work in this sector are somewhat lower than those for California or Texas, but still much higher than the shares of other male migrants and Mexican Americans so employed. Among the foreign born residing in Illinois in 1990, nondurable manufacturing was the modal employment sector, but relatively larger shares of Mexican-born men and women compared to

Table 2A

Industry Distribution of the Labor Force by Race and National Origin:

California Men Ages 16+, 1990

Industry	Industry Distribution					
	Mexican Natives	Mexican Foreign Born	Other Foreign Born	White Natives	Black Natives	Total
Agriculture	4.5	17.5	2.6	2.7	1.2	4.6
Mining	0.4	0.2	0.1	0.5	0.3	0.4
Construction	12.8	13.5	7.2	11.7	6.9	11.3
Manufacturing —Durable Goods	6.4	9.3	6.7	4.7	4.7	5.7
Manufacturing —Nondurable Goods	13.7	16.8	17.7	13.5	11.3	14.3
Transportation	10.2	4.0	7.2	8.6	15.0	8.3
Wholesale Trade	5.7	5.0	5.3	5.5	3.8	5.3
Retail Trade	17.6	17.6	19.5	14.5	14.2	15.7
Finance	3.4	1.4	5.2	6.7	5.0	5.5
Business, Repair, and Other Services	9.9	10.5	12.7	11.3	12.9	11.3
Professional Business Services	15.2	4.2	15.8	20.3	24.6	17.6
Total	100.0	100.0	100.0	100.0	100.0	100.0
Dissimilarity Index (%) (ref: native whites)	9.9	27.7	12.6	–	12.3	–

Source: 1990 PUMS 5 % file

Table 2B
Industry Distribution of the Labor Force by Race and National Origin:
California Women Ages 16+, 1990

Industry	Industry Distribution					
	Mexican Natives	Mexican Foreign Born	Other Foreign Born	White Natives	Black Natives	Total
Agriculture	1.7	8.1	0.9	1.2	0.3	1.7
Mining	0.1	0.0	0.1	0.1	0.1	0.1
Construction	1.4	0.9	0.9	1.8	1.1	1.5
Manufacturing —Durable Goods	5.1	17.0	8.6	3.5	2.9	5.2
Manufacturing —Nondurable Goods	8.2	13.2	11.3	6.7	6.8	7.9
Transportation	5.0	1.8	4.0	5.0	8.9	4.9
Wholesale Trade	3.3	4.7	3.7	3.3	2.1	3.4
Retail Trade	19.8	16.2	16.6	18.5	12.6	17.8
Finance	8.8	3.3	9.7	10.8	9.0	9.8
Business, Repair, and Other Services	9.9	17.4	15.4	11.2	10.4	12.0
Professional Business Services	36.8	17.2	28.8	38.0	45.9	35.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
Dissimilarity Index (%) (ref: native whites)	5.0	34.6	14.3	–	11.8	–

Source: 1990 PUMS 5 % file

Table 2C
Industry Distribution of the Labor Force by Race and National Origin:
Texas Men Ages 16+, 1990

Industry	Industry Distribution					
	Mexican Natives	Mexican Foreign Born	Other Foreign Born	White Natives	Black Natives	Total
Agriculture	4.7	10.7	2.5	4.3	2.3	4.6
Mining	2.2	1.7	1.6	3.3	1.2	2.8
Construction	12.3	23.6	8.2	10.8	7.6	11.6
Manufacturing —Durable Goods	7.2	7.8	6.1	7.1	8.0	7.2
Manufacturing —Nondurable Goods	8.7	12.1	13.4	10.6	10.9	10.6
Transportation	9.8	4.4	6.6	9.4	14.0	9.3
Wholesale Trade	5.7	5.6	5.0	6.7	5.0	6.3
Retail Trade	19.2	16.0	21.5	15.2	18.4	16.3
Finance	3.2	2.2	4.3	5.6	3.4	4.8
Business, Repair, and Other Services	9.6	10.2	11.9	9.2	10.5	9.5
Professional Business Services	17.3	5.6	18.7	17.9	18.7	17.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
Dissimilarity Index (%) (ref: native whites)	7.0	23.2	12.7	–	11.1	–

Source: 1990 PUMS 5 % file

Table 2D

Industry Distribution of the Labor Force by Race and National Origin: Texas Women Ages 16+, 1990

Industry	Industry Distribution					
	Mexican Natives	Mexican Foreign Born	Other Foreign Born	White Natives	Black Natives	Total
Agriculture	0.9	3.2	0.6	1.4	0.3	1.3
Mining	0.5	0.3	0.8	1.3	0.7	1.0
Construction	1.0	1.0	1.1	1.6	0.7	1.4
Manufacturing —Durable Goods	5.6	15.1	6.2	4.1	4.2	4.9
Manufacturing —Nondurable Goods	4.5	7.2	7.7	4.4	5.1	4.7
Transportation	3.9	1.8	3.1	5.7	6.4	5.3
Wholesale Trade	2.6	3.6	3.0	3.6	1.9	3.3
Retail Trade	24.4	22.8	24.2	18.9	18.1	19.9
Finance	6.8	4.1	5.7	10.5	6.5	9.1
Business, Repair, and Other Services	10.6	21.4	16.4	9.4	13.4	10.8
Professional Business Services	39.2	19.4	31.2	39.1	42.7	38.4
Total	100.0	100.0	100.0	100.0	100.0	100.0
Dissimilarity Index (%) (ref: native whites)	8.4	31.5	17.8	–	9.0	–

Source: 1990 PUMS 5 % file

Table 2E
Industry Distribution of the Labor Force by Race and National Origin:
Illinois Men Ages 16+, 1990"

Industry	Industry Distribution					
	Mexican Natives	Mexican Foreign Born	Other Foreign Born	White Natives	Black Natives	Total
Agriculture	2.0	6.3	0.6	3.5	0.4	3.2
Mining	0.1	0.2	0.1	0.7	0.1	0.6
Construction	9.5	9.7	4.1	9.5	5.5	8.9
Manufacturing —Durable Goods	9.7	13.9	9.1	8.6	8.3	8.8
Manufacturing —Nondurable Goods	18.9	26.8	18.8	15.2	12.2	15.6
Transportation	9.8	4.3	7.7	10.2	15.9	10.4
Wholesale Trade	6.9	5.6	5.3	6.7	4.4	6.3
Retail Trade	18.8	19.0	17.0	14.5	16.3	15.0
Finance	3.5	1.2	4.9	6.0	4.9	5.6
Business, Repair, and Other Services	9.4	9.1	10.7	8.1	11.3	8.6
Professional Business Services	11.4	4.0	21.8	17.1	20.5	17.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
Dissimilarity Index (%) (ref: native whites)	10.7	25.3	14.0	–	14.2	–

Source: 1990 PUMS 5 % file

Table 2F
Industry Distribution of the Labor Force by Race and National Origin:
Illinois Women Ages 16+, 1990

Industry	Industry Distribution					
	Mexican Natives	Mexican Foreign Born	Other Foreign Born	White Natives	Black Natives	Total
Agriculture	0.5	0.7	0.2	1.0	0.1	0.8
Mining	0.0	0.0	0.0	0.1	0.1	0.1
Construction	1.0	0.4	0.5	1.4	0.6	1.2
Manufacturing —Durable Goods	8.2	23.8	9.1	5.6	5.0	6.1
Manufacturing —Nondurable Goods	10.5	25.6	12.8	7.1	4.8	7.4
Transportation	5.2	2.2	3.5	4.8	23.0	7.5
Wholesale Trade	4.3	5.1	4.1	3.4	1.7	3.2
Retail Trade	22.1	14.3	14.4	20.4	12.9	18.9
Finance	11.8	3.1	7.8	10.6	8.2	9.9
Business, Repair, and Other Services	9.9	12.1	10.8	9.3	8.2	9.3
Professional Business Services	26.6	12.6	36.8	36.3	35.4	35.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
Dissimilarity Index (%) (ref: native whites)	10.8	41.3	11.9	–	18.2	–

Source: 1990 PUMS 5 % file

migrants born elsewhere were so employed. In striking contrast to Mexican migrants residing in Illinois, nearly one-third of the foreign born from other countries were employed in professional business service industries. In this respect, Illinois' non-Mexican migrants were quite similar to native whites and blacks, and quite unlike Mexican migrants. These differences are especially evident for the female labor force in Illinois.

The index of dissimilarity reported in the lower row of each panel of Tables 2A and 2B provide a useful way to summarize the differences in the industrial distribution of employed Mexican migrants relative to native-born white men and women, respectively. This index indicates the share of the labor force that would have to change industries to reach parity with the native white labor force. These entries reveal that the industry distribution of employed Mexican migrants is more dissimilar from that of native whites than are any industrial distributions of the other groups. Moreover, the differences in industrial distributions between Mexican migrants and native whites are larger for women than for men, although the magnitude of the differences varies across states. These differences have implications for the nature of job competition between Mexican migrants and other demographic groups, but they are also related to human capital that migrants bring to the U.S. labor market and their earnings possibilities upon employment.

These differences are illustrated in Tables 3A through 3F, which tabulate for each of the three states the mean (1989) annual earnings of persons born in Mexico according to industry of employment and compares them with native whites, blacks, Mexican Americans and other foreign born. Although this table contains an enormous amount of information, several important generalizations are warranted. First, without exception, Mexican migrants received the lowest average annual earnings in every industry and each state, but it is unclear whether this is exclusively a result of their lower levels of education, limited proficiency in English, variation in annual hours worked, higher levels of employment instability in the course of a year, or wage discrimination. Second, annual earnings of Mexican migrant women are consistently below those of their male migrant counterparts employed in similar industry sectors. These differences can not be attributed to unequal educational attainment, as gender differences in formal schooling are relatively small among Mexican migrants. Third, Mexican migrants residing in Texas received lower annual earnings in each industry than their counterparts employed in similar industries in either California or Illinois. These differences are important for labor market impacts because they suggest that the Mexican-born population competes most directly with native-born persons for low-wage jobs, with Mexican-born women competing for the lowest wage jobs. These differences also are important for fiscal impact analyses inasmuch as they represent unequal levels of taxable income.

Social and Economic Characteristics of the Labor Force by Industry:
California Men Ages 16+, 1990

Industry	Total Population			White Natives			Black Natives		
	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.
Agriculture									
	45.1	7.1	12,451	99.7	13.0	25,660	99.3	12.0	15,696
CV		62.9	97.0		22.1	109.2		24.9	86.9
Mining									
	90.5	11.5	29,919	98.8	12.7	36,520	100.0	12.9	27,658
CV		30.6	69.0		15.3	61.1		16.6	77.2
Construction									
CV	73.7	10.2	21,826	99.5	12.6	31,260	99.6	12.3	23,350
		39.6	90.3		16.6	81.4		19.4	94.4
Manufacturing —Durable Goods									
	70.2	10.3	21,461	99.6	13.4	37,064	99.8	12.7	26,368
CV		41.5	90.0		17.1	83.7		17.4	80.2
Manufacturing —Nondurable Goods									
	78.9	11.3	26,323	99.4	13.8	41,292	99.8	13.1	29,952
CV		37.1	80.2		16.4	70.7		17.3	66.3
Transportation									
	92.6	12.3	28,558	99.7	13.2	35,843	99.5	12.8	27,706
CV		24.9	67.6		15.4	65.1		16.0	66.7
Wholesale Trade									
	81.2	11.4	24,989	99.6	13.3	37,748	99.8	12.9	25,771
CV		35.1	94.7		16.0	82.4		15.9	94.7
Retail Trade									
	78.0	10.9	16,274	99.7	12.8	22,770	99.8	12.4	16,308
CV		34.7	105.4		15.6	106.0		16.2	101.5
Finance									
CV	93.6	13.6	33,629	99.5	14.7	49,997	99.7	13.7	25,682
		22.7	106.4		14.6	95.5		15.6	97.9
Business, Repair, and Other Services									
	79.1	11.1	19,021	99.4	13.3	28,935	99.7	12.7	19,295
CV		35.9	113.9		17.0	112.2		17.9	123.6
Professional									
	95.3	14.5	30,151	99.7	15.4	39,327	99.5	13.7	27,482
CV		24.3	92.5		17.7	86.8		20.0	82.1

Table 3A (Continued)

Industry	Mexican Natives			Mexican Foreign Born			Other Foreign Born		
	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.
Agriculture									
	89.6	9.8	15,092	33.9	6.1	11,052	52.7	8.5	14,352
CV		37.5	100.1		66.4	78.6		59.5	105.4
Mining									
	98.1	11.8	29,858	62.9	7.7	19,255	88.1	12.9	34,127
CV		20.6	52.3		51.8	69.0		34.0	81.2
Construction									
CV	97.2	11.5	24,328	48.6	7.9	16,061	66.7	10.9	22,478
		20.6	81.3		52.6	77.3		43.3	98.5
Manufacturing —Durable Goods									
	96.9	11.5	23,561	47.3	7.9	15,601	68.1	11.4	21,619
CV		22.2	72.8		53.0	70.5		38.6	94.8
Manufacturing —Nondurable Goods									
	97.0	11.9	25,957	53.1	8.1	17,006	82.1	12.9	28,862
CV		21.2	65.7		51.7	67.9		30.5	77.4
Transportation									
	97.8	12.2	28,104	71.4	9.3	21,970	89.3	13.1	28,852
CV		17.2	61.4		44.9	71.4		23.9	66.4
Wholesale Trade									
	97.8	11.8	22,839	54.6	8.3	16,353	80.3	12.8	28,181
CV		20.0	72.8		52.3	73.9		30.6	99.5
Retail Trade									
	97.2	11.9	16,260	54.9	8.5	12,643	73.2	11.5	17,271
CV		17.5	100.7		49.5	85.8		34.1	107.9
Finance									
CV	97.7	13.1	27,374	69.6	9.8	19,675	92.0	14.2	32,406
		17.3	97.2		48.2	103.5		19.2	99.7
Business, Repair, and Other Services									
	97.0	11.9	17,934	53.1	8.3	14,045	75.2	11.7	19,344
CV		20.7	96.8		50.9	94.5		35.3	109.1
Professional									
	98.3	13.5	27,472	76.9	11.2	19,809	92.9	14.9	30,467
CV		20.5	69.8		41.8	87.6		23.6	103.1

[a] Percent speak well

Source: 1990 PUMS 5% file

Table 3B

Social and Economic Chracteristics of the Labor Force by Industry:
California Women Ages 16+, 1990

	Total Population			White Natives			Black Natives		
			Mean			Mean			Mean
	Engl.	Mean	Annual	Engl.	Mean	Annual	Engl.	Mean	Annual
Industry	Prof.[a]	Ed.	Earn.	Prof.[a]	Ed.	Earn.	Prof.[a]	Ed.	Earn.
Agriculture									
	46.0	7.4	8,191	99.4	13.1	14,737	100.0	12.2	15,088
CV		59.8	88.7		17.6	90.5		25.2	62.1
Mining									
	97.5	13.3	22,781	100.0	13.8	24,674	100.0	13.5	22,284
CV		22.4	46.2		10.6	44.4		13.7	49.4
Construction									
CV	89.5	12.3	18,599	99.2	13.1	20,797	99.5	13.2	18,749
		25.0	80.3		15.0	84.0		11.7	63.3
Manufacturing									
—Durable Goods									
	57.5	9.4	13,337	99.2	13.4	23,405	99.9	12.9	20,422
CV		46.5	85.6		16.1	87.3		15.2	65.9
Manufacturing									
—Nondurable Goods									
	79.2	11.2	18,919	99.3	13.2	25,842	99.5	12.9	23,413
CV		34.0	69.9		16.4	66.8		16.4	60.9
Transportation									
	95.8	12.9	23,272	99.6	13.2	24,959	99.8	13.0	24,687
CV		18.4	61.7		12.6	63.5		14.1	62.7
Wholesale Trade									
	80.7	11.4	16,609	1.0	13.2	22,710	99.6	13.0	20,306
CV		33.6	74.5		13.8	69.9		17.7	64.1
Retail Trade									
	87.0	11.7	11,368	99.6	12.6	13,009	99.6	12.5	12,294
CV		25.5	99.3		13.1	108.0		14.1	95.8
Finance									
CV	96.7	13.2	20,782	99.7	13.3	23,806	99.4	13.3	21,131
		16.8	80.7		13.1	83.4		13.7	71.5
Business, Repair,									
and Other Services									
	74.8	10.8	12,050	99.4	13.2	16,864	99.7	12.6	14,236
CV		37.7	105.5		16.7	105.5		17.8	111.8
Professional									
	95.9	13.5	19,472	99.6	14.3	21,146	99.7	13.6	21,127
CV		21.4	78.1		15.6	74.7		17.1	71.5

Table 3B (Continued)

Industry	Mexican Natives			Mexican Foreign Born			Other Foreign Born		
	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.
Agriculture									
	92.4	10.1	9,341	28.4	5.9	6,819	52.7	8.9	9,670
CV		34.6	89.0		65.1	71.6		54.4	92.3
Mining									
	1.0	11.8	20,887	[b]	[b]	[b]	95.0	13.7	23,617
CV		22.0	41.5					37.2	48.1
Construction									
CV	99.0	12.3	18,283	55.1	9.0	12,163	85.1	13.1	20,554
		16.5	86.4		43.9	78.7		26.9	70.4
Manufacturing —Durable Goods									
	95.0	11.2	15,430	37.8	7.3	9,952	50.4	9.9	13,243
CV		24.8	71.5		54.2	67.9		47.0	84.0
Manufacturing —Nondurable Goods									
	97.5	11.7	19,817	50.4	8.0	12,348	78.0	12.1	19,424
CV		18.4	59.6		50.9	62.7		30.8	67.6
Transportation									
	98.4	12.5	21,998	79.1	10.6	16,917	90.8	13.5	23,235
CV		13.3	58.6		36.7	73.9		20.5	56.0
Wholesale Trade									
	97.0	11.8	15,801	50.5	8.2	10,859	79.4	12.4	17,490
CV		19.8	62.8		51.3	72.7		30.9	71.6
Retail Trade									
	97.8	11.8	10,609	62.8	9.5	8,872	79.1	11.9	12,082
CV		15.5	95.1		40.7	88.6		29.3	95.1
Finance									
CV	98.6	12.5	18,356	85.6	11.6	16,292	94.8	13.8	21,180
		12.8	70.8		25.7	71.3		17.9	84.6
Business, Repair, and Other Services									
	96.8	11.7	12,214	47.9	8.1	8,354	65.9	10.6	11,869
CV		21.9	97.5		51.8	77.8		41.3	100.7
Professional									
	98.4	12.9	17,006	81.4	11.2	13,344	92.7	14.2	21,064
CV		17.7	74.7		34.8	83.2		22.4	81.4

[a] Percent speak well
[b] Samples too small for reliable estimates
Source: 1990 PUMS 5% file

Table 3C
Social and Economic Chracteristics of the Labor Force by Industry:
Texas Men Ages 16+, 1990

Industry	Total Population			White Natives			Black Natives		
	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.
Agriculture									
	65.6	7.6	9,875	98.2	11.9	17,085	99.5	10.5	10,630
CV		54.7	102.9		23.3	117.3		26.4	169.4
Mining									
	91	11.6	27,792	99.4	13.4	38,484	99.8	12.9	28,155
CV		32.2	80.2		19.1	74.1		18.3	61.2
Construction									
	77.3	9.4	15,867	99.5	12.2	25,625	99.7	11.4	14,487
		44.8	94.1		20.0	86.2		22.3	81.4
Manufacturing —Durable Goods									
	86.2	11.1	22,737	99.7	13.1	35,019	99.6	12.4	24,389
CV		34.1	79.9		17.6	69.4		17.4	71.6
Manufacturing —Nondurable Goods									
	86.7	11.0	21,726	99.5	13.2	32,580	99.8	12.1	20,870
CV		35.6	81.5		17.9	66.4		18.1	77.2
Transportation									
	95.1	11.9	24,023	99.8	12.9	31,637	99.4	12.3	22,937
CV		26.5	70.6		16.7	65.2		17.6	68.5
Wholesale Trade									
	88.40	11.3	21,273	99.8	13.2	33,459	99.3	12.1	18,917
CV		33.0	96.1		17.5	86.3		19.2	79.3
Retail Trade									
	89.3	11.2	13,246	99.3	12.5	19,934	99.4	12.0	11,438
CV		30.4	109.6		18.2	113.0		17.1	107.6
Finance									
	92.9	12.7	25,279	99.3	14.6	41,788	99.8	13.0	19,456
		29.8	117.4		15.1	97.8		21.4	92.1
Business, Repair, and Other Services									
	87.2	10.9	15,012	99.0	12.8	23,886	99.8	12.0	13,312
CV		35.6	107.6		18.9	103.7		21.5	98.3
Professional									
	96.1	13.5	23,832	99.2	15.2	33,253	99.5	13.7	27,482
CV		27.1	109.4		19.0	95.2		20.0	82.1

Table 3C (Continued)

Industry	Mexican Natives			Mexican Foreign Born			Other Foreign Born		
	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.
Agriculture									
	87.4	8.5	9,002	38.4	5.4	8,588	50.1	7.2	9,673
CV		40.9	77.6		71.6	56.7		68.7	92.7
Mining									
	96.4	11.1	22,271	57.0	7.2	17,607	92.6	15.1	37,629
CV		24.4	73.7		57.1	58.1		28.4	82.0
Construction									
	94.3	10.1	14,833	47.2	6.6	12,392	71.6	11.2	22,622
		31.6	85.4		64.7	81.0		47.1	95.1
Manufacturing —Durable Goods									
	94.2	11.0	20,191	50.9	7.6	13,882	77.8	11.8	25,579
CV		27.0	69.1		55.4	61.9		45.0	94.2
Manufacturing —Nondurable Goods									
	96.1	11.1	19,357	55.8	7.4	14,630	79.6	12.6	26,268
CV		25.7	69.9		62.1	71.3		36.1	91.1
Transportation									
	96.9	11.5	22,587	66.1	8.7	17,073	91.0	13.2	26,423
CV		26.2	65.2		51.9	81.1		31.6	71.8
Wholesale Trade									
	95.2	11.1	17,785	57.3	8.0	14,197	81.5	13.0	28,633
CV		27.3	71.3		56.2	80.9		33.0	108.9
Retail Trade									
	96.3	11.4	12,057	60.7	8.2	11,495	78.6	11.7	14,717
CV		21.5	96.3		56.3	91.7		37.8	107.6
Finance									
	97.0	12.4	19,983	59.9	8.8	14,300	90.2	13.2	25,699
		24.5	99.4		59.6	116.5		35.9	119.2
Business, Repair, and Other Services									
	95.3	10.9	13,007	55.9	7.7	12,049	78.2	11.7	17,465
CV		28.1	97.1		59.6	83.3		41.5	110.9
Professional									
	96.7	12.8	21,045	73.6	10.8	19,160	94.4	15.6	30,339
CV		26.5	91.6		49.3	140.8		25.6	137.4

Source: 1990 PUMS 5% file

[a] Percent speak well

Table 3D
Social and Economic Chracteristics of the Labor Force by Industry:
Texas Women Ages 16+, 1990

Industry	Total Population			White Natives			Black Natives		
	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.
Agriculture									
	66.4	8.3	7,481	99.0	12.2	10,257	100.0	11.3	9,050
CV		54.1	178.5		20.6	99.2		26.8	70.2
Mining									
	97.2	13.5	24,237	100.0	13.7	26,690	100.0	13.8	24,174
CV		18.7	60.1		14.5	59.0		13.8	51.0
Construction									
	93.6	11.9	14,667	99.0	12.7	18,163	100.0	12.8	14,590
		27.2	84.2		14.9	94.9		18.1	65.4
Manufacturing —Durable Goods									
	79.2	10.6	12,878	99.3	12.9	19,381	99.7	12.5	15,350
CV		37.9	87.3		16.4	75.7		14.8	93.3
Manufacturing —Nondurable Goods									
	89.0	11.2	15,567	99.3	12.8	20,883	99.8	12.3	17,270
CV		30.4	64.7		14.8	54.7		16.5	59.7
Transportation									
	98.1	12.9	20,391	100.0	13.3	21,151	99.5	13.1	21,692
CV		16.7	62.1		13.5	57.7		13.8	61.2
Wholesale Trade									
	89.8	11.6	15,454	99.5	12.8	20,004	99.5	12.8	17,779
CV		29.9	88.1		16.5	71.9		15.1	96.0
Retail Trade									
	92.4	11.3	8,852	99.6	12.3	11,100	99.6	12.1	8,970
CV		25.4	100.5		16.4	103.7		14.3	107.2
Finance									
	97.0	12.7	16,640	99.0	13.1	19,048	99.6	13.1	16,866
		18.1	69.7		13.5	72.0		14.1	57.5
Business, Repair, and Other Services									
	84.4	10.4	9,478	99.2	12.6	12,974	99.8	11.5	9,792
CV		37.5	115.9		18.6	100.8		22.6	127.7
Professional									
	96.9	13.0	15,077	99.5	14.2	18,076	99.7	13.1	14,789
CV		23.4	83.0		16.4	69.2		19.1	83.5

Industry	Mexican Natives			Mexican Foreign Born			Other Foreign Born		
	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.
Agriculture									
	83.4	8.8	9,042	29.6	5.2	4,413	57.8	7.8	8,009
CV		43.0	235.8		74.7	76.8		75.9	60.2
Mining									
	96.2	13.1	21,171	69.4	9.7	15,410	95.4	14.6	28,599
CV		16.4	61.0		58.3	67.0		17.6	66.9
Construction									
	95.6	11.6	12,538	62.3	8.0	9,568	93.5	13.3	18,714
		20.3	65.3		62.8	71.9		31.0	68.5
Manufacturing —Durable Goods									
	94.1	10.5	11,936	44.8	7.3	9,362	64.0	10.3	13,105
CV		30.5	72.4		55.2	85.9		45.0	78.8
Manufacturing —Nondurable Goods									
	95.6	11.0	13,454	53.7	7.8	10,123	78.7	11.4	16,772
CV		25.4	61.1		55.3	77.8		38.6	57.1
Transportation									
	98.0	12.4	18,730	75.6	10.3	12,468	96.7	13.6	21,982
CV		15.7	59.7		39.6	85.9		18.7	69.3
Wholesale Trade									
	95.5	11.4	13,377	51.7	7.8	8,058	83.2	12.2	17,554
CV		24.2	77.2		60.2	79.9		33.3	91.3
Retail Trade									
	95.9	11.3	7,984	65.2	8.6	7,583	80.8	11.6	10,041
CV		21.3	83.7		49.4	94.1		33.5	111.4
Finance									
	97.5	12.4	15,140	79.4	10.5	11,640	92.4	13.6	18,856
		16.6	67.2		38.3	66.7		23.2	82.6
Business, Repair, and Other Services									
	93.3	10.5	9,178	46.4	7.1	6,782	64.8	10.3	10,017
CV		33.6	109.6		61.3	83.3		47.3	118.4
Professional									
	97.1	12.5	13,714	74.2	10.5	10,531	94.0	14.3	19,434
CV		24.2	77.6		44.0	96.4		25.2	104.5

[a] Percent speak well

Source: 1990 PUMS 5% file

Table 3E

Social and Economic Chracteristics of the Labor Force by Industry:
Illinois Men Ages 16+, 1990

Industry	Total Population			White Natives			Black Natives		
	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.
Agriculture									
	66.6	9.2	13,074	98.8	12.5	16,269	100.0	11.8	15,559
CV		45.0	87.0		15.7	81.7		16.3	111.2
Mining									
	96.1	11.8	32,834	100.0	12.2	35,013	100.0	12.3	26,084
CV		19.4	62.3		11.7	54.5		19.5	35.4
Construction									
	90.0	11.3	24,019	99.9	12.5	29,029	100.0	11.6	21,437
CV		27.9	75.2		13.6	61.0		23.5	92.1
Manufacturing —Durable Goods									
	87.2	11.4	25,059	99.9	13.1	34,404	99.6	11.9	21,999
CV		30.9	79.9		14.9	72.8		21.5	67.5
Manufacturing —Nondurable Goods									
	85.7	11.2	25,310	99.6	12.9	33,095	100.0	11.7	23,977
CV		32.5	69.6		15.2	61.1		22.3	61.9
Transportation									
	96.8	12.4	27,570	99.3	12.8	32,245	99.7	12.5	26,059
CV		21.0	65.5		14.7	59.3		17.8	69.1
Wholesale Trade									
	90.5	12.1	27,158	99.8	13.3	34,678	99.7	12.2	22,648
CV		26.3	88.5		15.4	77.3		19.6	83.1
Retail Trade									
	87.8	11.5	14,783	99.3	12.5	20,055	99.6	11.9	11,646
CV		26.7	116.9		14.8	99.9		17.2	132.0
Finance									
	98.0	13.8	33,260	99.7	14.8	45,091	99.5	13.2	25,025
CV		20.8	103.8		13.8	88.1		21.9	93.0
Business, Repair, and Other Services									
	90.6	11.8	17,880	99.7	13.1	26,606	99.5	11.9	13,368
CV		27.8	112.9		16.7	101.1		20.0	110.2
Professional									
	97.8	14.2	28,819	99.5	15.1	34,475	99.6	13.3	22,404
CV		24.2	104.5		17.6	81.7		23.7	90.5

Industry	Mexican Natives			Mexican Foreign Born			Other Foreign Born		
	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.
Agriculture									
	89.1	9.5	9,916	37.4	6.6	10,596	80.9	10.1	17,364
CV		37.4	103.1		63.3	63.2		42.7	64.8
Mining									
	[b]	[b]	[b]	71.7	8.1	20,842	[b]	[b]	[b]
CV					40.9	53.9			
Construction									
	95.7	11.1	23,162	59.0	8.6	18,269	89.1	12.1	26,134
CV		26.7	99.0		47.3	62.5		31.5	66.2
Manufacturing —Durable Goods									
	97.1	11.2	23,304	54.3	8.1	17,990	84.9	12.4	26,598
CV		23.2	68.2		50.1	57.3		31.3	81.9
Manufacturing —Nondurable Goods									
	95.1	11.1	23,790	56.1	8.1	18,168	82.8	12.1	26,540
CV		25.6	57.0		52.3	59.3		32.2	73.1
Transportation									
	97.3	12.0	25,690	75.1	9.1	21,694	89.5	12.8	27,728
CV		17.9	50.8		44.1	60.6		27.6	62.3
Wholesale Trade									
	96.2	11.3	19,890	56.0	8.5	17,305	83.8	13.0	31,946
CV		26.1	73.1		44.0	55.4		27.4	95.5
Retail Trade									
	97.5	11.6	13,603	51.9	8.5	12,379	79.2	12.2	16,444
CV		20.8	116.8		47.9	82.9		28.6	117.3
Finance									
	98.8	12.7	22,027	77.6	9.6	19,791	95.2	14.7	33,068
CV		20.7	83.0		47.6	70.1		19.2	114.7
Business, Repair, and Other Services									
	98.3	11.8	17,280	56.9	8.7	13,712	84.5	12.7	20,825
CV		18.8	118.6		49.3	83.3		29.9	86.7
Professional									
	99.4	12.8	22,040	75.7	11.5	19,356	95.2	15.9	37,899
CV		25.0	75.8		40.8	76.1		23.9	119.6

[a] Percent speak well
[b] Samples too small for reliable estimates
Source: 1990 PUMS 5% file

Table 3F

Social and Economic Chracteristics of the Labor Force by Industry:

Illinois Women Ages 16+, 1990

Industry	Total Population			White Natives			Black Natives		
	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.
Agriculture									
	86.4	11.8	9,411	100.0	12.9	8,964	100.0	12.1	5,166
CV		26.7	71.3		14.2	63.5		16.3	62.5
Mining									
	94.3	12.7	22,623	100.0	13.4	17,253	b	b	b
CV		15.4	61.0		10.9	41.8			
Construction									
	95.4	12.4	17,239	98.8	12.7	17,112	100.0	12.7	16,333
CV		22.4	61.8		12.2	56.8		18.5	58.2
Manufacturing									
—Durable Goods									
	82.4	11.0	15,950	99.2	12.9	19,614	100.0	12.3	17,891
CV		33.3	76.6		15.0	79.3		18.2	73.2
Manufacturing									
—Nondurable Goods									
	81.9	10.9	16,411	99.5	12.4	19,497	100.0	12.0	18,130
CV		30.6	68.5		12.9	60.0		17.1	70.7
Transportation									
	98.4	12.9	22,784	99.3	13.0	22,117	99.7	12.9	23,503
CV		15.8	56.1		13.3	56.0		14.5	55.0
Wholesale Trade									
	91.7	12.3	17,618	99.7	12.9	18,717	100.0	12.8	18,446
CV		22.3	80.3		12.5	59.7		16.4	81.0
Retail Trade									
	95.8	12.1	10,297	99.6	12.5	10,294	99.3	12.2	10,209
CV		18.0	106.2		12.5	95.1		15.4	113.4
Finance									
	98.9	13.2	18,977	99.7	13.3	20,167	99.6	13.2	18,970
CV		14.4	72.2		12.5	79.7		14.7	67.5
Business, Repair,									
and Other Services									
	90.8	11.9	12,191	99.4	12.9	13,280	99.4	12.1	11,893
CV		25.5	95.2		15.3	107.2		19.5	95.3
Professional									
	98.2	13.7	18,417	99.6	14.1	17,624	99.6	13.4	18,037
CV		19.2	73.6		14.8	65.0		19.0	67.0

Industry	Mexican Natives			Mexican Foreign Born			Other Foreign Born		
	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.	Engl. Prof.[a]	Mean Ed.	Mean Annual Earn.
Agriculture	92.2	11.2	8,268	33.6	7.7	9,897	b	b	b
CV		27.2	66.6		46.8	59.7			
Mining	b	b	b	b	b	b	b	b	b
CV									
Construction	91.3	11.7	20,927	34.9	8.0	8,455	92.5	12.3	22,976
CV		31.6	49.4		48.4	66.3		46.8	74.4
Manufacturing —Durable Goods	94.8	10.9	15,047	49.1	7.8	11,187	69.0	10.8	14,684
CV		30.7	56.3		51.2	60.2		39.5	62.5
Manufacturing —Nondurable Goods	95.9	11.2	16,131	45.3	7.8	11,716	71.9	11.1	15,753
CV		23.4	52.5		49.2	56.5		35.3	72.6
Transportation	98.6	12.6	19,800	74.8	11.0	17,072	92.6	13.4	21,929
CV		13.1	54.5		31.5	66.6		22.8	62.6
Wholesale Trade	97.1	11.5	16,280	63.5	9.2	12,695	82.2	13.0	18,383
CV		18.1	78.3		42.4	60.2		23.2	109.8
Retail Trade	98.2	11.7	9,026	70.5	10.3	9,679	84.6	12.3	11,765
CV		16.5	101.0		36.5	92.8		26.4	119.5
Finance	96.8	12.7	16,092	92.0	12.4	15,124	96.6	14.0	18,606
CV		10.9	59.3		19.5	50.5		16.6	61.6
Business, Repair, and Other Services	96.9	11.7	12,953	45.9	8.7	9,909	77.6	11.9	12,457
CV		49.6	73.2		49.6	72.4		33.3	71.9
Professional	97.1	13.1	15,313	79.2	11.6	13,802	93.9	14.7	23,048
CV		19.9	71.3		38.3	106.3		21.2	88.4

[a] Percent speak well
[b] Samples too small for reliable estimates
Source: 1990 PUMS 5% file

In sum, current rates of labor force participation and industry employment profiles are crucial for understanding the labor market impacts of Mexican migrants, although cross-sectional estimates do not reveal whether Mexican migrants are subject to greater levels of employment instability, or whether they draw disproportionately on the unemployment compensation system. Furthermore, labor market activity rates also influence the likelihood that Mexican migrants will be eligible for means-tested income transfers, which bears directly on questions of fiscal impacts, and indirectly on social consequences. Like educational attainment and rates of labor force participation, the employment profile of Mexican migrants has direct implications for an assessment of economic and social impacts because education and earnings positions situate Mexican migrants in the U.S. stratification system, and because their disproportionate concentration in low-wage employment raises the possibility that Mexican migrants compete with domestic low-wage workers, notably teenagers, minorities, and women. We address these and numerous additional issues concerning the impacts of Mexican migration below.

Impacts Assessment

Our assessment of impacts, which is based on a scrutiny of existing literature and several original analyses and tabulations, begins with an overview of demographic impacts, including those projected by the U.S. Bureau of the Census should current levels of immigration continue. We concentrate on economic impacts because most existing studies emphasize this dimension of the consequences of immigration, in particular, the labor market and fiscal impacts. However, the final section considers various social and political issues, including recent evidence on residential segregation, neighborhood transformation, economic mobility, crime, and attitudes toward Mexican migrants.

Demographic Impacts

Demographic impacts of migration from Mexico derive from changes in population size and annual growth rates and changes in population composition, especially age structure and race/ethnic make-up. The demographic impact of Mexican migration also derives crucially from (1) the intensity of the flow over time; (2) the highly concentrated settlement patterns of recent and earlier arrivals; and (3) the reproductive behavior of foreign-born women. Fertility of foreign-born women determines the age structure of future generations, and thus the longer term impact of recent migration trends for future population growth. The settlement patterns of recent and prior arrivals determines the ethnic landscape of cities and states where Mexicans settle and form communities. And, the volume of migration influences

both the size and growth of the Mexican-origin population both directly through numbers added and indirectly through differential fertility and mortality. All these dimensions of demographic change are crucial for understanding the social and cultural impacts of Mexican migration, as well as the integration experiences of the migrants themselves, which in turn transmit different impacts.

In this section, we review recent population trends and projections with the goal of identifying how migration, and that from Mexico in particular, has contributed to various aspects of demographic structure. First, we describe changes in the size and composition of the Mexican-origin population during the past quarter century, from 1970 to 1996. We pay special attention to changes since 1980 because the Spanish-origin identifier allowed for more consistent and comprehensive measurement of the Mexican-origin population (Bean and Tienda, 1987; Tienda and Ortiz, 1986), and because the intensification of the migrant stream during this period has direct implications for current and future impact assessment. Second, we summarize population projections prepared by the U.S. Bureau of the Census, the National Academy of Sciences, and the Urban Institute, and draw inferences about the future Mexican-origin population.

Population Growth

In 1990 the foreign-born numbered just under 20 million, comprising about 8 percent of the U.S. population. By 1996 the foreign-born population approached 25 million, still well below the historic high of nearly 15 percent registered at the turn of the century. Mexicans accounted for approximately 22 percent of the 1990 foreign-born population and about 27 percent of the estimated 24.5 million foreign born residing in the United States in 1996 (Hansen and Faber, 1997). That about 27 percent of the 1996 foreign-born population arrived after 1990, and an additional 35 percent were admitted during the 1980s reveals how the intensity of migration has been increasing over all, and for Mexicans in particular (see Table 4).

As a component of demographic change, international migration has commanded relatively less attention than either mortality or fertility partly because the U.S. population has been growing slowly during the past two decades, and partly because net migration has not been a major component of population change in the past.[10] However, immigration can produce potentially large impacts on population size, rate of growth, and composition and is likely to do so in the future if current trends continue. Already recent trends have left an indelible demographic imprint. In 1970, just under 5 percent of the U.S. population was foreign-born. By 1996, a quarter century later, this number nearly doubled. During this period international migration accounted for between 25 to 33 percent of net annual population increase (U.S. Bureau of the Census, 1996; Fix and Passel, 1994). In

Table 4

Population by Country of Birth, Citizenship, and Year of Entry: March 1996

(thousands)

Country of Birth	Total Foreign Born	Naturalized Citizen	Not a Citizen	Year of Entry			
				Before 1970	1970 to 1979	1980 to 1989	1990 to 1996
All Countries	24,557	7,904	16,653	4,806	4,756	8,416	6,579
Mexico	6,679	852	5,828	838	1,512	2,428	1,900
Phillippines	1,164	610	554	159	294	451	260
China	801	276	525	76	139	313	274
Cuba	772	361	412	318	148	201	106
India	757	285	472	53	181	299	224
Vietnam	740	308	432	17	98	323	302
El Salvador	701	113	588	31	143	373	154
Canada	660	315	345	361	75	119	105
Korea	550	167	384	14	103	278	155
Germany	523	371	152	424	27	19	53
Dominican Republic	515	126	389	74	79	195	166
Jamaica	506	158	348	49	139	191	128

Note: Countries with totals under 500,000 are not shown.

Source: United States Census Bureau, March 1996 Current Population Survey

the future, current levels of immigration can become an even larger component of population growth if fertility remains below replacement (as it has been for nearly two decades) and longevity remains constant or increases. Under these conditions, the impacts of immigration as a component of net growth will increase.

Although slightly more than 1.1 million migrants arrived each year during the past decade or so, the net annual increase of the foreign-born population is about 700,000 each year (Fix and Passel, 1994:23). This is because mortality and emigration (mostly involving recent entrants) reduce the foreign-born population by an estimated 200,000 annually. Mexico has accounted for a highly variable share of legal U.S. immigrants admitted during the past three decades, which in turn result in highly variable contributions to population increase. During the 1960s and 1970s, approximately 14 percent of all legal immigrants admitted were from Mexico. This share rose to 23 percent during the 1980s owing to the impact of the legalization program (INS, 1997: Table 2). The contribution of IRCA legalizations to total Mexican immigration was most pronounced in Fiscal Years 1989 through 1991, when the Mexican share of legal immigration (including adjustments to legal status) rose appreciably from 37 percent in 1989 to 44 percent in 1990; then to 52 percent in 1991 and 22 percent in 1992. Thereafter, the Mexican share of total immigrants admitted stabilized at its pre-IRCA level of 12 percent or so (INS, 1997: Table 2). With total immigration accounting for between one-third to one-quarter of annual population growth, the direct contribution of legal immigration from Mexico to U.S. population growth is small during the non-IRCA years (about 3 to 4 percent) and modest during the IRCA years (about 10 to 13 percent). Thus, legal immigration from Mexico accounted for between 3 to 13 percent of total population growth.[11]

Although Mexican migration has been a relatively small component of net aggregate population growth, its impact on the size of the Mexican-origin population, and the population of selected states where most recent arrivals settle is far more substantial. Bean and Tienda (1987:66) concluded that migration was responsible for less than half (and substantially less than half for legal immigrants) of the growth of the Mexican-origin population between 1970 and 1980. At that time, only one in four persons of Mexican origin were foreign born. By 1990, and in the wake of both the large volume of IRCA legalizations and continued immigration from Mexico, nearly one in three persons of Mexican origin were foreign born (U.S. Bureau of the Census, 1993: Table 1). INS (1997: Table 2) reports that nearly 1.6 million Mexicans were admitted as legal U.S. residents between 1981 and 1990; an additional 1.5 million were admitted in Fiscal Years 1991-1995.

Secondary (or indirect) demographic impacts attributable to Mexican migration derive from the differential fertility of native- and foreign-born women of Mexican origin. In 1990, the average number of children ever born to Mexican-origin women

aged 25 to 34 were 1.7 and 2.1 for the native and foreign born, respectively. Among women aged 35 to 44, the nativity differentials in children ever born were greater still—2.5 for U.S.-born women compared to 3.3 for Mexican-born women. These differences in child bearing influence future population growth through changes in the age structure and its associated future momentum. Moreover, the current and future demographic impacts, particularly those associated with the school-aged population and the future force entrants, will be most pronounced in localities where Mexican migrants are residentially concentrated.

Relative to the native-born Mexican-origin population, legal immigrants from Mexico are older. The median age of the native-born Mexican-origin population has risen slowly, from 18.4 in 1960 to 20.5 in 1980 (Bean and Tienda, 1987), to 23.7 in 1990 (U.S. Bureau of the Census, 1993a). As a result of the changing age structure of recent migrants and the aging of earlier migrants, the foreign-born Mexican-origin population became more youthful between 1960 and 1980, with the median age declining from 42 in 1960 to 29 in 1980 (Bean and Tienda, 1987: 67; U.S. Bureau of the Census, 1993: CP-3-3: Table 1). High fertility of all Mexican-origin women relative to non-Hispanic white women also contributes to a youthful age structure, which is reflected in the median age of 17-18 between 1970 and 1990 (Bean and Tienda, 1987; U.S. Bureau of the Census, 1993). These changes in age composition are significant for assessing the economic consequences of Mexican migration because they alter the relative shares of school-aged and working-age population as well as the elderly.

That females predominate in recent cohorts (with the exception of those involving the IRCA legalizations) also has implications for the future demographic impacts of Mexican migration. For example, the median age of female Mexican immigrants legally admitted in 1995 was 25—the peak of women's reproductive years. In this connection, two aspects of women's reproductive behavior are noteworthy. First, Mexican migrants bear more children than migrants from other regions of the world of comparable social and economic characteristics (Bachu, 1991).[12] Second, the larger completed family sizes of Mexican migrant women result from childbearing after migrating to the United States rather than having initially larger families when first entering the United States. This is contrary to predictions based on assimilation theory and differs from the fertility behavior of other immigrant women. More generally, this implies that the secondary effects of Mexican migration are likely to be larger than those of other migrant women.

Residential Distribution

A second important facet of demographic impacts of Mexican migration stems from the U.S. settlement patterns of recent migrants. The foreign-born population,

Table 5

1970 Distribution of Population by Race/Ethnicity and Nativity: 1970, 1980 and 1990

	California	Florida	Illinois	New York	Texas	Other SW AZ, CO, NM	Other US	Total
1970								
Mexican Origin[a]	1,112,008	11,047	117,268	12,249	711,058	176,397	199,124	2,339,151
Foreign Born	1,757,990	540,284	628,898	2,109,776	309,772	159,391	4,113,191	9,619,302
Mexican	411,008	3,018	50,098	4,806	193,639	47,797	49,345	759,711
1980								
Mexican Origin	3,637,466	79,392	408,325	38,755	2,752,487	837,386	986,628	8,740,439
Foreign Born	3,580,033	1,058,732	823,696	2,388,938	856,213	329,341	5,042,953	14,079,906
Mexican	1,277,969	13,704	167,924	10,676	498,181	112,982	117,785	2,199,221
1990								
Hispanic Origin	7,687,938	157,4143	904,446	2,214,026	4,339,905	1,691,864	3,941,737	22,354,059
Mexican	6,118,996	161,499	623,688	93,244	3,890,820	1,227,509	1,380,182	13,495,938
Puerto Rican	126,417	247,010	146,059	1,086,601	42,981	18,116	1,060,570	2,727,754
Cuban	71,977	674,052	18,204	74,345	18,195	5,040	182,119	1,043,932
Other Hispanic	1,370,548	491,582	116,495	959,836	387,909	441,199	1,318,866	5,086,435
Not of Hispanic Origin	22,072,083	11,363,783	10,526,156	15,776,429	12,646,605	6,782,827	147,187,931	226,355,814
White	17,029,126	9,475,326	8,550,208	12,460,189	10,291,680	6,049,294	124,272,473	188,128,296
Black	2,092,446	1,701,103	1,673,703	2,569,126	1,976,360	260,508	18,943,047	29,216,293
American Indian	184,065	32,10	18,213	50,540	52,803	340,227	1,115,015	1,793,773
Asian	2,710,353	146,159	275,568	666,843	303,825	120,890	2,744,721	6,968,359
Other Race	56,093	8,285	8,464	29,731	21,937	11,908	112,675	249,093

Table 5 (Continued)

	California	Florida	Illinois	New York	Texas	Other SW AZ, CO, NM	Other US	Total
1990 (continued)								
Total Population	29,760,021	12,937,926	11,430,602	17,990,455	16,986,510	8,474,691	151,129,668	248,709,873
Foreign Born								
Population	6,458,825	1,662,601	952,272	2,851,861	1,524,436	501,153	5,816,168	19,767,316
Nativity								
Mexican	2,474,148	55,316	281,651	43,505	907,432	234,375	301,587	4,298,014
Cuba	49,643	497,619	11,173	52,064	11,865	2,365	112,242	736,971
Other Caribbean	28,969	224,124	11,861	630,927	16,119	2,872	286,505	1,201,377
Central America	543,027	134,799	26,537	128,622	84,653	10,201	206,139	1,133,978
South America	163,627	161,773	27,397	319,731	36,877	9,479	318,613	1,037,497
Asia	200,601	116,278	225,339	556,662	248,878	82,313	3,548,966	4,979,037
Other	2,998,810	472,692	368,314	1,120,350	218,612	159,548	1,042,116	6,380,442

[a] Corresponds to Total Foreign Stock, that includes foreign born and native of foreign or mixed parentage

but especially recent arrivals, is residentially concentrated in six states—California, Florida, Illinois, New York, New Jersey and Texas. Two of every three immigrants legally admitted in 1995 chose these states as their destination, which have been the leading states of intended residence since 1971. Because California has been the first choice of residence every year since 1976, it currently houses the largest foreign-born population both in terms of numbers (an estimated 8 million as of 1996) and share of the state's population (one-fourth of the total population is foreign born). Other states with at least one million foreign-born residents include Florida, Texas, New Jersey and Illinois (Hansen and Faber, 1997:2).

Mexican migrants were residentially concentrated in three of these states—California, Illinois and Texas. In 1970, just over one-fourth of the foreign-born population resided in these three states compared to 86 percent of the Mexican-born population: 54 percent in California; 6.6 percent in Illinois; and 25.5 percent in Texas. By 1980 the share of the total foreign-born population residing in these three states rose appreciably from 28 to 37 percent, most in California, and the share of the Mexican foreign-born population residing in these states increased slightly to 88 percent (58 percent in California; 7.6 percent in Illinois; and 22.6 percent in Texas). During the 1970s, the Mexican share of the foreign-born population rose from 7.9 to 15.6 percent.

The 1980s and 1990s witnessed an intensification of these two demographic trends, namely, a rising share of Mexicans among the foreign-born population (from 15.6 to 22 percent of the resident foreign-born population) and the continued residential concentration of all migrants in California, Illinois and Texas (up from 37 percent in 1980 to 45 percent in 1990). In 1990, about 85 percent of all Mexican migrants resided in these three states compared to just under half (45.2 percent) of all migrants.[13] The increased residential concentration in these three states coupled with the persisting residential concentration of all Mexican migrants has two important implications for understanding the social impacts of Mexican migration. One is that some of the demographic (as well as economic and social) impacts deriving from other migrants (especially those from Central and South America) may be attributed to Mexican migrants. Another is that the social and economic impacts directly attributable to Mexican migration will be most pronounced in these three states for the foreseeable future. This is so even if migration were stopped completely because of the secondary effects deriving from the changed age and race composition as well as differential fertility and mortality associated with the youthful populations. Accordingly, we spotlight these three states in our assessment of economic and social impacts below.

Population Projections

According to the Census Bureau's most recent projections, the U.S. population is expected to increase by 50 percent between 1995 and 2050, from 263 million to 394 million (U.S. Bureau of the Census, 1997). The U.S. population is expected to grow slowly even in the absence of immigration. However, zero immigration is an implausible scenario at present. Below replacement fertility rates coupled with continued, albeit modest, increments in longevity, means that immigration will be a larger component of future population growth (U.S. Bureau of the Census, 1996:23). Census Bureau projections do not separately identify immigrants by country of origin, but their projections are helpful in drawing inferences about Mexican migration insofar as they identify plausible changes in the size of the Hispanic-origin population. We know that Mexicans comprise slightly over 60 percent of all Hispanics, and this share has remained relatively stable at least since the early 1970s (Bean and Tienda, 1987: Table 2.2). Recent trends also indicate that migration was responsible for about half the growth of the Mexican-origin population, and that foreign-born share has risen gradually over successive censuses (Bean and Tienda, 1987; U.S. Bureau of the Census, 1993).

The recent National Academy of Sciences (1997: chapter 3, p.26) report on the consequences of immigration considered how the U.S. population would have evolved in the absence of immigration since 1950. The panel concluded that the U.S. population would have been 14 percent smaller than its 1995 size and that it would have been considerably older. Projecting forward current levels of immigration for 50 to 55 years would increase population by 80 million above what would occur in the absence of any immigration.[14] This net increase reflects the direct result of 45 million new immigrants plus the dual indirect effects of higher immigrant fertility and the lower overall mortality of a more youthful first and second-generation migrant population. Under this scenario, immigration will represent an increasing share of population growth over time. As the single largest national origin group in recent years, Mexicans would account for approximately 10-12 percent of the increase at the base year, compounded by their higher fertility and young age structure.

Two important composition changes follow from the current level and country of origin composition of migrant streams. First, current migration levels will increase future enrollments in primary, secondary and college enrollments relative to lower migration levels. Second, owing to the predominance of Latin American and Asian migrants in recent streams, the race and ethnic composition of the U.S. population will change dramatically, favoring the increase of Asians and Hispanics. According to the U.S. Census Bureau's (1996:15) projections, the growth of the Hispanic population will probably be a major element of total demographic growth, contributing 37 percent of growth from 1995 to 2000; 44 percent from 2000 to

2020; and 62 percent thereafter. However, this growth may be fueled more by the indirect effects of migration on fertility than by migration directly. As a result of this growth, the absolute and relative sizes of Asians and Hispanics will more than double (3 to 8 percent for Asians and 10 to 26 percent for Hispanics). Alternatively, if there were no net immigration after 1994, the race and ethnic composition of the U.S. population would be quite different than projected by the middle series (which approximates the current admission regime).

Within the middle immigration scenario, the growth of the Mexican-origin population is likely to increase far more than the other Hispanic-origin groups for several reasons: First, Mexicans comprise the largest source country of current migration. Among the top 20 countries of birth admitted in Fiscal Year 1995, only the Dominican Republic and Cuba ranked in the top 10, but even the fourth-ranked Dominican Republic sent less than half as many migrants as Mexico (INS, 1997). Second, fertility of both native and foreign-born Mexican-origin women will likely contribute to relatively faster population growth (U.S. Bureau of the Census, 1996:15). Third, the 1995 Mexican-origin population is larger and relatively younger than other Hispanic-origin groups, providing a bigger base from which to compound future indirect effects (fertility of migrants and lower mortality of the younger population). Finally, Mexicans have been the largest source of undocumented migration in recent years, and this flow is unlikely to end even if the size of the future undocumented population shrinks (owing to tighter border controls).

Of course, all projections become less reliable the further in time one extrapolates, but the conclusion that immigration generally and Mexican migration in particular will be a major component of future population growth is all but assured. Less clear are the relative components of growth due to fertility, as well as legal and illegal migration.

Conclusions about Demographic Impacts

Several conclusions follow from this discussion. First, Mexican migration has become *spatially* as well as *temporally* concentrated, thereby confining the first and second order impacts to three states: California, Texas and Illinois. The residential concentration of Mexican migration coupled with rapid growth has changed the ethnic landscape of major cities in these states.

Second, although immigration has not been a major component of population growth in the past, its influence on demographic change has been increasing. And, as immigration becomes a larger component of population growth and change, so too will Mexican migration exert more pronounced demographic, and thereby economic and social impacts. If current migration trends continue, the demographic impact on the Mexican-origin population will increase over time, as it will be

compounded by higher fertility and mortality of Mexican-origin women, and the lower mortality at younger ages. That these trends are currently underway is evident in that the Mexican share of the foreign-born population has been rising (from 22 to 27 percent during the 1990s alone) and the foreign-born share of the Mexican-origin population has increased from one in four to one in three during the 1980s.

Third, because the share of ALL migrants who settle in California, Texas and Illinois has been increasing over time, it is difficult to disentangle the impacts due to Mexican migration from those due to other migrant groups who settle in areas where Mexicans are highly concentrated, particularly those from Central and South America.

Labor Market Channels of Influence

Theoretical Principles[15]

Before presenting empirical evidence about the labor market impacts of Mexican migration to the United States, we develop a simple model of international migration to describe theoretically some of the basic points of contention in the debate regarding the economic effects of immigration (Greenwood and McDowell, 1986; 1993). For simplicity, consider the United States as a country of immigration that produces a single, nonexported output by means of two inputs, capital and homogeneous labor. The left panel of Figure 1 depicts a situation in which the world supply of labor (e.g., Mexican labor) is perfectly elastic at wage rate W_e. The right panel shows a hypothetical model of the U.S. labor market. If labor were to seek its maximum earnings, if transportation and other costs associated with moving were negligible, and if institutional impediments to the free flow of international migration were nonexistent, cd = a'd' workers would migrate to the United States. Consequently, U.S. labor supply would increase from S_{us} to S''_{us} and its wage rate would fall to the world equilibrium level at W_e. If the United States were completely and effectively to close its borders, its wage rate would be W_{us}. In this simple model, because labor is homogeneous, foreign-born labor is a substitute for native-born labor.

Suppose instead that for political, economic, humanitarian, or other reasons, the United States imposed a binding quota of ab = a'b' workers, allowing an increase in labor supply from S_{us} to S'_{us}. This increase has two important consequences. First, the domestic wage rate falls to W'_{us} and total employment rises from **oe** to **ob**. However, domestic employment declines by **ae** workers from **oe** to **oa**. Thus, to some extent (i.e., **ae**) immigrants displace domestic workers. Second, when the wage rate falls from W_{us} to W'_{us}, labor earnings change from **0xze** to **0trb**, of which **0sta** accrues to indigenous workers and **asrb** to immigrants. The earnings of indigenous workers have fallen from **0xze** to **0tsa**. On the other hand, returns

to nonlabor factors of production have risen from **xyz** to **tyr**. The clear implication is that some groups in the United States benefit from immigration, while others bear the costs.

An existing wage differential of (W'_{us} - W_e), to the extent that it reflects its real-world counterpart, is substantial. For example, Mexico is the single major supplier of U.S. migrants, and wages available in the United States are between 5 and 13 times higher than those available in Mexican agriculture.[16] Given such a wage differential, the continued build-up of demand for entry into the U.S. labor market from abroad would be expected. Of course, information concerning the availability of the wage differential is not freely available to all potential migrants, as the model implies, and transportation and psychic costs associated with international migration may be appreciable. Nevertheless, the potential supply is still substantial, even if relatively nearby sources, like Mexico, the West Indies, and Central America, are the primary origin areas.[17]

The magnitudes of the wage and employment changes consequent upon immigration are dependent upon the elasticities of labor demand and domestic labor supply, the magnitude of the quota, and other assumptions implicitly embedded in Figure 1. In general, the more inelastic are the demand and supply relationships, the greater will be the reduction of domestic wages due to a given amount of immigration. Moreover, the displacement effect will be greater the more elastic is domestic labor supply and the less elastic is labor demand.

One of the most troublesome assumptions in Figure 1 is that labor is homogeneous. This assumption rules out the possibility of uneven impacts among various labor force groups. The introduction of two classes of labor (i.e., skilled and unskilled) permits greater focus on the low-wage labor market, which has commanded considerable research attention by analysts of rising wage inequality.[18] If the composition of Mexican migrants is oriented toward less-skilled workers, the most directly relevant demand and supply elasticities are those in the low-wage labor market. Relaxing the assumption of homogenous labor is further appealing because it raises the salience of skill transferability and questions about the economic adaptability of immigrants and their offspring to the receiving society. Moreover, with two classes of labor and with capital, immigrants and natives may be either complements or substitutes in production. If immigrants and natives are complements, the demand curve for complementary native workers would shift out, such as from D_{us} to D'_{us} in Figure 1. If they were substitutes in production, native demand for substitutable native workers would shift in the opposite direction.

As noted above, the transfer of resources inherent in international migration also results in a redistribution of income between origin and destination countries. In Figure 1 the area **ezrb** represents a net addition to national output in the country of immigration. As long as the migration is motivated by a positive wage

Rest of World
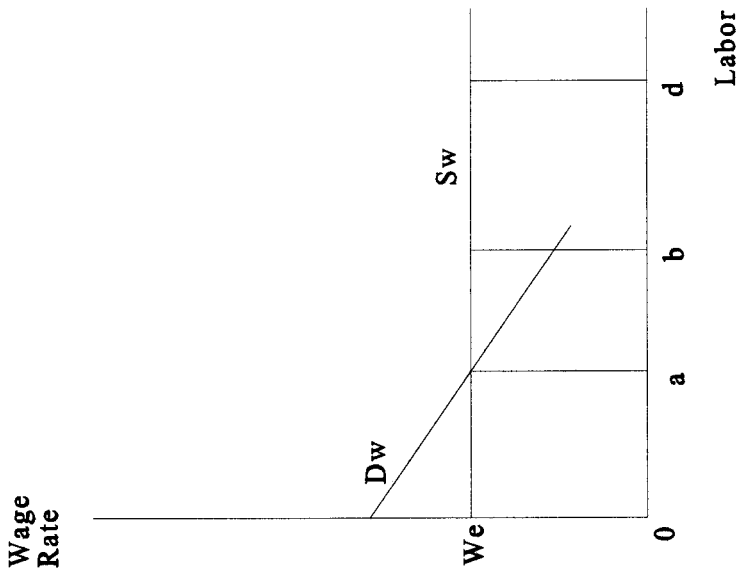
United States
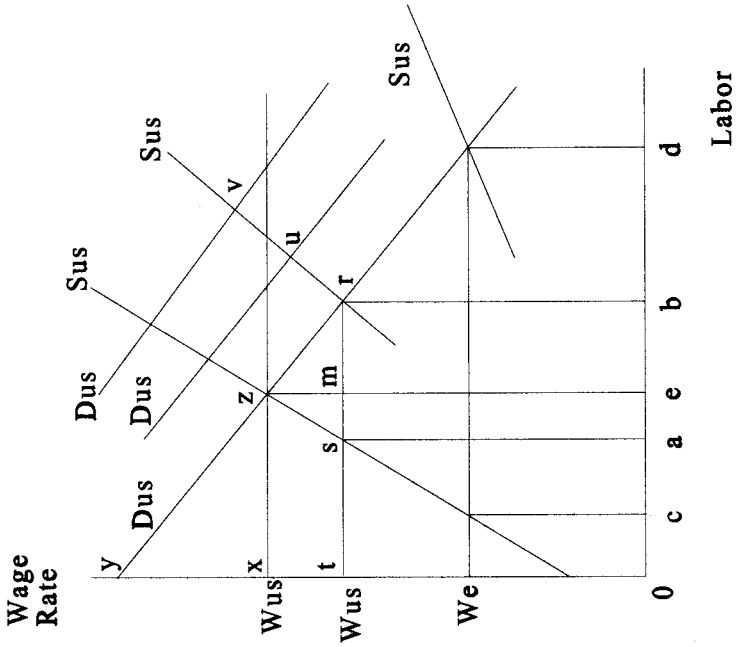
Figure 1. Labor and Wage Rate: U.S. and the Rest of the World

differential, the loss of output in the country of emigration would presumably be less than this magnitude, and global output would rise.[19] The effects on the country of origin would be greater or less, depending on the employment status (unemployed, underemployed, not in the labor force) of migrants. The assumption implicit in the left panel of Figure 1 is that the migrants do not affect employment in the source countries. Relaxing this assumption opens up the possibility of the brain-drain phenomenon.

Another problem with the simple, static, partial equilibrium model developed here is that it ignores many important features of an expanding, dynamic economy. For instance, Bernard (1953:57) attacks the so-called lump of labor fallacy, suggesting that "job opportunities in any society are not fixed at any particular level but expand with a rising population." Bernard argues that through their consumption, immigrants expand the market of the receiving society. They also stimulate increased investment expenditures, thereby further contributing to increased aggregate demand. Moreover, immigrants contribute importantly to technological progress and entrepreneurial activity (i.e., technological externalities). Simon (1981) shares the view that in the long run, immigrant contributions to technical progress positively affect per capita income. In terms of Figure 1, Bernard suggests that immigration shifts both the labor supply and labor demand schedules outward, but he does not explain why the demand shift should dominate the supply shift (e.g., point v). If the supply shift dominated the demand shift (e.g., point u), wages would fall and indigenous workers would be displaced, though not to the extent that would have happened had no offsetting demand shift occurred (e.g., point r).

Bernard's position (i.e., point v in Figure 1) is certainly plausible, but does not appear to have an important place in the present debate, at least in so far as the aggregate U.S. economy is concerned. Substantial quantitative evidence suggests that this condition may have prevailed in the U.S. up to 1900 and perhaps even to 1920, during which time aggregate scale economies probably existed. The consensus appears to be that such conditions have not existed during the last half century, and therefore equilibria such as v are unlikely to hold at the present time.[20] Not only might the immigrants themselves contribute to an outward shift of D_{us} (Bernard, 1953), but also aggregate labor demand is likely to be growing due to other forces such as growth of aggregate income. Depending upon how fast domestic labor supply is growing relative to demand, immigrant "absorptive capacity" could be greater or less than might be implied by a static model.

Empirical Evidence

Empirical studies about labor market impacts of immigration have been concerned with two related questions: (1) Do immigrant workers depress the wage

rates of domestic workers and, if so, which domestic workers? (2) Do immigrant workers displace certain domestic workers from their jobs, or through various channels do immigrant workers increase employment opportunities over and above their own contributions to employment. The answers to these questions are related in part to whether immigrants and natives are complements or substitutes in production. Although much effort has been devoted to addressing these questions, the empirical evidence is inconclusive. Answers depend on the level of aggregation of the analysis; assumptions about whether (and how) the labor market is segmented; the temporal frame of reference; the methodology used; and the migrant characteristics, notably education level and years since migration. That Mexican immigrants have low levels of education and are heavily concentrated in the Southwest implies that labor market impacts most likely will be concentrated within the low-skill segments of these particular markets. Although the initial impacts of immigrants differ from the ultimate impacts, few studies have examined this aspect of immigration.[21] Especially understudied are the intergenerational consequences of immigration (for an exception, see Borjas, 1992).

Aggregate and Group-Specific Impacts

Several empirical studies employ a production-theory approach to determine the substitutability between capital and various groups of native- and foreign-born workers. In spite of nontrivial methodological differences and in time period analyzed, several major studies concluded that immigrants have had very small (negative) impacts on the earnings and employment opportunities of the native-born population (Grossman, 1982; Borjas, 1986a; Greenwood, Hunt and Kohli, 1996, 1997). These studies assume an instantaneous adjustment to exogenous changes in labor supply, and essentially ignore the important question about how quickly local economies adjust to an exogenous change in labor supply. Even though the resulting change in wages may be small, adjustment costs may be large.

Prior Evidence of Labor Market Impacts. The wage and employment impacts of immigrants on native workers may differ according to race and national origin, but the findings of prior studies are highly variable. The empirical evidence generally indicates that immigrant groups tend to be substitutes for some domestic labor market groups and complements for other domestic workers (Borjas, 1987a). Specifically, Hispanic immigrants appear to be substitutes for white domestic male workers, but complements with native Hispanic workers. Mexican immigrants have a small negative impact on the earnings of both white and black native-born men. However, all immigrants have a sizable negative impact on their own wage levels (see Borjas, 1986a, and 1986b).

Although Borjas finds limited evidence that immigrants are substitutes for the black native-born population, one study conducted within a human capital framework claims that recent immigrants from countries other than Mexico, Cuba, and the West Indies are substitutes for black males (see Stewart and Hyclak, 1986). Yet another study conducted within a human capital framework (King, et al., 1986) uncovers little evidence of substitution between migrants and second or third-generation Hispanics. However, among a subsample of laborers, negative effects of migrants on native workers emerge, but these too are relatively small (-0.1). In sum, *the preponderance of aggregate evidence about the complementarity and substitution relationships between native and foreign-born workers indicates that immigration decreases employment and wages of low-skill domestic workers by very little. These findings, based on 1970 and 1980 data, imply a highly inelastic supply of domestic low-skilled labor and a relatively elastic demand for such labor.*

Regarding the hypothesized negative impact of immigrants on various skill groups, Briggs has argued for over two decades (1975a; 1975b; 1995) that the low-skill segment of the U.S. work force, and the minority work force in particular, have borne the brunt of the labor market competition from immigrants to the United States. That young workers, and especially minority teenagers, are disproportionately represented among the least skilled and experienced domestic workers suggests that the negative effects of migrants will be greatest among minority teenagers. Contrary to this proposition, Borjas (1984b) estimates positive elasticities of complementarity between immigrants and young (i.e., 24 years of age or younger) native-born black men. This impact is not uniform across immigrant groups, however. For example, Borjas (1986b) finds that Hispanic immigrants exerted an insignificant and sometime negative impact on wages and earnings of young black men, whereas the impacts of non-Hispanic immigrants are consistently positive.

Other studies (e.g., Matta and Popp, 1988; Kimenyi, 1989) claim that the complementarity and substitutability of immigrant and domestic labor have changed over time, such that highly skilled immigrants from Europe were complements in production to black youth, whereas more recent, less-skilled migrants from the Americas are substitutes. That no study has adequately separated the effects of legal and undocumented migration weakens inferences about the dynamics of competition in low-wage labor markets, however. This is an especially important consideration for drawing inferences about the labor market impacts of Mexican migration. DeFreitas' (1988) view of immigration as a sequential process in which some newcomers integrate into ethnic job clusters and, over time, disperse from these enclaves to exert competitive pressures on low-skilled native workers seems to be a plausible explanation for some of the observed coexistence of complementary and substitution relationships.

Workers born in Mexico increase the supply of labor available in the United States. This increased labor supply clearly is not spread evenly across the United States, but rather is concentrated in proximity to the U.S.-Mexico border and in areas that offer those types of employment opportunities that are attractive to migrants from Mexico. Previous studies typically have shown that the wage and employment effects of increased immigration on native-born groups are not great. The largest impacts are on other foreign-born workers (like the migrants themselves). The results of earlier studies, however, have been based on 1970 and 1980 census data and on other data sources that are sufficiently old to throw into question their contemporary relevance. Moreover, the various studies that adopt a production function approach usually have not focused specifically on areas of high migrant concentration. The analysis reported below addresses both of these limitations of prior studies.

1990 Labor Market Impacts. In the discussion that follows, we assume that in each metropolitan area the technology can be represented by an aggregate production function that expresses output as a function of various labor inputs and capital. Using the Symmetric Normalized quadratic functional form introduced by Diewert and Wales (1987), we estimate a nine-input production function. The methodology for this analysis is detailed in Research Volume 3, pages 1078 to 1116. In addition to capital, the labor inputs in the Mexican Model are (1) native, low-skill Mexican males; (2) native, low-skill Mexican females; (3) native, low-skill non-Mexican males; (4) native, low-skill non-Mexican females; (5) native, high-skill; (6) foreign-born, low-skill Mexican; (7) foreign-born, low-skill non-Mexican; and (8) foreign-born high-skill.[22] Workers from Mexico tend to be low-skilled, and hence they compete most directly with low-skilled native- and foreign-born workers. The methodology used to estimate the models reported below allows for eight skill classes of labor, along with capital. Thus, six classes of low-skill labor are distinguished. Within the low-skill native group Mexican ancestry natives are distinguished from other natives, and each group is separated by sex. This separation by sex allows a focus on low-skill females, who have been ignored in most prior analyses. The foreign born are distinguished as Mexican and non-Mexican because we wish to simulate on low-skill, foreign-born, Mexican labor (i.e., increase employment of this group by a given amount and observe how this and other groups ultimately are affected through the workings of the model) and because we also wish to identify the labor-market impacts on this group.

Data for the estimation are drawn from the 1990 U.S. census. Metropolitan areas form the basic region that is the focus of the cross-sectional analysis. For the econometric model that provides considerable detail on native-born persons of Mexican ancestry as noted above, 122 metropolitan areas are used in the analysis.

This is the maximum number of usable areas. California and Texas each contain 23 of these areas. The various areas included in the analysis are reported in Appendix A.

Estimation of the production function relationships indicates that capital is a complement for all categories of labor except foreign-born high-skill labor. Overall, however, far more substitution than complementarity is apparent in the estimated relationships, and this is somewhat surprising. Most labor categories compete with each other. The strongest complementarity links are between native, low-skill men and low-skill foreign born, as well as between native, low-skill, non-Mexican women and high-skill foreign born. Based on the production function estimates alone, an increase in the number of low-skill Mexican migrants would tend to benefit capital and low-skill native males and hurt all other categories of labor. Except for low-skill Mexican migrants themselves, the estimated effects are very small.

In addition to the production structure channel of influence, the full model contains a labor force participation channel and an aggregate demand channel of influence. Table 6 reports results for a simulation of the full model. The basic simulation entails a 20-percent increase in the number of foreign born, low-skill Mexican workers. For all 122 areas, the average real wage of this labor group falls by 3.0 percent. Due to this lower wage rate, workers in this category withdraw from the labor force, so that ultimately employment of this group increases by 19.39 percent and not by 20 percent which reflects a displacement effect of about 0.6 percent (20.0 percent - 19.4 percent).[23] The wage rates of other labor categories are almost unchanged. For example, native, low-skill females of Mexican ancestry suffer a wage loss of only about 0.3 percent and their employment falls by about 0.2 percent. Thus, for the average U.S. region, even relatively large increases in Mexican-born labor do not appear to have large impacts on native workers.

Metropolitan areas in California and Texas have relatively heavy concentrations both of Mexican-born persons and of native-born persons of Mexican ancestry. As noted above, each of these states contains 23 metropolitan areas in the sample. The major impact of a 20-percent increase in foreign born, low-skill Mexican labor in California is on this group, whose wages fall by 6.9 percent (Table 6A) and whose employment declines by 1.3 percentage points (20 percent less 18.7 percent) (Table 6B). The largest wage impacts on other groups occur to foreign-born, low-skill, non-Mexicans and to foreign-born, high-skill persons, but in each case the effects amount only to about one percent. The labor displacement effect is never more than 0.5 percent for any group (Table 6B).

The results for Texas are similar to those for California, but for the most part are slightly more moderate. For example, when their employment is increased by 20 percent, foreign-born, low-skill Mexican workers in Texas suffer a 5.0 percent

Table 6A

Percentage Change in Real Wage of Various Labor Skill Groups Due to a 20-Percent Increase in Low-Skilled, Foreign-Born Mexican Labor—Selected MSAs

MSA	Low-skilled						High-skilled	
	Native				Foreign-born			
	Mexican		Non-Mexican					
	Male	Female	Male	Female	Mexican	Non-Mexican	Native	Foreign-born
All areas (122)	0.34	-0.34	0.33	-0.15	-3.01	-0.45	0.06	-0.47
California areas (23)	0.75	-0.68	0.59	-0.41	-6.85	-1.05	0.05	-1.16
Texas areas (23)	0.64	-0.68	0.72	-0.16	-5.00	-0.65	0.22	-0.64
Arizona, New Mexico, Colorado areas (11)	0.43	-0.36	0.48	-0.16	-3.69	-0.56	0.12	-0.57
Areas in border states (52)	0.69	-0.66	0.67	-0.28	-5.90	-0.85	0.14	-0.90
Areas of high concentration of foreign born, low-skilled, Mexicans[a] (13)	1.42	-1.27	1.55	-0.23	-11.42	-1.38	0.59	-1.40
Areas of low concentration of foreign born, low-skilled, Mexicans[b] (43)	0.02	-0.02	0.02	-0.02	-0.19	-0.04	-0.00	-0.04
Santa Ana, CA	1.29	-0.48	0.51	-0.68	-7.37	-1.30	-0.39	-1.69
Bakersfield, CA	0.56	-0.72	0.57	-0.44	-8.89	-1.29	0.05	-1.32
Chico-Paradise, CA	0.13	-0.25	0.21	-0.14	-1.83	-0.37	0.008–0.06	-0.34
Fresno, CA	1.31	-1.11	1.12	-0.62	-12.24	-1.63	0.25	-1.49
Los Angeles, CA	2.30	-1.36	1.07	-1.59	-13.54	-1.53	-0.56	-3.43
Merced, CA	2.05	-0.94	1.41	-0.24	-14.24	-1.74	0.88	-1.75
Modesto, CA	0.18	-0.80	0.53	-0.36	-7.40	-1.23	0.09	-1.21

Table 6A (Continued)

MSA	Low-skilled						High-skilled	
	Native				Foreign-born			
	Mexican		Non-Mexican					
	Male	Female	Male	Female	Mexican	Non-Mexican	Native	Foreign-born
Oakland, CA	0.07	-0.25	0.10	-0.21	-1.50	-0.37	-0.09	-0.40
Oxnard-Ventura, CA	0.87	-0.69	0.63	-0.48	-6.98	-1.16	-0.09	-1.23
Redding, CA	0.01	-0.03	0.02	-0.02	-0.24	-0.06	0.00	-0.05
San Bernardino, CA	0.31	-1.24	0.16	-0.52	-7.09	-1.58	-0.16	-1.35
Sacramento, CA	0.11	-0.32	0.11	-0.19	-1.36	-0.30	-0.04	-0.26
Salinas, CA	1.29	-1.04	1.64	-0.42	-13.39	-1.81	0.59	-1.88
San Diego, CA	0.87	-0.81	0.61	-0.56	-5.90	-1.03	-0.14	-1.12
San Francisco, CA	0.15	-0.16	0.16	-0.18	-1.48	-0.27	-0.06	-0.39
San Jose, CA	0.50	-0.54	0.14	-0.38	-3.59	-0.80	-0.13	-0.92
Santa Barbara, CA	0.79	-0.84	0.82	-0.45	-8.80	-1.34	0.09	-1.37
Santa Cruz, CA	0.79	-0.84	0.90	-0.47	-8.82	-1.29	0.09	-1.32
Santa Rosa, CA	0.48	-0.43	0.22	-0.28	-2.63	-0.61	-0.03	-0.61
Stockton-Lodi, CA	0.66	-0.65	0.38	-0.39	-6.45	-1.07	0.05	-1.06
Vallejo, CA	0.22	-0.38	0.19	-0.20	-2.64	-0.51	0.00	-0.50
Visalia-Tulare, CA	2.05	-1.10	1.51	-0.36	-15.17	-1.95	0.73	-1.95
Yuba City, CA	0.23	-0.61	0.57	-0.28	-5.96	-0.98	0.12	-0.98
Abilene, TX	0.25	-0.24	0.18	-0.13	-2.17	-0.35	0.01	-0.30
Amarillo, TX	0.16	-0.25	0.15	-0.14	-1.58	-0.30	0.00	-0.37

Table 6A (Continued)

MSA	Low-skilled						High-skilled	
	Native				Foreign-born			
	Mexican		Non-Mexican		Mexican	Non-Mexican	Native	Foreign-born
	Male	Female	Male	Female				
Austin, TX	0.30	-0.40	0.32	-0.23	-2.55	-0.46	0.01	-0.42
Beaumont, TX	0.05	-0.08	0.04	-0.04	-0.47	-0.11	-0.01	-0.10
Brazoria, TX	0.17	-0.27	0.11	-0.16	-1.96	-0.36	-0.03	-0.37
Brownsville, TX	2.70	-2.14	3.88	-0.25	-20.34	-1.94	1.68	-1.87
Bryan-College Station, TX	0.21	-0.26	0.27	-0.15	-2.43	-0.41	0.02	-0.43
Corpus Christi, TX	0.21	-0.44	0.23	-0.20	-3.08	-0.48	0.00	-0.47
Dallas, TX	0.69	-0.03	0.60	-0.40	-3.21	-0.57	-0.05	-0.61
El Paso, TX	2.69	-2.89	2.98	0.20	-19.44	-2.04	1.14	-2.09
Ft. Worth-Arlington, TX	0.30	-0.27	0.25	-0.22	-2.47	-0.52	-0.02	-0.42
Galveston, TX	0.13	-0.18	0.14	-0.11	-1.51	-0.28	-0.02	-0.23
Houston, TX	1.02	-0.12	0.79	-0.25	-3.89	-0.48	-0.07	-0.86
Killeen-Temple, TX	0.14	-0.17	0.12	-0.08	-1.47	-0.23	0.01	-0.23
Longview-Marshall, TX	0.14	-0.22	0.11	-0.11	-1.20	-0.32	-0.01	-0.26
Lubbock, TX	0.11	-0.18	0.12	-0.10	-1.13	-0.24	0.00	-0.21
McAllen-Edinburg-Mission, TX	3.75	-4.03	4.33	0.22	-25.44	-1.79	2.29	-2.05
Midland, TX	0.54	-0.64	0.31	-0.32	-4.46	-0.79	-0.04	-0.63
Odessa, TX	0.30	-0.63	0.41	-0.35	-4.49	-0.92	0.04	-0.97

Table 6A (Continued)

MSA	Native				Foreign-born		High-skilled	
	Mexican		Non-Mexican					
	Male	Female	Male	Female	Mexican	Non-Mexican	Native	Foreign-born
San Antonio, TX	0.29	-1.28	0.46	-0.37	-4.66	-0.87	0.02	-0.65
Tyler, TX	0.24	-0.45	0.27	-0.21	-3.22	-0.59	0.00	-0.46
Waco, TX	0.25	-0.35	0.27	-0.19	-2.50	-0.47	0.02	-0.46
Wichita Falls, TX	0.06	-0.16	0.14	-0.09	-1.24	-0.34	0.00	-0.24
Yakima, WA	1.55	-0.98	1.32	-0.38	-11.26	-1.67	0.37	-1.61
Yuma, AZ	2.03	-0.91	2.10	-0.26	-15.85	-1.83	0.87	-2.06
Las Cruces, NM	1.06	-0.93	1.47	-0.33	-10.35	-1.43	0.50	-1.68
Richland-Kennewick-Pasco, WA	0.65	-0.64	0.67	-0.32	-6.35	-0.98	0.07	-0.88
Greeley, CO	0.33	-0.43	0.32	-0.25	-3.24	-0.71	0.02	-0.62

[a] Refers to MSAs for which at least 60 percent of the foreign born are low-skilled persons born in Mexico.

[b] Refers to MSAs for which less than 10 percent of the foreign born are low-skilled persons born in Mexico.

Table 6B
Percentage Change in Employment of Various Labor Skill Groups Due to a 20-Percent Increase in Low-Skilled, Foreign-Born Mexican Labor—Selected MSAs

MSA	Low-skilled						High-skilled	
	Native				Foreign-born			
	Mexican		Non-Mexican		Mexican	Non-Mexican	Native	Foreign-born
	Male	Female	Male	Female				
All areas (122)	0.00	-0.15	-0.01	-0.06	-0.61	-0.17	-0.01	-0.07
California areas (23)	-0.01	-0.39	-0.05	-0.16	-1.30	-0.44	-0.03	-0.19
Texas areas (23)	0.02	-0.24	-0.01	-0.08	-1.11	-0.24	-0.02	-0.11
Arizona, New Mexico, Colorado areas (11)	0.02	-0.13	0.00	-0.05	-0.82	-0.22	-0.01	-0.08
Areas in border states (52)	0.00	-0.30	-0.02	-0.11	-1.22	-0.34	-0.03	-0.15
Areas of high concentration of foreign born, low-skilled, Mexicans	0.07	-0.40	0.01	-0.12	-2.41	-0.51	-0.04	-0.20
Areas of low concentration of foreign born, low-skilled, Mexicans	0.00	-0.01	-0.00	-0.00	-0.04	-0.01	-0.00	-0.01
Santa Ana, CA	-0.08	-0.70	-0.11	-0.27	-1.40	-0.53	-0.05	-0.33
Bakersfield, CA	-0.01	-0.37	-0.03	-0.18	-1.53	-0.44	-0.03	-0.20
Chico-Paradise, CA	0.01	-0.05	0.00	-0.04	-0.43	-0.16	0.008–0.06	-0.04
Fresno, CA	0.02	-0.57	-0.06	-0.24	-2.04	-0.87	-0.05	-0.27
Los Angeles, CA	-0.25	-1.96	-0.44	-0.70	-3.06	-0.73	-0.16	-0.76
Merced, CA	0.17	-0.29	0.03	-0.11	-2.53	-0.82	-0.04	-0.22
Modesto, CA	-0.04	-0.32	-0.02	-0.13	-1.45	-0.48	-0.02	-0.18

Table 6B (Continued)

MSA	Low-skilled						High-skilled	
	Native				Foreign-born		Native	Foreign-born
	Mexican		Non-Mexican		Mexican	Non-Mexican		
	Male	Female	Male	Female				
Oakland, CA	-0.04	-0.20	-0.04	-0.08	-0.40	-0.17	-0.02	-0.08
Oxnard-Ventura, CA	0.02	-0.30	-0.03	-0.16	-1.25	-0.41	-0.02	-0.17
Redding, CA	0.00	-0.01	0.00	0.00	-0.04	-0.03	0.00	-0.01
San Bernardino, CA	-0.13	-0.89	-0.13	-0.29	-1.68	-0.72	-0.05	-0.30
Sacramento, CA	-0.02	-0.16	-0.02	-0.07	-0.33	-0.14	-0.01	-0.06
Salinas, CA	0.05	-0.40	0.00	-0.19	-2.43	-0.67	-0.04	-0.26
San Diego, CA	-0.05	-0.69	-0.11	-0.25	-1.42	-0.46	-0.05	-0.27
San Francisco, CA	-0.02	-0.16	-0.03	-0.07	-0.34	-0.11	-0.01	-0.08
San Jose, CA	-0.03	-0.34	-0.06	-0.14	-0.80	-0.33	-0.02	-0.15
Santa Barbara, CA	0.03	-0.26	0.00	-0.13	-1.51	-0.48	-0.02	-0.18
Santa Cruz, CA	0.03	-0.24	0.01	-0.12	-1.38	-0.41	-0.02	-0.16
Santa Rosa, CA	0.00	-0.17	0.00	-0.07	-0.55	-0.23	-0.01	-0.06
Stockton-Lodi, CA	0.02	-0.30	-0.02	-0.14	-1.20	-0.56	-0.02	-0.16
Vallejo, CA	0.00	-0.10	-0.01	-0.06	-0.54	-0.18	-0.01	-0.07
Visalia-Tulare, CA)	0.12	-0.43	0.02	-0.15	-2.58	-0.78	-0.05	-0.28
Yuba City, CA	0.01	-0.12	0.02	-0.08	-1.00	-0.34	-0.01	-0.12
Abilene, TX	0.02	-0.04	0.01	-0.03	-0.35	-0.10	0.00	-0.04
Amarillo, TX	0.01	-0.04	0.00	-0.03	-0.36	-0.10	0.00	-0.04

315

Table 6B (Continued)

	Low-skilled						High-skilled	
	Native				Foreign-born			
	Mexican		Non-Mexican					
MSA	Male	Female	Male	Female	Mexican	Non-Mexican	Native	Foreign-born
Austin, TX	0.00	-0.12	-0.01	-0.06	-0.47	-0.15	-0.01	-0.07
Beaumont, TX	0.00	-0.02	0.00	-0.01	-0.10	-0.04	0.00	-0.01
Brazoria, TX	0.01	-0.05	0.00	-0.04	-0.37	-0.12	0.00	-0.04
Brownsville, TX	0.13	-0.74	0.03	-0.21	-4.57	-0.66	-0.08	-0.32
Bryan-College Station, TX	0.01	-0.04	0.01	-0.03	-0.43	-0.13	0.00	-0.06
Corpus Cristi, TX	0.00	-0.11	-0.01	-0.06	-0.67	-0.20	-0.01	-0.07
Dallas, TX	-0.01	-0.33	-0.06	-0.15	-0.64	-0.23	-0.04	-0.16
El Paso, TX	0.04	-1.11	-0.06	-0.18	-4.68	-0.97	-0.10	-0.41
Ft. Worth-Arlington, TX	-0.01	-0.18	-0.02	-0.08	-0.47	-0.19	-0.01	-0.08
Galveston, TX	0.01	-0.04	0.00	-0.03	-0.28	-0.08	0.00	-0.03
Houston, TX	-0.05	-0.58	-0.10	-0.18	-0.93	-0.25	-0.05	-0.23
Killeen-Temple, TX	0.01	-0.03	0.00	-0.02	-0.30	-0.08	0.00	-0.03
Longview-Marshall, TX	0.01	-0.03	0.00	-0.02	-0.21	-0.06	0.00	-0.03
Lubbock, TX	0.01	-0.03	0.00	-0.02	-0.29	-0.08	0.00	-0.03
McAllen-Edinburg-Mission, TX	0.13	-1.27	0.05	-0.23	-6.10	-0.77	-0.13	-0.42
Midland, TX	0.05	-0.08	0.01	-0.07	-0.81	-0.22	0.00	-0.06
Odessa, TX	0.02	-0.13	0.01	-0.08	-1.11	-0.26	-0.01	-0.11

Table 6B (Continued)

	Low-skilled						High-skilled	
	Native				Foreign-born			
	Mexican		Non-Mexican					
MSA	Male	Female	Male	Female	Mexican	Non-Mexican	Native	Foreign-born
San Antonio, TX	-0.04	-0.43	-0.05	-0.15	-1.12	-0.34	-0.03	-0.16
Tyler, TX	0.01	-0.03	0.01	-0.04	-0.55	-0.18	0.00	-0.06
Waco, TX	0.01	-0.06	0.01	-0.04	-0.49	-0.17	0.00	-0.05
Wichita Falls, TX	0.00	-0.02	0.00	-0.02	-0.24	-0.08	0.00	-0.03
Yakima, WA	0.09	-0.19	0.04	-0.10	-1.78	-0.49	-0.02	-0.19
Yuma, AZ	0.12	-0.30	0.05	-0.12	-3.44	-0.64	-0.04	-0.23
Las Cruces, NM	0.08	-0.27	0.04	-0.10	-2.57	-0.73	-0.02	-0.19
Richland-Kennewick-Pasco, WA	0.04	-0.14	0.01	-0.07	-1.00	-0.27	-0.01	-0.11
Greeley, CO	0.03	-0.07	0.01	-0.05	-0.61	-0.20	0.00	-0.07

wage decline (Table 6A) and about 1.1 percentage point job displacement (Table 6B). Comparable effects for Arizona, New Mexico, and Colorado (11 areas) are a 3.7 percent wage reduction and approximately 0.8 percent displacement. Areas of high concentration of foreign-born, low-skill Mexican workers clearly experience the largest impacts of a 20-percent increase in this labor category. For 13 areas for which this labor group constitutes 60 percent or more of the foreign-born population, the wage effect for a 20-percent increase in this group represents a decline of 11.4 percent. Employment of the group is reduced by 2.4 percentage points. Native, low-skill females of Mexican ancestry suffer a 1.3 percent wage decline and a 0.4 percent job displacement effect. Even these last effects are not large.

Three possibilities have been suggested for the repeated empirical finding that the effects of even relatively large increases in foreign-born labor do not appear to have great impacts on native workers. First, the foreign-born population is a relatively small fraction of the population and the labor force, and thus the effects may not be detectable. The results presented above suggest that even in areas with heavy concentrations of foreign-born, low-skill, Mexican labor, the wage and employment displacement effects of relatively large increases in this labor group are not great either for the native-born groups or for other foreign-born groups. The only noteworthy impact is on the own-wage rate because the members of the group are very good labor market substitutes for one another. A second possible explanation for the relatively small impacts of the foreign born on wages and employment is that offsetting increases occur in labor demand and supply relationships with the effect that the wage changes tend to cancel. A third explanation is that efficient U.S. markets result in the effects quickly arbitraging themselves across the nation, with the result that the effects are difficult to detect.

A closer examination of specific metropolitan areas in California and Texas and of other areas of high foreign-born, low-skilled Mexican concentration, indicate that the simulated wage and employment effects vary substantially. For example, among metropolitan areas in California, the own-wage reduction resulting from the 20-percent increase in foreign-born, low-skilled Mexican workers reaches as high as 15.2 percent in Visalia-Tulare and as low as 0.24 percent in Redding (Table 6A). Employment of foreign-born, low-skilled Mexicans is reduced by as much as 3.1 percent in Los Angeles and as little as 0.04 percent in Redding (Table 6B).

Similar variation in the magnitude of wage and employment effects is apparent among metropolitan areas in Texas. The wage reduction experienced by foreign-born, low-skilled Mexicans varies between 25.4 percent for McAllen-Edinburg-Mission and 0.5 percent for Beaumont (Table 6A). The group experiences employment reductions of between 6.1 percent in McAllen-Edinburg-Mission and 0.1 percent in Beaumont Table 6B). Also of note, wages of foreign-born, low-skilled Mexicans fall by 15.9 percent in Yuma, AZ, while employment falls by 3.4

percent. Greeley, CO, also has a high concentration of foreign-born, low-skilled Mexicans, although the own-wage reduction there is only 3.2 percent and the employment reduction is a mere 0.6 percent.

The range of the wage and employment effects on other groups resulting from a 20-percent increase in foreign-born, low-skilled Mexican workers is much smaller. Among metropolitan areas in California, the wages of native, low-skilled males (both Mexican and non-Mexican) increase, though this increase is relatively small and varies between 0.0 percent in Redding and 2.3 percent in Los Angeles (Table 6A). The wage effect is similar for metropolitan areas in Texas, reaching a high of 4.3 percent in McAllen-Edinburg-Mission. The employment effect on this group varies little across metropolitan areas in California and Texas and is nearly zero in most cases.

To the extent that wages and job opportunities of the native born are influenced by low-skill migrants from Mexico, females and especially Mexican ancestry females bear the impacts. However, these effects are not great even in areas with high concentrations of foreign-born, low-skill Mexicans. For example, in areas where at least 60 percent of the foreign-born population consists of low-skill migrants from Mexico, a 20 percent increase in this population reduces the real wage of native-born Mexican ancestry females by 1.27 percent and their employment by 0.40 percent (Tables 6A and 6B).

As discussed above, native, low-skilled females (both Mexican and non-Mexican) and other foreign-born groups tend to suffer wage and employment decreases as a result of the 20-percent increase in foreign-born, low-skilled Mexican workers. Although the effects are quite small on average for metropolitan areas in California and Texas (around 1 percent or less), some areas of high foreign-born, low-skilled Mexican concentration display relatively large effects. For example, in Los Angeles, the wages of foreign-born, high-skilled workers fall by 3.4 percent while employment falls by 0.8 percent. In McAllen-Edinburg-Mission, TX, the wages of native, low-skilled, Mexican females fall by 4.0 percent, accompanied by a 1.3 percent reduction in employment.

A general presumption is that the two groups most likely to enjoy benefits due to migration from Mexico to the United States are the migrants themselves and their U.S. employers. However, because most models that focus on the U.S. impacts of immigration assume separability of labor and capital, as well as not incorporating capital explicitly in the empirical framework, empirical models typically do not allow any assessment of the returns to capital. In the Mexican Model described above, we explicitly introduce capital and therefore we are able to perform simulation exercises that relate to the return to capital.

In some detail, Appendix C reports the percentage change in the real rental price of capital due to a 20-percent increase in foreign-born, low-skill Mexican

labor. Among all of the inputs, capital is the clearest winner. In California areas in general the real rental price of capital increases by 0.82 percent, but the increases are somewhat larger in agricultural areas like Merced (1.66 percent), Salinas (1.68 percent), and Visalia-Tulare (1.43 percent). However, the largest increase (2.54 percent) occurs in Los Angeles. The average increase in the real rate of return to capital in Texas is 0.33, but for many areas close to the border the return is considerably higher (Brownsville—1.44 percent; El Paso—1.58 percent; McAllen-Edinburg-Mission—1.75 percent). Another border area that experiences a large increase in the rate of return to capital is Yuma, AZ (1.66 percent). These results provide confirmation that the U.S. owners of capital benefit due to low-skill migration from Mexico.

A model containing racial detail also was estimated and simulated.[24] This model, although containing no detail regarding migrants from Mexico, may nonetheless be simulated for areas of high concentration of low-skill migrants from Mexico. These simulations indicate that a 20-percent increase in low-skill foreign-born labor in the Los Angeles MSA would reduce the real wages of low-skill native black females by 4.5 percent and result in a job-displacement effect of 4.25 percent for them. Low-skill native black males would experience a 3.4 percent job displacement effect. The low-skill foreign-born group itself would suffer a 3.4 percent real wage decline and 2.2 percent job displacement effect.

In summary, labor market impacts are the most intensively studied effects of the foreign born in the United States. Although these effects may be mitigated or reinforced through less-highly studied channels of influence, the following conclusions have the strongest support. First, in both 1980 and 1990 the foreign born had a tendency to put downward pressure on the wage rates of the native born and a tendency to displace them from their jobs, but the effects were not large at the national level. The Mexican-born had similarly small impacts at the national level. Second, the foreign born are highly concentrated regionally, and although internal migration and trade tend to distribute the consequences over broader regions, the economic consequences also are concentrated. The largest impacts of low-skilled migration from Mexico are on other low-skilled migrants from Mexico, because the two groups are good labor market substitutes. In areas of high concentration of new migrants from Mexico, such as El Paso, other migrants from Mexico suffer job displacement and significant downward pressure on their wage rates. Such effects impede the upward economic mobility of less-skilled migrants themselves. Third, in certain regions of foreign-born concentration, minorities appear to suffer job displacement and downward wage pressure. This effect is especially important in Los Angeles, where less-skilled African-American women bear the most noteworthy impacts. Finally, owners of capital and land are the primary U.S. beneficiaries from the presence of less-skilled migrants from Mexico.

Labor Market Impacts of Undocumented Migrants

The widespread belief that undocumented migrants depress the labor market prospects faced by unskilled native workers also has been debated in the academic and policy literature. Proponents of this view often argue that undocumented migrants compete primarily with low-skill native-born workers, particularly minorities and young workers, but there is quite a diversity of opinion about the magnitude of the effects. For example, Huddle, Corwin, and MacDonald (1985) estimate a 65 percent rate of job displacement or, in other words, for every 100 undocumented aliens working, 65 jobs are taken away from natives. However, many other researchers (e.g., Bean, Telles, and Lowell, 1987; Giffen, 1992) argue that the available evidence does not support the popular perception of substantial negative impacts on native workers due to the presence of undocumented migrants.

The United States General Accounting Office (GAO) (1986, 1988) prepared two companion documents relating to the economic effects of illegal alien workers in the U.S. based on studies extending through the mid to late 1980s. The 1986 report admits that knowledge about undocumented workers was mostly based on Mexican workers in the Southwest. The study concluded that, "although information is limited, illegal workers appear to displace (or take jobs away from) native or legal workers" (1986:17-18). GAO's 1988 report focuses on case studies in specific industries and localities, and not surprisingly, finds that there was substantial evidence of labor market displacement of native and legal workers by undocumented migrants. Such evidence raises questions about the possibilities for reconciling conclusions based on econometric modeling (which conclude that migration has benign displacement effects) and case study methodology (which concludes that substantial displacement effects can be attributed to migrants in specific industries and regions).

The final issue examined in the 1988 GAO report is whether the presence of undocumented workers is associated with a declining business environment. Although the report never actually defines what is meant by a "declining business environment," the term appears to refer to industries with shrinking employment. Using case studies to address the question, the report concludes that little or no evidence indicates that undocumented aliens concentrate in industries that are declining. Several case studies suggest that certain activities could not have been maintained in the U.S. without the availability of legal or undocumented migrant workers.

Using a simulation exercise in much the same way as Johnson (1980) did to study the effects of immigration, Grossman (1984) develops and simulates a model of undocumented migration to assess its effects on domestic employment. Her model assumes two sectors and three factors, domestic skilled labor, domestic unskilled labor, and undocumented migrant labor. The main contribution of the Grossman

paper, given her assumptions, is in showing that the sectoral distribution of undocumented migrant labor ultimately determines the impact of undocumented migration on the wage rates of domestic unskilled labor. That dramatic differences exist in the regional concentration of migrants and in the interindustry distribution of undocumented migrants implies distinct effects across regions. Because of their sources and border entry points, undocumented migrants may be even more concentrated than the legal immigrants, and their impacts will be concentrated accordingly.

Advances in methods for estimating the number of undocumented migrants have made it possible for Bean, Lowell, and Taylor (1988) to conduct a more direct test of the impacts of undocumented workers on native workers. These authors found that undocumented workers exert little impact on the earnings of natives in each of the other five labor force groups. Furthermore, the earnings impact of undocumented workers on domestic workers, when significant, more often was positive than negative. These authors conclude that the findings of small complementary effects between undocumented Mexicans and some native-born groups, together with the substitution effects found with legal immigrants, are more consistent with the notion that undocumented migrants hold jobs that natives avoid than with the view that undocumented migrants directly compete with natives for jobs.

Using the same procedure as Bean, Lowell and Taylor to estimate the number of undocumented Mexican workers, Taylor et al., (1988) also attempted to identify the labor market impacts of undocumented and legal Mexican migrants on the wages of workers in southwestern SMSAs. Despite the differences in methodology, the findings are very similar to those of Bean, Lowell, and Taylor. They conclude that the relative size of the undocumented population is positively associated with the wages of native males, except for native black males (for whom negligible effects emerged). On the other hand, legal Mexican immigrants have a small negative impact on the wages of native non-Hispanic white males and U.S.-born Mexican-origin males.

Industry and Occupation-specific Impacts

The aggregate supply of unskilled labor may be quite inelastic. Although the aggregate demand for such labor is elastic, conditions may be considerably different in specific industries, or occupations, or regions. Consequently, even though the effects of immigrants on total employment of unskilled persons and on their national average wage may be small, the effects on workers at a subnational level could be considerable. Offsetting redistributions could occur either across regions or across specific industries, such that the "net" effect of immigration will be a tiny fraction of the corresponding national total employment, and its consequences obscured from an aggregate perspective.

Even in areas where immigrant concentration is high, the local effects of immigrants may be quite difficult to measure due to various forms of arbitrage. One way for such arbitraging to occur is through internal migration. For example, if immigrants cause native wages to fall or displace native workers from jobs, the natives may out-migrate from areas where immigrants locate, which in turn may cause native wage rates to rise in the area of out-migration, and to fall elsewhere. Moreover, unemployment rates in areas of native out-migration fall, whereas they rise elsewhere, at least in the short run. Filer (1992) has described how areas with high immigrant concentrations become less desirable for natives, thereby triggering native out-migration.

The many industry case studies are largely descriptive, but taken as a whole, generate several insights about the complementarity and substitution issue. First, in certain industries located in specific regions, such as Los Angeles and New York, employment displacement effects of migrant workers are clearly evident. This is consistent with the conclusion of the 1988 GAO study of undocumented migration based on case studies. These negative impacts are frequently experienced by earlier cohorts of immigrants, but native-born workers also suffer job displacement. The displacement may occur because the ready supply of immigrant workers places downward pressure on industry wage rates in regions with heavy concentrations of immigrants, which in turn causes native-born and earlier immigrant workers to withdraw their labor services from the industry. A shortcoming of the case studies is that they are too narrow to trace the ultimate outcomes for native workers, who presumably find new jobs, but at considerable cost. Alternatively, the displacement may occur without any noticeable downward pressure on money wage rates, but rather because employers *perceive* new migrants to be more efficient workers. This perception of greater efficiency may reflect immigrants' willingness to work harder, to accept lower fringe benefits and less job security, and to resist unionization.

Another theme that repeatedly emerges from the industry studies is that employers find immigrant hiring networks to be advantageous. This observation is relevant in many sectors, such as agriculture, manufacturing, construction, and services. No study has systematically analyzed why these networks are advantageous, but several have inferred that relatively substantial cost savings must be realized through the use of network hiring. Employers save the cost of recruiting workers because no advertising is necessary when information about job availability is passed through the network by word of mouth. Moreover, especially when the networks consist of families, some informal training may occur before the migrant actually begins working. Informal social controls on worker behavior (e.g., attendance, work effort and resistance to unionization) may also be exercised through migrant networks. As such, migrant networks serve as informal screening devices that deliver reliable employees.

Using 1990 census data for 65 rural California towns, Taylor and Martin (1996) show in the context of a simultaneous-equations model that every 100-person increase in farm employment attracts 143 additional immigrants and results in 132 additional poor residents and 69 more welfare recipients. The increase in cash assistance accrues not so much to the new migrants as to residents and settled migrants, and the immigrants do not appear to be attracted by the availability of welfare. Their basic point is that California growers pay poverty-level wages, but receive a "welfare subsidy" in the sense that their workers require and receive public welfare in order to make ends meet. Indeed, this welfare subsidy amounts to $987 per California farm job, or 13 percent of farm worker earnings.

Region-specific Impacts and Internal Migration

The regional concentration of the foreign-born population has direct implications for an assessment of economic impacts. However, labor and capital flows along with interregional trade may arbitrage many differences, and thus diffuse the local impacts nationally. In general, empirical evidence appears to indicate that in areas where immigrant concentrations are particularly high, such as along the southwestern border, wage depression and job displacement effects are evident. These impacts are strongest among the less-skilled and lower-income prior migrants in these regions. Although the early evidence of such regional effects was based on data from the 1980 census, more recent models based on the 1990 census show the same tendencies, as indicated in Tables 6A and 6B.

With respect to U.S. internal migration, several studies have tried to disentangle the relationship between population growth and employment growth by asking: Do people follow jobs, or do jobs follow people? Are the two variables jointly determined or perhaps independent of one another? Various researchers have developed measures of the migrant attractive power of an incremental job and of the number of jobs induced by an additional (employed) migrant (Muth, 1971; Greenwood, Hunt, and McDowell, 1986). Whether based on cross-sectional or temporal data, the studies have generally found that jobs and migration are jointly determined. Such estimates have naturally kindled interest in the differential attractive power of jobs for internal versus international migrants, and in the differential number of jobs induced by each type of migrant. Unfortunately, no study provides convincing evidence on this issue.

Internal migration may be important in another, more subtle way. Filer (1992) suggests that to the extent that immigrants and natives are labor market substitutes, the location of immigrants in various areas will place downward pressure on the wage rates of natives, some of whom will also be displaced from their jobs. In turn, natives will out-migrate from such areas and others who might otherwise have in-migrated will not do so. Although Filer does not mention this possible cause of

native out-migration, immigrants may not only drive down local wage rates, but may also drive up rents, with the consequence that native out-migration rises and native in-migration falls. Because few studies show strong impacts of immigrants on native wage rates, the primary mechanism through which out-migration is triggered may be rising rents.

An important implication of Filer's results is that capital is attracted to areas where immigrants settle because of the wage depressing effects they have. The inflow of capital coupled with the net out-movement of native workers places upward pressure on the wage rates of local natives. On the other hand, the net in-flow of native workers to areas with few immigrants, coupled with slower rates of capital accumulation in these areas, puts downward pressure on wages in these other localities. The net result is that native wages are equalized across areas, and the impacts of immigration are arbitraged across the nation. Because the effects of immigration on native wage are spread thinly across the country, they are difficult or impossible to detect empirically, which helps to explain why immigrants repeatedly appear to have little impact on native wage rates. It is unclear how much time is required to arbitrage the economic effects of immigration, and no study has examined this issue carefully.

Filer's empirical results and interpretation have not gone unchallenged. Butcher and Card (1991) argue that if New York, Los Angeles, and Miami, the three most immigrant-intensive cities in the United States, are separated out, "native in-migration flows during the 1980s were actually positively correlated with inflows of recent immigrants" (p. 294). Greenwood and Hunt (1995) provide a mechanism to explain how the settlement of immigrants in certain areas could also attract rather than repel natives. Even if immigrants and natives are substitutes in production, immigrants may positively affect local labor demand through the wealth they bring with them, by encouraging area exports, and through still other channels of influence. Greenwood and Hunt's simulations suggest that the negative effects on wages due to substitution of immigrant for native workers are largely offset by these other channels of influence. Indeed, under reasonable assumptions, immigrants may positively influence the wages of natives, which would cause in-migration of native workers to areas where immigrants settle.[25]

The idea that internal migration is an important mechanism through which the effects of immigration are arbitraged across the country is intuitively appealing. However, at least on its surface the argument appears to assume that immigration is of a one-shot variety, similar to the Mariel Boatlift of Cuban refugees into the Miami labor market during the early 1980s. If this were the case, over a period of time internal adjustments would likely occur to spread the effects more widely.[26] A large body of research on regional adjustments suggests that the effects would not necessarily be spread very rapidly. Still more troubling for the arbitraging hypothesis

is the observation that new immigrants continue to settle in the same places as their predecessors. Due to lags inherent in the adjustment process, the continuing inflow of new immigrant arrivals should keep the direct impacts of immigrants relatively high in areas of immigrant settlement. The validity of the arbitrage hypothesis therefore rests on the speed of regional adjustment to equilibrium.

Relative to other foreign-born groups and relative to the native born, persons born in Mexico have relatively low rates of U.S. internal migration (Greenwood, Henning and McDowell, 1997). Indeed, the native born of Mexican ancestry have low rates of internal migration in general. For example, among those household heads born in Mexico who entered the United States between 1970 and 1974, only 4.1 percent made an interstate move between 1985 and 1990. During the same period 5.2 percent of native-born heads of Mexican ancestry made such a move. In contrast, the same entry cohort from other countries of origin had much higher rates of internal migration over the 1985-1990 period. Representative rates of internal migration for these other groups are as follows: Philippines, 12.3 percent; Germany, 18.0 percent; United Kingdom, 19.7 percent; India, 21.7 percent; Korea, 15.8 percent; and Vietnam, 15.2 percent. Among these countries, only for Mexico do the foreign born have lower rates of internal migration than the native born of each respective ancestry.

Neuman and Tienda (1994) also confirmed that undocumented migrants from Mexico are less likely to move across state lines than undocumented migrants from other regions. An analysis of administrative records (Legalization Application Processing System, or LAPS) revealed that just over one-quarter of amnestied immigrants changed residence at least once between the time of most recent entry and application for amnesty, but the likelihood of inter-state moves as undocumented migrants varied by place of birth. Mexicans were least likely to move subsequent to their initial entry while Asians and Africans were most likely to do so. Specifically, only 19 percent of undocumented Mexicans who applied for legal status had moved across state lines before soliciting amnesty compared to over two-thirds of undocumented migrants from Asia and Africa, and over half of undocumented migrants from other Latin American countries (except Salvadorans, whose inter-state migratory behavior was similar to that of Mexicans).

If secondary migration leads to greater residential dispersion throughout the country, the social impacts of undocumented migration ultimately will be less severe in the states that serve as gateways for initial entry. Overall, unauthorized Mexican migrants who moved across state lines were less residentially concentrated at the time of application for amnesty than were nonmovers. For Mexicans, California and Texas were the main gateways for unauthorized entry. However, there was limited evidence of dispersal of impacts through inter-state moves of unauthorized Mexican migrants; nonmovers were more than twice as likely as movers to have

entered through California (three out of four nonmovers from Mexico entered through California compared to just over one-third of movers). Mexicans who entered without inspection through Texas were more likely to have changed their state of residence by the time of application for amnesty, thereby attenuating impacts in this state. Specifically, just over half of Mexican movers entered through Texas compared to more than one-fifth of nonmovers.

These low rates of internal migration among persons born in Mexico are due to many factors, such as relatively low levels of education, lack of English language skills, and strong ties to areas with high concentrations of persons born in Mexico. Like education, migration is a form of investment in human capital and as such migration presumably yields higher future returns. Historically, internal migration has been a mechanism through which Americans have taken advantage of employment and wage opportunities elsewhere to improve their economic status. Thus, the low internal migration rates of both those born in Mexico and those born in the United States of Mexican ancestry may restrict their access to areas that provide favorable economic opportunities. Lack of internal mobility also perpetuates high concentrations of the Mexican-born population. The continued entry of migrants from Mexico who are good labor market substitutes for earlier migrants results in continued job competition between the groups, which in turn restricts wage growth for them.

International Trade

Most empirical studies of the economic consequences of U.S. immigration have failed to consider the international trade side. However, an exception is Borjas, Freeman and Katz (1992), who attempted to carefully assess the labor-market consequences of both immigration and trade. They first show that international trade had a significant implicit effect on the labor market and that this effect changed dramatically during the 1980s relative to the 1960s and 1970s. Indeed, the trade deficits of the 1980s resulted in a considerable increase in the implicit supply of low-skill labor to the manufacturing sector, which is the focus of their attention.

Borjas, Freeman and Katz (1992) conclude that both trade and immigration have greatly increased the effective supply of high school dropouts and that trade and immigration flows may have contributed substantially to the poor labor market performance of the least educated American workers during the 1980s (1992:240). More specifically, they argue that the various changes in relative skill endowments due to the combination of trade and immigration can explain over 40 percent of the decline in the relative earnings of high school dropouts during the 1980s (p.240). These findings indicate a significant impact of trade and immigration on some of

the most disadvantaged U.S. workers. However, the separate effects of trade and immigration, which in an important sense are not causally independent, are not measured.[27]

Conclusions on Labor Market
Channels of Influence

Do low-skill workers from Mexico place downward pressure on the wage rates of other U.S. workers and displace them from their jobs? Analyses based on data from the 1980 census concluded that immigrants have little impact on native workers, except in areas of high immigrant concentration. In such areas some job displacement and slight downward pressure on wages was evident, but the largest impacts were on the migrants themselves. Moreover, in sectors where immigrants concentrated, evidence from case studies suggested some job displacement for natives.

The major surge of international migration that occurred during the 1980s has raised questions about the validity of conclusions based on 1980 data. Moreover, earlier economic models did not concretely address the impacts of migrants from Mexico on various skill classes of U.S. labor. Data from the 1990 census generally support the conclusions based on earlier data. Specifically, migrants from Mexico have little impact on native workers. Only limited evidence points to job displacement of natives and then mainly in areas of high concentration of Mexican migrants. Case studies continue to indicate the displacement of native workers in sectors that attract foreign workers. Where the migrants are more concentrated, the effects on the wage rates and employment of native workers, especially females of Mexican ancestry, are slightly negative, but even in these areas large increases in low-skill workers from Mexico have little impact on native workers.

One exception is that in Los Angeles the migrants displace low-skill black females and put downward pressure on their wages, and they also tend to displace low-skill black males. The largest labor market impacts of low-skill migrants from Mexico are on other such migrants from Mexico, because the current and earlier migrants are very good labor market substitutes. In areas of considerable concentration of these migrants, the negative effects on the wages and employment of earlier migrants are large, which appears to discourage upward wage mobility for these newcomers to the United States. The continued flow of new migrants and their location in the same areas as their earlier counterparts, coupled with relatively low internal migration rates of persons born in Mexico, suggest that migrants from Mexico will have some difficulty in improving their economic status, at least relative to other foreign-born groups.

Impacts through Economies of Scale

An increase in population ordinarily requires an increase in services provision—education, police protection, health care, electricity and sewer service to name a few. In the case of these common services, the pertinent question from the standpoint of impacts is whether the additional services are provided at increasing or decreasing marginal cost. Studies of the fiscal impacts of immigration usually assess the costs of immigrants on particular services by calculating the total amount spent on the service and dividing that by the number of persons who use the service. This procedure yields an average cost for a particular service for a designated administrative unit. The problem is that many studies assume that the marginal costs are equivalent to average costs. Under some circumstances marginal costs are lower than average costs; under other circumstances, marginal costs are greater than average costs.[28] Scale effects are an important reason why these relationships are variable, but most studies of the fiscal impacts of immigration assume equivalency of marginal and average costs, which we discuss further in the section on fiscal impacts.

Services like sewage, utilities, and roads can be more cheaply provided in areas of higher population density. Rural electrification is much more expensive, per capita, than urban electrification. Rural school districts may spend less per pupil than urban districts, but it is difficult to account for possible differences in quality of the educational services provided. As Preston (1989) notes, the distribution of people in the United States, with very high concentrations in large metropolitan areas and very low population densities in other areas, is precisely the kind of population distribution required for positive returns to scale. If there were constant or decreasing returns to scale, population density would be more uniformly distributed across the U.S. mainland, thus minimizing the local scale economies affecting the average person. That Mexican immigrants are densely settled in a few large cities of the Southwest and Illinois implies clear economies of scale.

If there are in fact positive returns to scale, the implication for immigration is fairly clear: more people make the whole society more efficient, and immigration would therefore inevitably be a benefit to the host society. The issue is, of course, more complex because there can also be diseconomies of scale, and because the extent of positive or negative returns to scale is the subject of substantial disagreement in the empirical literature. The question of returns to scale is central for assessing the impacts of Mexican immigration, which is distinguished by its volume relative to other country-specific flows, and its high concentration in a few large cities.

Pro-immigration analysts generally assume a positive return to scale for population growth. Most anti-immigrant work emphasizes over crowding, excessive

consumption of limited resources, and other implicit negative returns to scale for population growth. The economic literature that employs explicit models for the impacts of immigration, such as Borjas (1995), almost invariably assumes constant returns to scale in the production functions. Measurement of real returns to scale presents many problems mainly relating to the empirical problem of measuring returns or output or services in units of constant quality, and mathematically working with such models. However, this common assumption tends to bias conclusions about scale effects against some of the possible economic benefits of immigration. Kuznets' economic history of the United States makes a strong case for the importance of increasing returns to scale over time, and other authors have pointed out that there is little reason to believe these historical arguments are any less relevant today.

One clear example where scale effects may be strongly positive and where there is a paucity of economic research is in the multiplier effects via consumption and production associated with the proliferation of densely settled ethnic neighborhoods. Sociological studies have been more diligent in studying the growth and development of ethnic business economies in specific locations and for specific groups (e.g., Cubans in Miami and Koreans in various urban settings). However, the vast majority have ignored business ownership patterns among Mexican immigrants despite their dense settlement patterns. Two reasons explain this relative neglect. First, Mexicans have very low education levels which are presumed too low for a substantial impact on business ownership; second, census data show very low rates of self-employment among Mexicans relative to other immigrants.

There are reasons to challenge the idea that business ownership will remain low among densely settled Mexican immigrants. Although much of the economic literature assumes that years of schooling directly measures skill and hence worker productivity, the labor market profile presented above revealed some anomalies in this relationship. Especially noteworthy is that Mexican immigrants complete appreciably lower levels of education than U.S.-born blacks yet have higher rates of labor force participation. One possible reason for this outcome is that Mexican immigrants are preferred workers to native blacks, particularly in inner city labor markets where both groups come together and compete for low wage jobs (Wilson, 1996; Tienda and Stier, 1996; Tienda, 1989). Another reason is that Mexican immigrants find alternative ways of earning a livelihood, including informal employment and self-employment (Tienda and Raijman, 1996; Raijman, 1996). The latter option, which appears to be associated with residential concentrated settlements and thereby economies of scale, has been relatively ignored by students of Mexican immigration.

Entrepreneurship among Mexican Immigrants

Julian Simon (1989) argues that immigrants bring with them knowledge based on the experience of how things are done in other places and may therefore be highly productive and predisposed to self-employment even with a limited formal education. A corollary to Simon's argument about working-class innovation and entrepreneurship is the literature on immigration that treats immigrants as self-selected for entrepreneurial spirit and work ethic. Presumably, the possibilities of business formation among relatively unskilled Mexican migrants would be greater in ethnic neighborhoods where demand for goods and services that cater to Mexican tastes and preferences would generate demand for ethnic business concerns.

Although residentially concentrated, Mexican migrants have relatively low rates of self-employment and business ownership (Borjas, 1986; Portes and Bach, 1985), particularly by comparison to migrants from Cuba and Korea. Surprisingly, this anomaly has produced few studies to explain why this is so. However, a recent study of business activity in Little Village, one of Chicago's two Mexican migrant communities, showed much higher levels of self-employment among Mexican migrants than revealed by conventional census data.[29] This is because much self-employment activity is informal, and because self-employment activities were vastly under-reported, especially by individuals whose self-employment activity was pursued in addition to jobs in the formal labor market. The unique design of the Little Village study, which involved both a representative household survey and a random survey of extant businesses, permitted a detailed inquiry into the determinants of business formation among Mexican migrants. Rather than studying existing businesses (as most studies have done), the design provided information about individuals at different states of business formation. Finally, the study design permitted a comparative perspective about how and why different ethnic groups access the world of business ownership.

Findings based on the 1994 household and business surveys in Little Village challenge assertions of low entrepreneurial disposition among Mexican migrants on several grounds. First, the study revealed that the level of potential self-employment in the community is extremely high. Half of the population of Little Village aspired to starting their own business and of these, one in three had taken some concrete steps to actualize their goal. Both financial capital and lack of information about requirements to establish a formal business inhibited the likelihood of business formation for aspiring businessmen. The household survey also revealed that respondents inclined to begin a business differed systematically from those not predisposed to do so in their risk-taking disposition, in their family links to business, and in their economic resources. Results also confirmed that residence in environments where ethnic businesses proliferate is conducive to demonstration

effects and sources of financial and nonfinancial support that puts business ownership within the reach of individuals with modest education levels and limited resources. Thus, scale effects associated with densely settled neighborhoods appear to be conducive to enterprising activity even among low-education Mexican migrants.

A second major finding of the study is that the invisibility of Mexican self-employment, as reported by conventional census data, stems from the inability of current reporting categories to include informal activities and multiple job holding. Specifically, by neglecting a variety of informal activities (such as street vending, house repairs and child care services) that figure prominently in the income packaging strategies of migrant families, rates of self-employment of Mexican migrants (especially women) are seriously under-reported. The Little Village study also showed that the majority of self-employment activity among Mexican migrants residing in Chicago is marginal and results in response to the precarious labor market status of this migrant group. Informal self-employment provides income for migrants whose social circumstances, namely low education or undocumented status, limit their access to paid jobs. Dense settlement patterns also are conducive to the emergence of informal activity that caters to the needs of other co-ethnics.

A third major finding from the study concerns the heterogeneous ethnic composition of the business community in Little Village, which serves a relatively ethnically homogeneous Mexican neighborhood. During the last decade or so, various ethnic groups (notably Koreans, Arabs, Chinese, Vietnamese and Pakistanis) joined the white and Mexican business owners in Little Village. These groups differ notably in their prior entrepreneurial experiences in ways that Simon (1989) indicated. Specifically, Mexican business owners in Little Village had less experience in the world of business than other ethnoracial groups who owned and operated businesses in the neighborhood. However, Mexican migrants' experience deficit was compensated by the distinct pathways to self-employment along ethnic lines. For them, the informal economy served as a pathway to business ownership while entry through employment in a co-ethnic firm is more common among Koreans. That is, most Korean immigrants who owned and operated a storefront in Little Village acquired their business know-how by working in similar firms owned by co-ethnics, but nearly one-in three businesses owned and operated by Mexican migrants began informally. Lacking a strong ethnic economy to acquire training and skills, as do Koreans and Cubans, for example, many Mexican migrants use the informal sector as a means of acquiring skills and capital needed for starting a business in the formal sector. Informal economic activities allow enterprising migrants to experiment and explore the viability of particular types of businesses. By testing the market, possibly accumulating capital or learning about its availability, and acquiring rudimentary skills in a particular

line of work, informal self-employment serves as a steppingstone to successful business formation.

Conclusions on Impacts through Economies of Scale

Although relatively understudied in the literature on impacts of Mexican immigration, economies of scale (generated by the emergence of dense Mexican immigrant communities) can produce positive economic outcomes. The Little Village study showed that dense settlement patterns are conducive to the emergence of informal economic activity that caters to the needs of other co-ethnics. Some of this activity eventuates into formal businesses because many Mexican immigrants acquire business-relevant experience through informal market activities. Thus, scale effects associated with densely settled neighborhoods appear to be conducive to enterprising activity even among low-education Mexican immigrants.

Additional scale effects derive from the fact that Mexican immigrants consume goods and services produced in the United States, thereby contributing to aggregate income growth (although the net beneficiaries of immigrant consumption are the owners of capital). There is relatively little study of the consumption profiles of Mexican immigrants. This information is essential for appreciating how the scale effects of Mexican immigration operate through demand for goods and services, including those produced within and outside of ethnic labor market niches. This is an important area for further research because it would help balance the preponderant focus of impact studies on costs by acknowledging that many positive impacts are generated through increases in aggregate demand or expansion of local labor markets.

Welfare Participation

Prior Studies

One line of research conducted at the national level that has important implications for fiscal impacts (as well as perceptions about the costs and benefits of immigration) focuses on immigrants' use of social services. These studies are largely based on census-type data and attempt to "explain" differentials in program participation by immigrant and native families, emphasizing how eligibility characteristics unequally dispose families to participate in means-tested income transfer programs. *A main conclusion from the various studies of public assistance utilization is that immigrants in general are not more prone to use public assistance than natives of similar socioeconomic characteristics.* If controls for various demographic and family characteristics are not included in the analysis, then immigrant-to-native comparisons differ, depending on the gender of the head of

household (Blau, 1984), race/ethnic group (Tienda and Jensen, 1986, and also Jensen, 1988), and the year of analysis (Borjas and Trejo, 1991, and Borjas, 1995b).

For example, for male headed households, Blau found that immigrant families were more likely than native families to participate in a welfare program, but the opposite obtains for female headed households. Borjas (1995b) shows that immigrant families' welfare participation rate has risen in recent years. Concerning various race/ethnic groups, and Hispanics in particular, a higher percentage of Hispanic immigrant families than native Hispanic families are found to receive public assistance if controls for other characteristics are not included in the analysis.

Recent research has focused less on the issue of direct immigrant-to-native comparisons, and more on whether immigrant propensities to use social services have changed over time and/or whether the propensities of more recent cohorts differ from those of earlier cohorts. This research has also considered how years since migration has an impact on the utilization of public assistance programs. On the one hand, many individuals have argued that the economic assimilation that occurs with longer U.S. residence should result in higher incomes, thus reducing the use of public assistance. However, additional U.S. experience also results in greater knowledge of and familiarity with social programs, thus conceivably increasing the receipt of public assistance. The early evidence concerning this issue is especially mixed. Studies using a single cross-section of data (e.g., Blau, 1984, and Tienda and Jensen, 1986) were generally unable to find a consistent pattern linking length of U.S. residence and the probability of receiving welfare. These analyses do not allow the impacts of U.S. residence to be distinguished from entry cohort effects. The various works by Borjas provide the strongest evidence indicating that the use of public assistance rises with length of U.S. residence, but these conclusions are based on the strong assumption of uniform period conditions across groups. Jensen also finds some evidence that years in the U.S. increases welfare utilization, but this evidence does not separate cohort and assimilation effects.

Concerning the relative propensities of different cohorts to use public assistance, Borjas and Trejo as well as Borjas (1995b) find that the most recent cohorts have higher propensities to use the welfare system than earlier cohorts. They generally attribute this finding to the shift in natural origin mix of the immigrant flow. Jensen finds similar evidence for white immigrants, but he is unable to link the higher use of welfare by Asians in 1980 to a higher utilization propensity by the recent immigrants. Moreover, recent Hispanics were not found to have higher use in 1980. In fact, recent Mexican immigrants actually appear to have a lower probability of receiving transfer payments in 1979. Thus, Jensen (and also Jensen and Tienda) find differences across immigrant groups as well as differences within groups. Such potential differences across and within immigrant groups are not specifically addressed in the either the Borjas and Trejo or the Borjas analyses. Moreover, the

methodology used by Borjas and Trejo (and also Borjas) constrains the period effects on welfare participation by immigrants to be identical to those of natives. Evidence presented by Jensen raises questions concerning the appropriateness, and consequently the impact, of this restriction. All prior studies are limited because their reliance on 1980 data means that "recent" immigrants arrived over 15 years ago. Much has changed in the U.S. welfare policy climate since then.

Participation by the foreign born in welfare programs is the focus of considerable scrutiny in the United States. Presumably motivated by the notion that legal and unauthorized immigrants participate in some sense "too much" in such programs, Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. This Act restricts the access of even legal immigrants to welfare utilization. In spite of the passage of this legislation, many questions regarding immigrant utilization of public assistance programs remain only partially answered or unanswered. Precisely which public assistance programs are used relatively much by which entry cohort of which foreign-born group relative to which native-born group? The answers remain obscure. Accordingly, in a paper prepared for the Commission (Davies and Greenwood, 1997), we provide an unusually detailed analysis of public assistance utilization by Mexican-born households relative to various control groups of native-born households.

1990 Welfare Participation

This analysis uses the 1990 Public Use Microdata Samples to analyze participation in means-tested programs by Mexican-born households who resided in the United States. Several control groups are explored, as are several subsamples of the data, in order to provide a more complete analysis of welfare participation differences between Mexican-born and native-born households. Separate analyses of young and senior age groups for various nativity and ethnic subsamples permitted us to approximate program participation differences due to AFDC and SSI. The empirical results of this study indicate that Mexican-born households are no more likely to use welfare than either otherwise comparable native-born households of Mexican ancestry or otherwise comparable native-born households in general. However, they are more likely to participate than native whites, but less likely than native blacks. Moreover, recent cohorts from Mexico are less likely to use welfare than any control group, whereas more distant cohorts are more likely users.

Similar results obtain when households are partitioned into those headed by females and those headed by males. The highest incidence of welfare usage is among single female-headed households, but Mexican-born females in this group are significantly less likely to participate in welfare (AFDC) if they entered the United States in recent cohorts. This finding holds relative to different control groups, and it

holds as well for young female household heads (less than 30 years old) born in Mexico. The same general finding holds for male-headed households from Mexico, as well as for young male-headed households from Mexico. Recent entry cohorts participate less in welfare (AFDC) than otherwise comparable households both of Mexican ancestry and of all natives. However, Mexican-born male-headed households 65 years old and over who entered the United States in more distant cohorts show some tendency to use welfare (SSI) significantly more than otherwise comparable native-born households of Mexican ancestry. Although a similar relationship holds relative to all native households 65 and over, it is less strong.

Borjas and Trejo (1993) concluded that immigrants assimilate into welfare. Findings of the present study do not directly address the assimilation issue because we do not employ two censuses to form synthetic cohorts that are followed through time. However, results from the Davies and Greenwood study suggest some caution in drawing conclusions regarding the assimilation of Mexican immigrants into welfare. When they are young, recent entrants in the United States, the Mexican-born population is less likely to use welfare, which is almost certainly AFDC. When they grow older, or enter at older ages, they are more likely to use SSI.

In studies of this type, where the foreign born are analyzed relative to a control group of native-born households, investigators may impute behavior to the foreign born when the native-born control is in some sense more responsible for a finding. The apparently higher use of SSI by the Mexican-born population is almost certainly due to their not qualifying for Social Security during their retirement years. The control group of natives has Social Security income available to it, which in turn lessens its reliance on SSI. Indeed, it is not clear whether the results of the present study are due to the lesser use of SSI by older natives or the higher use of SSI by older persons born in Mexico.

Finally, it is important to note that, while there is a general consensus that immigrants are not more prone to use public assistance than natives of similar socioeconomic characteristics, immigrants' characteristics determine their eligibility for welfare and, to a large extent, their propensity to accept means-tested income transfers. For instance, Mexican immigrants to the United States are characterized by low levels of educational attainment, large families, and poor English-language abilities. All these factors, among others, are generally found to be positively related with the level of welfare use.

Conclusions about Welfare Participation and Implications of Recent Policy Changes

Migrants from Mexico to the United States tend to be young job seekers (second and third chapters). In general, they do not appear to cross the border in order

to enjoy welfare benefits, although a minority of past migrants may have been motivated by the desire to collect welfare.[30] Because they are primary-care providers to children, young females have considerably higher propensities to participate in U.S. welfare programs than young males, and among young females, those who are household heads with no spouse present have the highest propensities to use welfare. However, young females from Mexico were significantly less likely to use AFDC (in 1989) than either otherwise comparable native-born females of Mexican ancestry or otherwise comparable native-born females in general. The same conclusion holds for young female household heads with no spouse present. Household heads 65 and over who were born in Mexico were more likely to receive SSI in 1989 than otherwise comparable native-born heads, but this tendency may have been due to the failure of the Mexico-born heads to qualify for Social Security relative to their native-born counterparts.

Welfare participation patterns and their consequences will change as a result of recent changes in welfare legislation. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 defines a new eligibility category for legal aliens—"qualified aliens"—which includes lawful permanent residents, refugees, and asylees, as well as certain others. Most qualified aliens are barred from food stamps and Supplemental Security Income (SSI). Moreover, this law bars qualified aliens admitted to the U.S. before the law's enactment on August 22, 1996, from all means-tested federal programs for their first five years in the United States. States also are permitted to deny qualified aliens Temporary Assistance to Needy Families (TANF), which replaced Aid to Families with Dependent Children (AFDC), Medicaid, and various federally-funded state programs, such as child care and services for the elderly. Exceptions are made for refugees and asylees during their first five years in the United States. Naturalized citizens are eligible for benefits available to native-born citizens, but naturalization typically requires five years as a permanent resident alien.

Most federal public benefit programs have not been available to undocumented migrants, but the old law was silent on such eligibility for certain minor programs. The new law defines "not qualified aliens" to include undocumented migrants, and explicitly bars their use of federal public benefit programs as well as programs financed by state and local governments. If states wish to make benefits available to non-qualified aliens, they must pass a law that allows them to do so, which is highly unlikely.

The new eligibility requirements may discourage the entry of some potential migrants from Mexico. However, because most young migrants from Mexico seek better job opportunities in the United States and not welfare, we expect this effect to be small. Moreover, some potential legal migrants who would have been eligible for SSI under the old program may be discouraged from entering the United States

under the new, more restrictive eligibility criteria. Again, we expect this effect to be small since migrants from Mexico tend to be young and ineligible for SSI. With respect to migration from Mexico, the major effect of the new legislation may be the perception that the "climate" has changed and that the U.S. is less receptive to migrants from Mexico than previously. This perception may be particularly true for undocumented migrants.

A major limitation of prior studies of welfare participation is their failure to consider undocumented migrants because most studies of welfare participation are based on either 1980 or 1990 census data. Census data enumerate all foreign-born individuals residing in the United States on a specific day, but do not permit distinctions among various types of migrants, notably legal resident aliens (immigrants), undocumented migrants, and temporary residents such as students and various types of visitors. However, because a large fraction of all undocumented migrants are young males born in Mexico, and because young males born in Mexico have relatively low welfare participation propensities, it is unlikely that undocumented migrants are heavy users of welfare. Finally, the new welfare reform legislation explicitly denies benefits to undocumented migrants, which guarantees far less participation by this population at the present time relative to 1990. Welfare officials disinclined (or disallowed) to query legal status of applicants in the past may be more inclined to do so in the future.

Welfare participation by the foreign born is usefully considered from two perspectives. The first is the perspective of the migrants themselves and the second is that of the levels of government that are responsible for providing welfare benefits. The migrants are clearly better off, at least in the short run, with welfare than without it, but the major point of contention concerns the current costs to society of providing welfare benefits relative to the tax payments made by the users and relative to future costs imposed on society (i.e., negative externalities) if it does not provide the benefits.

A major rationale for welfare provision is to avoid future costs to society that would be incurred if welfare were not provided. Thus, for example, school-lunch programs presumably promote healthier, more attentive children who will learn more, thereby enhancing their future employability, and discourage poor health (and future public health costs) and criminal activities (and future costs associated with such activity). A delicate balance exists between the withholding of current welfare from migrants and future costs that may be incurred on society if the benefits are not provided. Estimates do not exist for this aspect of the public balance sheet.

In spite of relatively low welfare participation by young migrants born in Mexico, we can not infer the absence of a negative impact from data on behavioral tendencies. Data relating to such tendencies indicate nothing about taxes collected

from these migrants nor the cost of providing welfare services to them. Thus, we now turn our attention to the broader question of the net fiscal impact of Mexican migration to the United States.

Fiscal Impacts

Among the various channels through which immigration exerts economic effects, the fiscal channel has commanded considerable attention in the past five years. The fiscal channel entails the cost of government services such as education, transfers and benefits provided to immigrants, along with other costs for such things as the incarceration of immigrant prisoners, minus the taxes and fees that immigrants pay. Moreover, on-going residents may experience either higher or lower taxes due to the presence of immigrants, but this potentially important effect has been largely ignored to date. As states have brought suit against the U.S. federal government to recover the costs of providing services to unauthorized migrants, an important debate has taken place over how to quantify the fiscal impacts they initiate, as well as the fiscal impacts of migrants from abroad in general. The political backlash against the foreign born, especially in California, has increased the need for careful scholarly attention to the issue (Smith and Edmonston, 1997). Because Mexican migrants, both legal and undocumented, are disproportionately concentrated in California, Texas and Illinois, we focus on these three states.

Principles of Agreement and Disagreement

The debate over the fiscal impacts of migration has generated relatively few points of consensus. Most recent studies seem to agree that immigrants, and especially undocumented migrants, impose a fiscal burden on state and local governments, but there is considerable disagreement about the magnitude of the fiscal deficit. Weintraub and Cardenas (1984) are a notable exception: they surveyed undocumented migrants in Texas, and estimated a state level net fiscal gain of between $120 million and $180 million per year.

At the national level there is less consensus, with some authors arguing that immigrants subsidize natives, and other authors arguing the opposite. The reasons for this disagreement are partly technical of course, but in large measure the technical questions stem directly from the more basic issues inherent in trying to measure the economic impacts of one demographic group on another when the two groups are substantially intermingled. Rothman and Espenshade (1992) and Vernez and McCarthy (1995) survey the literature on fiscal impacts and comment on the inherent difficulties (see also, NAS, 1996; Smith and Edmonston, 1997). Five of the most serious difficulties are summarized below.

Inaccurate Estimates of the
Undocumented Population

INS and Census Bureau estimates of the undocumented alien population in the United States in 1992 ranged between 3.2 million and 3.8 million, a difference of 15 percent. In calculating their estimates of the costs of undocumented migration, the states used population figures that were almost 50 percent higher than Census Bureau's best estimates. In the simple simulation we present below, we compare results using the "best" estimates and the very highest estimates of the undocumented population. This exercise responds to the NAS (1996) recommendation to generate a range of fiscal impacts using different assumptions.

Difficulties in Partitioning the Foreign
Born by Legal Status

Many households contain people whose migration and legal statuses differ. For instance, many of the children of illegal immigrants are themselves U.S. citizens because they were born in the U.S. Should the education of these children be "charged" to the fiscal account of the immigrants? Because public primary and secondary education is by far the most expensive local service that immigrant families consume, decisions about how to identify the children has an enormous consequences on the fiscal balance sheet. Moreover, the present value of this cost has to be discounted by the future value of the productivity of well-trained workers, and this may reverse the balance of this fiscal impact.

The Problem of Accounting Completeness

None of the known studies successfully account for all of the relevant costs and benefits. Some costs, such as schooling or incarceration costs, can be estimated by applying an average per-person cost to a fixed number of persons who receive the service. But other services, such as highway construction, defense costs and governmental debt service are more difficult to apportion. And while some studies, such as that by the Urban Institute (Clark et al., 1994), made an effort to quantify the tax payment rates of illegal aliens for some kinds of taxes, their payment rates for other kinds of taxes and fees are unknown. Moreover, depending upon the cost conditions under which various public services are rendered, the taxes paid by on-going residents could rise or fall, because public services are typically priced at average cost. Finally, quality deterioration could occur in public services, such as due to crowding in schools or due to special program requirements that spread already thin teacher resources over more children. The states' own estimates of the fiscal burden of illegal migrants have included only

the cost of services provided, without accounting for any revenue from the group. This accounting strategy produces a distorted balance sheet (GAO, 1994). Consequently, each of the fiscal impact studies represents an incomplete fiscal accounting, and each is incomplete in a different way because a slightly different set of services and taxes is estimated, and/or a different level of government is involved in the revenue and expenditure side of the ledger. Consequently, most results are not directly comparable.

The Problem of Average versus Marginal Cost

To assess the cost that the children of illegal migrants impose on a local school system, fiscal impact studies divide the total education budget by the total number of students in the system, and apply that average cost to the number of children of illegal migrants in the system. The problem with this strategy, which is the only practical methodology to use, is that marginal costs seldom equal average costs. That is, the cost of educating one additional child could be zero if classrooms and teachers were already in place and could readily accommodate the additional student. Alternatively, if the new student needed special instruction of some kind, or if a new investment in physical plant were required to accommodate the student, marginal costs could be higher than average costs. A related problem is that analyses are often performed at administrative levels that encompass highly variable mean costs. For example, Rothman and Espenshade (1992) criticize Simon's (1981) national level fiscal study for applying national average education costs and tax rates to all natives and immigrants, despite that the different residential distributions of the groups imply different average cost and tax regimes.

The Problem of Time Frame

Except for a few exceptions, such as Loveless et al. (1996), which employed a 10-year span of time-series data, all the fiscal impact studies examine a yearly budget. The problem with the yearly approach is that immigrant's cost/benefit profile is likely to change over the life course (as Loveless and his colleagues have shown), and therefore the annual budget is a poor basis for estimating even short-term impacts. The National Academy of Sciences (1997) also conducted a long-term analysis that used a recent set of annual calculations as a starting point and projected both revenues and expenditures into the future under various assumptions about the course of immigration and fiscal policy as well as the economic assimilation of immigrants and their descendants. We highlight the main findings of this study below, and also identify some of its limitations in our concluding section.

State-Level Fiscal Impacts

Despite the above caveats, which are crucial to understanding the limits of the fiscal impact studies, for the purposes of illustration we prepared a secondary analysis of the fiscal impact of undocumented migrants for three large states whose migrants are most heavily Mexican: California, Texas and Illinois.[31] The following analysis is based largely on data assembled by Clark et al (1994), which includes a thorough examination of how state-level costs and taxes can be measured, as well as an evaluation of the states' own estimates of fiscal impacts.[32] We made a few minor alterations to their figures in order to apply all per capita costs and expenses (in 1992 dollars) to the 1992 populations. The three sources of state and local revenue included in their study account for less than 50% of the revenue of each of the states, and the costs are also incomplete. Therefore, we cannot draw conclusions about the total fiscal impact. The costs included in the model are primary and secondary school education, the state portion of Medicaid costs, and incarceration costs in state and local jails. The revenue side of the model includes state income tax, sales tax and property taxes.

We have added data that allow for comparisons between estimates for the (incomplete) net fiscal costs of illegal migrants compiled by Clark et al. and the comparable net fiscal costs of the rest of each state's population. These data, broken into three different scenarios, are summarized in Table 7, with a more detailed breakdown available in Appendix B. Scenario A in Table 7 represents figures based on best estimates of the illegal alien population established by Clark et al. Because the fiscal picture is not complete, the 'net' aggregate fiscal impacts contain obvious anomalies, such as the total population of California running a $14 billion surplus with the state.

The aggregate cost estimates of Clark et al. are considerably lower (more than $1 billion less) than those generated by the State of California, largely because of the wide discrepancy in the estimated size of the illegal migrant population in that state. By comparison, Illinois has such a small undocumented population that differences in cost estimation yield fairly modest gaps in the assessment of the cost of providing services to the undocumented.

Useful comparisons can be made between the net fiscal impacts of the undocumented and the rest of each state's population, but it is important to bear in mind that the fiscal balance is incomplete, and that other unmeasured revenue streams and costs could conceivably offset these effects. In scenario A, illegal migrants in California use $1,124 of state and local services per capita, which is higher than the $906 per capita of state and local services that the rest of the population uses. Public school expenses account for about two-thirds of these costs. In Texas, the undocumented and the rest of the population both use somewhat more than $1,000 per capita in services, and school costs account for more than 80% of the costs. In

Table 7

Fiscal Costs and Benefits of Illegal Immigrants, Compared to All Other Persons in Three States, in 1992 Dollars

Scenario A: The best estimates of Clark et al.

	1992 Number of Persons	Total Costs (million $)	Costs per Capita ($)	Total Taxes (million $)	Taxes per Capita ($)	Net Burden (million $)	Net Burden per Capita ($)
California							
Undocumented immigrants	1,410,000	$1,585	$1,124	$755	$536	$829	$588
Natives, and documented immigrants	29,457,000	$26,676	$906	$41,933	$1,424	-$15,257	-$518
Total	30,867,000	$28,261	$916	$42,688	$1,383	-$14,428	-$467
Illinois							
Undocumented immigrants	173,000	$113	$652	$96	$556	$17	$96
Natives, and documented immigrants	11,458,000	$11,207	$978	$11,671	$1,019	-$464	-$40
Total	1,1631,000	$11,320	$973	$11,767	$1,012	-$447	-$38
Texas							
Undocumented immigrants	349,000	$396	$1,134	$202	$579	$194	$555
Natives, and documented immigrants	17,307,000	$17,468	$1,009	$16,755	$968	$713	$41
Total	17,656,000	$17,864	$1,012	$16,957	$960	$906	$51

344

Table 7 (Continued)

Scenario B: Reclassifying families of mixed immigration status, to increase the number of undocumented school children

	1992 Number of Persons	Total Costs (million $)	Costs per Capita ($)	Total Taxes (million $)	Taxes per Capita ($)	Net Burden (million $)	Burden per Capita ($)
California							
Undocumented immigrants	1,479,144	1,871	1,265	792	536	$1,079	$729
Natives, and documented immigrants	29,387,856	26,390	898	41,896	1,426	-$15,507	-$528
Total	3,0867,000	28,261	916	42,688	1,383	-$14,428	-$467
Illinois							
Undocumented immigrants	178,417	138	774	99	556	$39	$218
Natives, and documented immigrants	11,452,583	11,182	976	11,668	1,019	-$486	-$42
Total	11,631,000	11,320	973	11,767	1,012	-$447	-$38
Texas							
Undocumented immigrants	370,093	488	1,317	214	579	$273	$738
Natives, and documented immigrants	17,285,907	17,376	1,005	16,743	969	$633	$37
Total	17,656,000	17,864	1,012	16,957	960	$906	$51

Table 7 (Continued)

Scenario C: Using the states' own (inflated) estimates of the undocumented population

	1992 Number of Persons	Total Costs (million $)	Costs per Capita ($)	Total Taxes (million $)	Taxes per Capita ($)	Net Burden (million $)	Burden per Capita ($)
California							
Undocumented immigrants	2,083,000	2,171	1,042	1,116	536	$1,055	$506
Natives, and documented immigrants	29,457,000	26,185	889	41,573	1,411	-$15,388	-$522
Total	31,540,000	28,356	899	42,688	1,353	-$14,333	-$454
Illinois							
Undocumented immigrants	270,000	173	640	150	556	$23	$83
Natives, and documented immigrants	11,458,000	11,164	974	11,617	1,014	-$453	-$39
Total	11,728,000	11,337	967	11,767	1,003	-$430	-$37
Texas							
Undocumented immigrants	550,000	611	1,111	318	579	$292	$532
Natives, and documented immigrants	17,307,000	17,271	998	16,639	961	$632	$37
Total	17,857,000	17,882	1,001	16,957	950	$925	$52

See Text for discussion, and see appendix B for more detailed elaboration
Source: Based on Clark, Passel, Zimmerman and Fix (1994) and Statistical Abstract of the U.S.

Illinois, the undocumented use less state and local resources than the rest of the Illinois population (and less than the undocumented in the other states) for two reasons. Clark, et al. estimate that the age profile of the undocumented is older in Illinois and the high school dropout rate is higher for the undocumented there (see their Table 4.9). These two circumstances (i.e., an older age profile and higher school dropout rate) imply that the undocumented are a smaller share of Illinois' school population. Therefore the undocumented in this state use relatively little in the way of state and local services.

Following further the lessons from scenario A, the gap in per capita service usage between the undocumented and the rest of the population is roughly $200 in California ($1,124 compared to $906), $100 in Texas, and negative in Illinois. The revenue gap is much larger in all three states. In the three states considered as a whole, the undocumented pay about $500 per person in state and local taxes, the rest of the population pays far more: in California about $1,400 per person; in Texas and Illinois about $1,000 per person. When costs are subtracted from taxes paid, to yield a net cost or burden per capita, the undocumented in California run a per capita deficit of $588, while the rest of California pays $518 more than it uses in services. Of course, these figures must be examined with caution because, as we noted above, this is not a complete fiscal accounting, and many kinds of services and revenues are left out. Still, the calculations show that the undocumented population most likely poses a fiscal burden on each of the states, because of the low rate of state and local taxes that undocumented migrants pay. Among the three kinds of taxes analyzed (sales tax, property tax, and state income tax), the migrants pay less of each type on a per capita basis because they have low incomes.

The fiscal gap between the undocumented and the rest of the population is much higher in California than in Texas or Illinois for two reasons: (1) the per capita revenue gap is highest in California, and (2) the undocumented population is far larger in California than in the other states. California has a sizable state income tax, to which the undocumented contribute only about $30 per person, while other Californians contribute more than $500 per person. Income taxes are very progressive at low income levels because most working poor people tend to have little taxable income. The undocumented may also be able to avoid compliance with some or all of their income tax responsibilities. Texas, on the other hand, has no income tax, but only sales tax and property tax. These taxes are much less progressive. For example, in the case of the property tax, renters pay it as part of their rent. As a result, the per capita revenue gap between the undocumented and the rest of the population is much less in Texas than in California. In Texas the undocumented pay $579 per capita in taxes compared to $968 per capita for the rest of the population. However, in California the undocumented pay $536 while everyone else pays $1,424 per person.

346

Focusing on the total net fiscal burden of the undocumented in each state, California bears the heaviest burden ($829 million), while the burden in Texas is much smaller ($194 million), and the burden in Illinois is almost trivial ($17 million) relative to the state budgets. These net figures are much smaller than the states' estimates used in claims against the federal government because the states' costs (but not revenues) are based on somewhat inflated figures for the undocumented population (see Clark et al, 1994; GAO, 1994).

There is no disagreement that California bears the brunt of new immigration, including undocumented migration. Therefore, it is logical that California experiences the heaviest fiscal burden due simply to the sheer number of immigrants it receives, as documented above. Table 7 shows that not only is California faced with by far the largest number of undocumented migrants, but also that the fiscal impact of this migrant stream is magnified by a relatively large per capita fiscal gap between the undocumented and the rest of the population. This gap results from the higher rate and more progressive nature of the tax system in California, which leaves the undocumented paying a smaller share of the total state and local tax burden.

Among the costs that can be *directly* attributable to illegal migrants, by far the largest is the cost of primary and secondary education. Cognizant of difficulties in accounting for the citizen children of illegal immigrants, in scenario B we recalculated the fiscal impacts by categorizing these children differently. In scenario A, only children who are themselves foreign-born and undocumented are counted among the undocumented school-age population. In scenario B, we augment this population by including the citizen children of the undocumented migrants on the grounds that their parents' unauthorized presence incurred their schooling costs. We assumed that this restriction would increase the 'undocumented' school age population by 25% . These results are presented in Table 7, scenario B. Although the undocumented population of primary and secondary students has increased 25% over that reported in scenario A, the total undocumented population has increased only about 5% (from 1.41 million to 1.48 million in California). Consequently, the total cost of services to the undocumented in California arose by 18%, from $1.58 to $1.87 billion, and the net fiscal burden increased substantially, from $829 million to $1.08 billion.

The final scenario reported in Table 7, scenario C, uses the states' own estimates of the undocumented population, which is considerably higher than the Census Bureau's high end estimate for the undocumented population in 1992. This scenario increases the undocumented population in California by 673,000 over the 1.4 million in scenario A, a gain of almost 50% (note that the states' total populations also change in this scenario, to accommodate the previously uncounted persons). The total costs in scenario C are different from the total

costs in the states' claims because we use per capita costs and revenues based on Clark et al. (1994), which differ from those provided by the states in some particulars. Using the states' inflated undocumented population estimates combined with estimates of various costs established by Clark et al., scenario C shows that the undocumented population in the three states (CA, IL, and TX) consume, respectively, $2.17 billion, $173 million, and $611 million in state and local services. The states' own estimates of these particular costs, using these population figures and their own methodologies yielded costs of $2.8 billion (California), $151 million (Illinois), and $362 million (Texas).

It is noteworthy that although scenario C increases the undocumented population much more drastically than scenario B, scenarios B and C yielded similar aggregate fiscal burdens for undocumented immigration. For California, the undocumented are more costly to the state and local treasuries under scenario B ($1.08 billion total cost) than in scenario C ($1.055 billion). Both scenarios B and C naturally increase the fiscal burden over scenario A ($829 million). For Texas, scenario C is the most costly. In scenario C the total costs and total taxes paid by the undocumented both increase sharply. In scenario B, which increases only the crucial school-age population (due to reclassification), the total costs increase substantially but the total taxes paid by the undocumented population increase only slightly.

Although scenario C uses a figure for the undocumented population that is 48% higher than scenario A (2.083 million as compared to 1.41 million), for California the total net fiscal burden of the undocumented is estimated to increase only by 27% (from $829 million to $1.055 billion). This is because some of the costs are assumed to be fixed. Even if the size of California's undocumented population is unknown, officials do know exactly how many of California's state prisoners are foreign-born and among these, how many are undocumented. Changing the estimates of the undocumented migrant population does not affect how many undocumented migrants were actually incarcerated in California in 1992 or 1993. Therefore, future simulations of the possible fiscal impacts of migration on prison costs would yield predictable and consistent variation in these parameters, such that a 50% increase in the migrant flow would yield a 50% increase in net total fiscal costs attributable to prison expenditures.

The previous analysis focused on undocumented immigration, which is important because it underscores ineligibility for tax-supported benefits and services. This is, after all, the major source of tension about the economic costs of immigration. However, the National Academy of Sciences study considered fiscal impacts for the state of California (as well as New Jersey) based on the total foreign-born population in that state. This analysis can not differentiate between undocumented and documented immigrants, yet it furnishes a different perspective of fiscal impacts by focusing on households rather than individuals as the unit of analysis, and

by considering the entire foreign-born population (rather than mainly undocumented migrants) in the analysis. This is important because most immigrants residing in California were admitted legally. This study concluded that the net fiscal burden incurred by California households headed by immigrants was $1,178 per household headed by a native-born individual. The analysis indicated that households headed by immigrants made small positive contributions to the federal government (on the order of $2 to $4 per year reduction of federal taxes for resident households), but this benefit is tiny by comparison to the costs incurred by the state. The study also concluded that the net burden is greatest for households of immigrants from Latin America, among which Mexicans are the dominant group.

This analysis highlights several problems identified above. First, the current year estimates understate future benefits and overstate current costs. Second, use of households as analytic units defined by the nativity status of the head overstated the education costs by attributing the education costs of native-born children of immigrant heads in the expenditures of immigrants.

National Level Fiscal Impacts

In this brief section we have focused on state-level fiscal impacts for three reasons: geographical specificity allows us to focus more narrowly on migration from Mexico; fiscal impacts are strongest in migrant receiving states like California; and as a result there is more scholarly consensus about the sign, if not the magnitude, of these local fiscal impacts. National level fiscal impact studies attempt to answer a broader question: whether foreign-born migrant's net contribution to the coffers of the United States are positive or negative. A wide range of views have been proposed.

Simon (1981, 1989), using data from the 1976 Survey of Income and Education, takes the most positive view. He argues that immigrants (who are a much younger population than natives) contribute to the Social Security program without being eligible (at least not in the short term) for benefits. Essentially this implies that newcomers subsidize natives through their Social Security contributions. At the other end of the spectrum, Huddle (1993, 1995) has presented the most negative picture of immigrant's national fiscal impact. Huddle's first work did not take the Social Security program into account, and his later work applied the current value of a lifetime of potential Social Security benefits to each immigrant, while counting the Social Security tax contribution only of the current year. Fix and Passel (1994) and Passel and Clark (1994) have severely criticized Huddle's methodology, and the debate between these authors is described in detail in GAO (1995). On balance, this discussion has not been productive in producing a balanced assessment of fiscal impacts.

Attempting a response to the limitations of static assessments of fiscal impacts of immigration, the National Academy study (1997) derived a set of projections about long-term fiscal impacts using varying assumptions about future expenditures and revenues, immigrant characteristics, including behavioral differences in fertility, labor force activity and program participation. Adhering to the recommendation of an earlier workshop about fiscal impacts (NAS, 1996), the panel generated a range of estimates based on alternative assumptions about the characteristics of immigrants, their behavior, and taxation regimes. Not surprisingly, the study concluded that differences between native- and foreign-born populations in expenditure profiles vary appreciably by program and depending on the assumed characteristics of the immigrant population.

The bottom line conclusion is noteworthy, however. Combining the costs of benefits from all programs, there is little difference between immigrants and natives over their respective lifetimes. *Immigrants are more costly than natives during childhood owing to the costs of bilingual education, while they are less expensive than natives in older ages. Over a lifetime, these differences balance out. Therefore, the long-term net fiscal impact of any given group depends crucially on age at arrival.* The greatest benefits for natives result from immigrants who arrive between ages 10 to 25, while the largest costs derive from immigrants who are over age 60 at the time of arrival. Moreover, the fiscal estimates of the impact of immigration are affected more by future income and earnings differences between immigrant and native-born households than by nativity differences in program participation. In turn, these depend crucially on the educational attainment of immigrants at arrival.

Discussion

While the issue of national level fiscal impacts is an important one, we have concentrated on state and local impacts here for a number of reasons. The literature on state and local level impacts has recently become more developed in response to the demands of local politics, especially in California, where the economic impact of immigrants is the source of considerable political tension. Even if the fiscal burden of immigrants on the state and local level were offset by immigrant contributions to the national coffers (especially through Social Security taxes), this would not diminish the reality and importance of the local costs. Since the political debate over immigration originates in the immigrant receiving states, the focus on local effects is important in its own right, in addition to its part in the larger national economic picture.

One of the most important lessons from the current state of research on the fiscal impact of immigration, and the impacts of immigration more generally, is

that very little is known for certain. Of all the economic costs attributed to immigration, the current year fiscal impacts should be the most straightforward to calculate because a current year analysis of fiscal impacts need not consider (difficult to estimate) indirect economic effects, secondary migration of natives, the effect of immigrants on natives' wages, or life cycle changes in earnings. And yet, as our simple exercise above has demonstrated, different (plausible) assumptions lead to very different results in even the most narrowly defined fiscal impact analysis.

We based our own secondary analysis on the empirical results of Clark et al. (1994) because their study is among the most meticulous methodologically, and also because they adhere to limited and cautious claims warranted by what is actually known. Considering that careful estimates of the undocumented immigrant population vary by as much as 15 percent or more, caution and humility are necessary in drawing conclusions about the fiscal impacts associated with immigration generally, and particular segments of the immigrant population specifically.

Currently a good deal is known about immigrants' usage of welfare and other means-tested income transfers (as we show below) and it is also possible to estimate reasonably the number of undocumented immigrant children in the schools (which depend on how we define the statuses of families and children). However, we know very little about how immigration influences the cost of providing other services like highways, parks, clean air, libraries, and national defense. Studies that claim to provide a full fiscal accounting of all services and all government revenues, even at the state level, make broad assumptions about the consumption of and marginal cost of providing these various public goods. The recent National Academy of Sciences report on immigration presents a "complete" fiscal impact study for California, based on the work of Clune (1996), which draws mainly on the Current Population Survey. In the absence of a detailed survey of the marginal cost of public goods specific to each state and locality, and the consumption of these goods by immigrants who, after all, have a different demographic, geographic, and economic profile from natives, even this allegedly "complete" fiscal impact study must be viewed with caution.

Our final caveat relates to the static versus temporal portrayal of fiscal impacts. Our discussion, and most empirical studies, have concerned themselves with static, single year time frames, whereas the fiscal impact of immigrants that ought to concern us is the impact over the life span of immigrants. In the static model, education is a cost. Yet, a large body of empirical evidence shows that education is fundamentally an investment in future skills and earnings. Therefore, estimates of fiscal impacts should reasonably expect that the current cost of education will be recovered in the future in the form of greater productivity.

The National Academy of Sciences has properly emphasized the future in portraying fiscal impacts over the life course of immigrants (Smith and Edmonston,

1997). However, its main limitation is that long-term fiscal impacts are not based on longitudinal data that accurately portrays immigrants investment behavior (education) and economic activity over the life course. The National Academy of Sciences based their analysis of life course fiscal impacts on two years of Current Population Survey data. Yet, a substantial body of empirical evidence has taught the social science community that cross-sectional data cannot distinguish between longitudinal and cohort effects. New and innovative work, as the National Academy has done, is always to be applauded; we simply advise that the current state of the knowledge in the area of fiscal impacts mandates caution and care when interpreting the results.

Conclusions about Fiscal Impacts

Despite the numerous caveats surrounding available estimates of fiscal impacts, several generalizations follow from the evidence presented above. The broadest generalization is that fiscal impacts of Mexican immigration differ by legal status; by state of residence; by program; and by age groups. Second, conclusions about fiscal impacts differ depending on whether a static or longitudinal time frame is used to assess impacts; whether individuals or households are used as analytic units in calculating revenues and expenditures; and the assumptions about the size of the undocumented population. Third, because California receives the largest share of Mexican—both legal and undocumented—and because of its tax structure, it also incurs the largest fiscal impacts. Finally, the net fiscal benefits associated with immigration generally accrue to the federal government (via federal taxes) while the net costs generally accrue to local entities, i.e., states and counties (Smith and Edmonston, 1997).

That conclusions about costs and benefits differ by program and between levels of government is unsurprising, and questions the wisdom of seeking a single answer about fiscal impacts at a single point in time. Rather, fiscal impacts should be calculated over the lifetimes of immigrants so that, depending on age at arrival, periods of dependency can be balanced against periods of economic productivity. Thus, according to the National Academy of Sciences that "combining the costs and benefits from all programs, *there is little difference between immigrants and natives over their respective lifetimes.*" Short-term impacts of Mexican immigrants depend crucially on age at arrival and schooling levels, which determine labor market options. Longer term fiscal impacts depend on income and earnings differences relative to native workers, fertility (which influences the educational investments required by children of immigrants), and state of residence (which determines the progressiveness of the tax structure).

Socio-political Impacts

As noted in the introduction to this chapter, social impacts of the Mexican foreign-born population are especially difficult to appraise because of the myriad ways migration changes the host society; because migrants themselves change in the process of adapting to the host society; because social impacts are highly contingent on more general demographic and economic trends; and because many social dimensions, especially those relegated to the cultural realm, are not easily quantified. Social impacts also depend crucially on the resources Mexican migrants bring with them as well as those they acquire and transmit to subsequent generations; on patterns of inter-marriage, particularly with non-Hispanics; and on naturalization patterns and political participation. Finally, social impacts also are shaped by public perceptions about job competition, views about undocumented migration, and attitudes about crime and its relation to rising immigration trends. In this section we consider each of these themes and provide tentative conclusions about how Mexican migration impacts these social spheres.

Residential Segregation and Neighborhood Transformation

Residential patterns are important for appreciating social impacts because social and economic resources are unequally distributed over space; hence, residential location determines access to education, employment, and housing opportunities as well as levels of safety. Residential segregation not only undergirds unequal access to social and economic resources and opportunities, but also restricts inter-group contact, which is important for promoting understanding and reducing ethnic tensions.

Residential segregation may be voluntary, as frequently occurs when new migrants settle in neighborhoods populated by compatriots, or it may be imposed, as when restrictive covenants prevent particular groups from accessing the housing market (Massey and Denton, 1993; Clark, 1996). Currently as well as historically, most recent migrants to the United States (including Mexicans) settle in ethnic neighborhoods, which serve as stepping stones for economic and social adaptation of the first generation (Smith and Edmonston, 1997). Over time, the residential trend is toward dispersion, as the second generation becomes more socially and residentially integrated (Bean and Tienda, 1987; Clark, 1996; Smith and Edmonston, 1997).

It is unclear, however, whether residential mobility experienced by Mexican migrants who arrived prior to 1970 will be repeated by the second generation offspring of recent migrants, notably those whose parents have confronted shrinking

opportunities for earning a living and diminished educational institutions in decaying urban neighborhoods. This is because, in contrast to the residential succession patterns observed during the 1960s, most of the neighborhoods that had gained Hispanic residents before 1970 subsequently lost Anglo residents throughout the following decade. This trend was accelerated during the 1980s, when immigration increased Mexican density of traditional enclaves (Ortiz, 1996). In Los Angeles county, host to the largest share of recent migrants from Mexico, the 1980s witnessed increased segregation of Mexicans from whites compared to the 1970s, but paradoxically, inter-group contact (as measured by the exposure index, P*), declined (Ortiz, 1996).

Even if Mexican migrants become residentially dispersed over the long term, the short-term patterns of residential segregation are important nonetheless because they heighten visibility of recent arrivals and shape perceptions about them. In the short to medium term the temporal and residential concentration of Mexican migrants is a driving force behind residential succession, namely the process of neighborhood turnover that occurs as Mexicans enter an area and replace (or displace) its original inhabitants. In turn, residential succession fueled by Mexican migration during the 1970s and 1980s has restricted inter-group contact between Mexicans and Anglos in several major cities, including Los Angeles and Chicago (Bean and Tienda, 1987: Chapter 5; Clark, 1996; Ortiz, 1996).

Changing residential patterns are important because they reflect the pace of social and economic integration and lay the spatial foundations for inter-group relations, including ethnic tensions and conflict. Bobo and Zubrisky (1996) have explored racial segregation and ethnic interaction issues via surveys in Los Angeles, home to the largest Mexican population residing in the United States. They observe that whites are more opposed to housing integration with blacks than with Hispanics (in Los Angeles, Hispanics consist almost entirely of Mexican Americans and migrants from Mexico). Other groups, such as Asians, seem to share the same preference for Mexicans over blacks as neighbors. It appears that migrants occupy some kind of intermediate social position between native whites (whom all groups, including blacks, rate as the most desirable neighbors), and native blacks (who are rated by all groups as the least desirable neighbors). However, Mexican migrants do not occupy an intermediate social position because they are middle class or reside in neighborhoods with whites. Rather, as Clark (1996) has shown, Mexicans in Los Angeles are more likely to be residentially integrated with black and Asian neighbors now than in the past. In other words, much of the residential integration that has occurred in recent years is with other minorities, not with whites, but this depends on social class.

Although residential segregation often limits access of migrants to socioeconomic resources and opportunities, Mexican migrants also appear to forestall

neighborhood decay. A recent study of Chicago reveals that Mexican migration either contributes to community revitalization or prevents decaying inner city neighborhoods from becoming underclass neighborhoods, characterized by persistent poverty, chronic and pervasive joblessness, and generalized social disorganization. Morenoff and Tienda (1997) use a cluster analysis to identify four distinct kinds of neighborhoods (census tracts) in Chicago from the 1970, 1980 and 1990 censuses. The different kinds of neighborhoods (underclass, working class, stable middle class and "yuppie") are defined using only socioeconomic variables, not race or ethnicity. Morenoff and Tienda show that from 1970 to 1990 Chicago experienced a tremendous polarization in neighborhoods inhabited by U.S. born residents. By 1990, most of the neighborhoods that in 1970 were working class and stable middle class neighborhoods had either gentrified, or were absorbed into Chicago's black ghettos, abandoned by all but the poorest residents. The only parts of Chicago in which working class neighborhoods have grown or even been maintained are those areas settled by migrants from abroad. During this period Mexicans and Europeans (mainly Poles) were the predominant migrant groups settling in Chicago.

Their results suggest that residential patterns of Mexican migrants may serve as a buffer between the so-called "underclass" and middle class urban neighborhoods. Thus, the impact of Mexican migration on urban communities and the urban stratification system more generally depends both on changing economic opportunities and the changing race and ethnic landscape (Waldinger and Bozorgmehr, 1996). Although Chicago's experience may be a unique in many ways (because it is the only large city where shares of Puerto Ricans and Mexicans approximate the national population and because the city population was over 60 percent minority in 1990), it is worthwhile to consider whether the residential patterns of Mexican migrants buffer the neighborhood polarization process in other cities, especially Los Angeles and Miami, whose population composition has been transformed by immigration since 1960 (Waldinger and Bozorgmehr, 1996; Portes and Stepick, 1993). Political theory has always recognized the importance of a sizable intermediate and middle classes, and no political system is more inherently unstable than a bifurcated system. At least in Chicago's socio-political system, Mexican migrants appear to be a stabilizing force in the process of urban transformation.

Immigrant Adaptation and Social Mobility

The reality or myth of the hardworking immigrant, striving and saving to get ahead is a potent image that helps to reinforce the American creed of meritocracy. Despite lower levels of education and lower earnings, some studies show that Mexican Americans and Mexican migrants fare better economically and socially than native blacks of comparable or higher education (Trejo, 1997a;

Tienda and Stier, 1996). The tabulations reported at the beginning of this section consistently show that male Mexican migrants were disadvantaged relative to native blacks in terms of educational attainment and language skills, yet in most states had higher rates of labor force participation and usually lower unemployment rates. That the most economically and socially disadvantaged groups are not immigrants, but rather citizens of African American, Native American and Puerto Rican origin suggests that Mexican migrants have a reasonable chance of adapting to U.S. labor market and society, economic opportunities permitting, as have several prior generations.

On this crucial issue, there is some disagreement among scholars, depending somewhat, but not exclusively, on perspective. A recent study of Los Angeles painted a bleak picture of Mexican migrants' economic integration between 1960 and 1990. Using a synthetic cohort analysis, Ortiz (1996) showed real increases in earnings of Mexican migrant men between 1969 and 1989, but these were smaller than the real earnings growth of white men. As a result, the earnings gap between native born white men and Mexican migrants widened over the past 30 years. Women followed a similar trajectory, except that their earnings were even lower than those of men. Unfortunately, Ortiz does not carefully model earnings, thus her pessimistic conclusions need to be tempered because she does not consider how much the apparent slowdown in economic assimilation of Mexican migrants in Los Angeles results from their low levels of human capital relative to changes in demand for unskilled labor.[33]

Trejo's (1997a) analysis of wages of Mexican-origin men is not only more revealing about the process of economic assimilation, but also quite optimistic about long-term integration prospects. Based on an analysis of 1979 and 1989 Current Population Surveys, Trejo compares the wage growth of first, second, and third generation Mexican-origin men with that of native whites and blacks. Trejo's (1997a) main finding is that Mexican-origin men earn low wages primarily because of their lower stocks of human capital, notably education and low proficiency in English, not because they receive lower returns for their skills. Trejo also suggests that wage penalties for lack of fluency in English may have increased during the 1980s, when returns to skills rose appreciably, and this bodes ill for the pace of integration of Mexican migrants in the future.

So, too, does the reality of low levels of education. Although a generational perspective shows improvement both in educational attainment and in economic assimilation of Mexican origin men, the educational attainment of Mexicans (both native and foreign-born alike) is the lowest of any ethnoracial group (see Mare, 1995; Chiswick and Sullivan, 1995). Thus, owing to changes in the educational composition of recent migrants from Mexico, the average wages of Mexican origin men are dragged down by the presence of large numbers of immigrants with very

low levels of education. In a subsequent paper, Trejo (1997b) compares nativity differentials in the earnings of Mexican origin men and finds that the sizable earnings advantage of native born men over their migrant counterparts arises not just from intergenerational improvements in years of schooling and English proficiency, but also from increased returns to human capital for Mexican origin workers who were born and educated in the United States. However, he also observes that intergenerational changes in the wage structure take longer to play out for Mexicans than for other white migrant workers.

According to Trejo, the returns to experience are similar for U.S.-born workers regardless of origin, but Mexican returns to education rise for each successive generation and do not approach the schooling returns of U.S.-born whites until the third generation. These results show promise of economic integration of Mexican migrants, which, in turn, have direct and indirect implications for various types of economic impacts (Smith and Edmonston, 1997). However, the pace of convergence with native whites implies persisting economic disadvantages of Mexican origin men and women. More importantly, these disadvantages are likely to persist and possibly increase as the volume of unskilled migration from Mexico continues.

Similar conclusions were reached by Tienda and Singer (1995) based on their analysis of the economic integration prospects of the legalized population. They showed that the average education level of Mexicans, who made up over 70 percent of the legalized population, actually increased over time, from an average of less than 6 years for the pre-1975 arrivals to 9 years for those who arrived during the 1980s. They also showed positive growth in real wages for cohorts that arrived after 1975 coupled with real wage declines for those who arrived before 1975. In other words, earlier arrivals experienced wage deterioration which paralleled that experienced by unskilled native workers. Finally, in response to the question of whether undocumented immigrants can be economically assimilated, Tienda and Singer demonstrated positive real wage returns to U.S. experience in an undocumented status for all regional origin groups.

The suggestion that returns to English proficiency may be rising over time (Trejo, 1997a) is noteworthy from the standpoint of social impacts because Mexicans have higher rates of Spanish language retention than other recent immigrants (Lopez, 1996; Ortiz, 1996). Lopez (1996) emphasizes that exposure to other immigrants, not generational status, is the most powerful predictor of language maintenance. Moreover, persons born in Mexico as well as native-born persons of Mexican ancestry have low rates of internal migration, which is both a consequence and a cause of Spanish language maintenance. In this regard, the forces for retaining Spanish in public and private settings is particularly high for Mexicans, not only because of the sheer volume and residential concentration of recent flows, but also because Mexican Americans are less likely to migrate internally and more likely to

reside in multi-generational households that include one or more foreign-born persons (Lopez, 1996). These living arrangements slow the pace of language shifts among Mexican American households. Ortiz (1996) shows that in Los Angeles, the proportion of younger Chicanos who reported speaking Spanish at home rose between 1980 and 1990. She argues that this change reflects an increase in the share of young people with foreign-born parents rather than a change in the pace of language shift, but this is not obvious from the evidence presented. In any event, the role of Mexican migration in Spanish language maintenance is undeniable.

The tendency for Mexican migrants to reside in densely settled ethnic neighborhoods promotes maintenance of Spanish language use in public spheres further slows the shift toward exclusive language use. Public use of Spanish is more socially significant for ethnic relations than is private usage (Lopez, 1996). In cities that have been highly impacted by recent immigration from Mexico and other parts of Central and South America, Spanish usage is common even in non-Latino neighborhoods. This is because Spanish-speaking in public places is associated with the manual industrial and service occupations in which Mexican migrants are disproportionately represented, especially southern California, Texas and Chicago. Thus, Spanish usage has come to symbolize membership in the lower rungs of the working class (Lopez, 1996).

Naturalization and Political Participation

There are many political dimensions of Mexican migration and Mexican American life in the United States. Identification and measurement of political impacts of Mexican migration are highly complex and often indirect, which compounds the difficulty of measurement and assessment. Political life in the United States, as elsewhere, includes the realms of routine electoral politics where candidates seek votes, symbolic politics where images of migrants may be put to a variety of uses, and legislative politics where rights and privileges of different groups may be gained or lost.

If the migrants cannot vote, no direct effects seem forthcoming on routine electoral politics in the United States, but several links between migration and electoral politics exist, some direct and others indirect. Just as the econometric literature has tended to show that the labor market impacts of migration, when they are measurable, are mainly felt in communities where earlier migrants settled, so, too, the various political impacts of Mexican migration are felt primarily in Mexican American communities.

The foreign born affect electoral politics directly through census enumerations and decennial redistricting. U.S. congressional districts and all state legislative districts are apportioned on the basis of persons, rather than on the basis of citizens or

adult citizens because of the wording of article 1, section 2 of the U.S. Constitution (the U.S. is quite unusual in this regard). In the aftermath of the Voting Rights Act of 1965, which was extended in 1975 to include protections for Mexican Americans, some legislative districts have been designed to be minority dominated to insure greater minority representation in the various legislative bodies.

Because these districts are designed to contain a specified number of people, rather than a certain number of adult citizens, Mexican-American districts have many fewer potential (and actual) voters than other districts. Table 8 shows that in the 1992 U.S. elections, Mexican Americans cast only about 16 votes per hundred *persons*, while non-Hispanic Whites cast about 50 votes per hundred persons. The low number of Mexican-American votes derives from several factors—younger population, lower naturalization rates coupled with relatively low registration and voting rates. The most important difference is the low adult citizenship rate, 54 percent as compared with 95 percent for non-Hispanic Whites and 92 percent for non-Hispanic blacks. Even though they cannot vote, Mexican migrants ought to be considered a political asset for the adult U.S. citizens in established Mexican-American communities because the political clout of the established communities partly depends on the creation of safe districts, and the legislative districts depend on a sizable number of migrants.

The political demography of immigration also implies costs for established Mexican-American communities. Skerry (1995) and others have argued that the presence of large numbers of Mexican migrants, most of whom are quite disinterested in American electoral politics, dilutes the natural bonds between the elected officials and the adult citizens whom they most directly represent. Whether the presence of large numbers of migrants makes it harder for elected officials to reach out to their natural constituents (the adult citizens), and whether or not the representatives from Mexican-American districts have limited clout because of the paucity of voters in their districts, there is no doubt that Mexican-American communities are far less politically powerful than they potentially could be. The low registration rates and voting rates by Mexican-American adult citizens are substantial evidence, though not the only evidence, for weaknesses in political organization.

Mexican immigrants have the lowest naturalization rates of any foreign national origin group of substantial size in the U.S. Low naturalization rates can be seen as a proxy for the very limited attachment of Mexican immigrants to American politics, although some other factors (such as the potential loss of property in Mexico) have historically played a role in keeping the naturalization rates of Mexican immigrants down. On the other hand, the U.S.-born children of Mexican migrants are automatically U.S. citizens and these subsequent generations will be primarily attached to the U.S. political system, and in principle will augment the political power of established Mexican-American communities. But

Table 8
Demography of Political Participation, 1992

	Mexican Americans	Non-Hispanic Blacks	Non-Hispanic Whites	Other Non-Hispanics	Cubans	Puerto Ricans	Other Hispanic
Persons	15,267,776	32,077,899	192,958,425	8,780,088	1,122,381	2,640,295	4,715,788
(A) Adults/Persons	60%	65%	75%	71%	75%	55%	67%
(B) Adult Citizenship Rate	54%	92%	95%	58%	55%	93%	43%
(C) Registration Rate (for Adult Citizens)	61%	71%	78%	62%	78%	61%	69%
(D) Voting Rate (for Those Registered)	80%	84%	90%	87%	90%	79%	87%
Voters/100 Persons (A*B*C*D)	15.76	35.27	49.94	22.28	28.96	24.34	17.34

Source: Case weighted data from the 1992 Current Population Survey, November Voting Supplement

the naturalization profile of Mexican immigrants may change because immigrants granted amnesty have recognized that citizenship broadens their possible sponsorship of other family relatives and because citizenship safeguards eligibility for social welfare benefits.[34]

How Mexican migrants influence the political life of Mexican Americans, and by extension the American political system as a whole, largely depends on the political solidarity, or commonality of purpose, between the migrants and the co-ethnic U.S. natives. A comparison between the Cuban-American and the Mexican-American communities is instructive. Refugees from Castro's Cuba have generally found a substantial amount of political solidarity in the already established Cuban-American community (mainly in Florida) due to their shared and often strident opposition to the Castro regime (Portes and Stepick, 1993). Cuban immigrants have much higher naturalization rates than Mexican immigrants, and as Table 8 shows, Cuban-American citizens have registration and voting rates that far surpass those of Mexican Americans and sometimes exceed those of native whites. (Income and class, of course, play an important role along with sociopolitical factors in determining political participation). The political solidarity between Cuban immigrants and Cuban Americans has helped the Cuban-American community attain a political strength far beyond their numbers (Portes and Stepick, 1993).

Mexican Americans, on the other hand, seem to be more ambivalent about newer migrants from Mexico. Various surveys conducted and reported by de la Garza and his colleagues (de la Garza et al, 1992) have demonstrated a considerable lack of support among Mexican Americans for the rights of new immigrants. Various election day polls (Ayres, 1994) from 1994 showed that as many as 30 percent of California's mostly Mexican-Hispanic voters supported Proposition 187, arguably one of the most egregious pieces of anti-immigrant legislation in the post-Civil Rights era.

It is noteworthy that the Mexican-American community has substantially increased its power in electoral politics since 1970, and therefore the political impacts of Mexican migration, mediated through a complex relationship with established Mexican-American communities, may have *indirect* effects on elections and legislation at the local and national level. In presidential politics, the concentration of Mexican Americans in three important states (California, Texas, and Illinois) could potentially give Mexican-American voters significant leverage. However, such leverage, if it is forthcoming, would depend on the state in question being very closely contested, and on high voter turn out and block voting among Mexican American voters. While Mexican-American voters have generally favored Democratic over Republican candidates in presidential elections in proportions almost high enough to qualify as "block voting," the low turnout of Mexican

Americans, and the lower fund raising potential of the Mexican-American community compared to other constituencies means that national candidates are likely to continue to view the Mexican-American electorate as a marginal, rather than a central player.[35]

The designation of Mexican Americans as a "minority" group is a designation with social, demographic, and political implications. In many ways, Mexican Americans first became an official minority in 1975, when Mexican-American groups led by MALDEF (Mexican American Legal Defense and Educational Fund) made a successful effort to get the Congress to extend the protection of the Voting Rights Act (widely viewed as the most successful civil rights legislation in American history) to Mexican Americans. In general, Mexican-American political organizations tend to identify themselves with a coalition of minority interests, but Mexican Americans themselves are deeply ambivalent about their minority status (Skerry, 1993). While Mexican-American politicians in the U.S. Congress tend to find much common ground with black congressional leaders (both groups are predominantly Democratic, mostly urban, and largely progressive on fiscal issues), on the local level, such black- Mexican coalitions have proven much harder to create or sustain.

Crime

There is a general perception that high levels of migration and high crime rates are causally associated. Between 1960 and 1990, the annual migration rate rose from 1.7 to 3.0, while the homicide rate increased from 4.8 to 8.3 (Hagan and Palloni, 1996). Unfortunately, relatively little research addresses the association between changing crime and migration rates, and even less information focuses on the involvement of particular groups of migrants in criminal activity.

According to the 1991 Survey of State Prisons, Mexicans account for nearly half of the foreign-born population in state prisons. However, this does not establish that Mexicans are more prone to crimes than other migrants to the United States or U.S. natives. Rather, the over-representation of Mexicans among the foreign-born prison population reflects differences in treatment through the criminal justice system. Specifically, migrants along the border are more likely to be arrested, detained prior to trial, and consequently, to be convicted and imprisoned. Undocumented migrants also are less likely to be released from jail prior to trial. Because Mexicans are disproportionately represented among migrants detained along the border and among undocumented migrants, they are incarcerated at rates from 2 to 4 times those of citizens (Hagan and Palloni, 1996). However, gross differences in the incarceration rates of Mexican and U.S. citizens disappear once differences in age structure (because Mexicans are younger and petty crime rates

are higher among the young) and especially the differences in treatment in the criminal justice system of Mexicans and Anglos are taken into account. Thus, Hagan and Palloni (1996) conclude that for Mexicans the temporal association between migration and crime is coincidental rather than causal.

That property crime rates (but not violent crime rates) along U.S.-Mexico border cities are relatively high has fueled perceptions that migrants, and Mexicans in particular, are somehow responsible. There is some evidence that high crime rates along the U.S.-Mexico border are related to the level of undocumented migration, but not legal immigration (Hagan and Palloni, 1996; Smith and Edmonston, 1997). However, crime rates have fallen in recent years even though migration from Mexico, including unauthorized migration, has remained high. This situation affords an opportunity to set the record straight about the lack of causal connection between Mexican migration and crime rates along the U.S.-Mexico border. That is, crime rates along the border are below those of comparable non-border cities (Smith and Edmonston, 1997; Hagan and Palloni, 1996). Nevertheless, perceptions that crime along the border is due largely, if not exclusively to Mexican immigration may be more influential than facts in shaping policy responses to immigration. Therefore, our final section discusses recent evidence about attitudes toward and perceptions of Mexican migration to the United States.

Attitudes and Perceptions

Much of the current debate about immigration, and Mexican migration in particular, is fueled by distorted perceptions about the costs and benefits of migration rather than facts. This is significant because perceptions are crucial in shaping reactions to immigration. Two general changes in attitudes toward immigrants are germane for understanding the rising tide of anti-immigrant sentiment, and anti-Mexican sentiment in particular (Espenshade and Belanger, 1997). First, several recent polls suggest that anti-immigrant sentiment is on the rise. Nearly two of every three people surveyed in 1995 reported that U.S. immigration should be reduced. A similar level of disapproval arose in the early 1980s, when unemployment reached 10 percent. However, when given a choice, the majority of the U.S. population preferred immigrants from Europe and Asia over those from Latin America. And, among Latin American immigrants, those from Mexico were least preferred.

Second, the general public exaggerates the pervasiveness of undocumented migration as a share of total immigration from Mexico (Espenshade and Belanger, 1997). Several polls conducted during the early 1990s revealed that two of every three respondents surveyed believed that the majority of migrants were undocumented. In fact, Mexico-U.S. relations are so confused in the public mind

that nearly one in three respondents to a public poll indicated that illegal immigration was the greatest worry about the future of Mexico. The negative views about immigration, and Mexican migration in particular, reflect perceived job competition of undocumented migrants with domestic workers. Finally, when queried whether undocumented immigrants should be denied access to health and education, more than half of respondents answered affirmatively. The rising tide of anti-immigrant sentiment has been matched with legislation that attempts to deny immigrants access to collective consumption services and benefits of all kinds, except in the event of dire emergency. Restrictive policies of recent years, especially the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) appear to have deep foundations in perceptions and more shallow foundations in fact.

Conclusions about Socio-political Impacts

Our general overview of social impacts points to several general conclusions, some more tentative than others. Although Mexican migrants tend to concentrate residentially, especially upon arrival, the available evidence points to residential integration over time. The 1980s witnessed an increase in residential concentration of Mexican migrants, but partly this reflects the intensity of the flow and the disproportionate share destined for a few labor markets in the Southwest. Nevertheless, residential concentration patterns imply concentrated impacts and possibly a slower pace of socio-cultural assimilation. This is evident in the high rates of Spanish language retention, which in turn, has implications for educational attainment and labor market integration of subsequent generations.

Social integration depends crucially on economic assimilation. Although there remains some controversy about whether migrants from Mexico can be integrated economically, recent econometric evidence suggests that second and third generation Mexican American men earn higher wages than their foreign-born counterparts of comparable human capital. In other words, the large wage gap between Mexican and non-Hispanic white men, and between native and foreign-born Mexican origin men, is largely attributable to group differences in levels of educational attainment and English proficiency. This is not a trivial issue, however, because Mexican migrants possess significantly lower human capital stocks than U.S. natives (including blacks) and because the demand for unskilled workers has fallen, thereby virtually ensuring low wages for those who do manage to get a foothold in the labor market.

Political impacts of Mexican immigration hinge on rates of naturalization and settlement patterns. The concentrated presence of Mexican immigrants increases the size of communities and the likelihood of indigenous representatives.

However, the low rates of naturalization coupled with the low voting rates weaken the potential impact of Mexican immigration on the political system, at least in the short run. Owing to poor data about immigrants and the criminal justice system, it is difficult to draw conclusions about the impact of Mexican migration on crime. Nevertheless, Mexicans do not appear to be more prone to crime than U.S. natives, and the major trends in crime along the Mexico-U.S. border appear not to be driven by migration. Finally, rising opposition to Mexican immigration appears to be based on mis-perceptions about the prevalence of undocumented migration in the total flow of Mexican migrants, and perceptions that Mexicans take jobs away from domestic workers. Whether right or wrong, these perceptions are quite profound in their consequences.

Conclusions and Recommendations

At the outset we postulated that migration from Mexico produces benefits to the United States, and that these benefits come at a cost. Our assessment leads us to conclude that the main beneficiaries are the workers themselves, both those who remain in the United States and earn higher wages than they would in Mexico, as well as those who return and reap higher returns on U.S. experience than they would have on a comparable amount of work experience in Mexico (Zahniser and Greenwood, 1997). U.S. workers who are complements in production to Mexican immigrants benefit, but we find limited evidence of complementarity. The major beneficiaries of Mexican labor are the owners of capital and land, which in California and Texas includes the vast agricultural industry that historically has employed large numbers of Mexican workers. U.S. consumers also benefit from Mexican immigration through lower prices afforded by lower unit costs for goods produced by industries where immigrants are concentrated (this includes the vast labor-intensive segments of the agricultural industry). Finally, the U.S. economy grows via Mexican immigration, although this is not a major source of economic dynamism. However, it is unclear whether and how the presence of Mexican migrants generate scale effects at the national level, although local scale effects may be more substantial.

There are also costs associated with Mexican migration. The displacement of workers who are substitutes in production is the most pronounced labor market impact, which is disproportionately borne by earlier migrants from Mexico and increasingly, by African Americans. Thus, continued immigration from Mexico may dampen the economic prospects of earlier arrivals. State and local governments that incur fiscal outlays for immigrants without adequate reimbursement from the federal government also bear the costs of Mexican migration. Education costs are particularly large, especially when they involve outlays for bilingual education

and other special services. Because education costs are incurred mainly by the young and represent an investment in future generations of workers, their present value should be discounted by the future productivity of the workers.

Another important facet of Mexican migration is that the demographic, economic and social impacts are concentrated spatially because the vast majority of earlier and recent arrivals settle in just three states—California, Texas and Illinois—and primarily in a few metropolitan centers within these states. Although residential concentration can not be assigned to either the cost or benefit ledger, this feature of Mexican migration has important social and cultural implications. The residential patterns of recent arrivals have altered the ethnic landscape of these states and in some locations, has visibly (and measurably) altered race and ethnic segregation patterns. That Mexican immigration mainly involves young workers also shifts the dependency ratio favorably, such that the burden of the elderly is shouldered by a wider base than would be the case in the absence of immigration. But, the average educational level of Mexicans is very low compared to the U.S. population, including Mexican Americans, and the weight of large cohorts in recent years have dragged down the average educational level of the Mexican origin population overall.

Residential concentration is important because it increases the visibility of the Mexican origin population and fuels anti-immigrant attitudes, particularly among those groups most likely to compete with them. Residential concentration patterns imply concentrated impacts and possibly a slower pace of socio-cultural assimilation. This is evident in the high rates of Spanish language retention, which in turn, has implications for educational attainment and labor market integration of subsequent generations.

Major Conclusions

Demographic Impacts

Although immigration has not been a major component of population growth in the past, its influence on demographic change has been increasing in recent decades. Consequently, future social and economic impacts of Mexican migration are likely to be greater because they will be compounded by higher fertility and mortality of Mexican-origin women, and the lower mortality at younger ages.

Labor Market Impacts

Analyses based on the 1990 census indicate that immigrants have little impact on native workers, except in areas of high immigrant concentration, where some job displacement and slight downward pressure on wages was evident. However,

the largest negative impacts were on the migrants themselves. Case studies indicate displacement of native workers in those sectors where that attract foreign workers. The continued flow of new migrants and their location in the same areas as their earlier counterparts, coupled with relatively low internal migration rates of persons born in Mexico, suggest that migrants from Mexico will have some difficulty in improving their economic status, at least relative to other foreign-born groups.

Impacts through Scale

Although relatively understudied in the literature on impacts of Mexican immigration, economies of scale (generated by the emergence of dense Mexican immigrant communities) can produce positive economic outcomes. The Little Village study showed that scale effects associated with densely settled neighborhoods appear to be conducive to enterprising activity even among low-education Mexican immigrants.

Welfare Participation Impacts

Mexican migrants are less likely to receive means-tested welfare benefits than their U.S. born counterparts of Mexican origin, but welfare participation rates differed by gender, headship and age. Household heads 65 and over who were born in Mexico were more likely to receive SSI in 1989 than otherwise comparable native-born heads, but this tendency may have been due to the failure of the Mexico-born heads to qualify for Social Security relative to their native-born counterparts. Welfare participation patterns and their consequences will change as a result of recent changes in welfare legislation. The new eligibility requirements may discourage the entry of some potential migrants from Mexico. The major effect of the new legislation may be the perception that the U.S. is less receptive to migrants from Mexico than previously, particularly undocumented migrants.

Fiscal Impacts

Fiscal impacts of Mexican immigration differ legal status; by state of residence; by program; and by age groups, but also depending on whether a static or longitudinal time frame is used to assess impacts; whether individuals or households are used as analytic units in calculating revenues and expenditures; and the assumptions about the size of the undocumented population. Nevertheless, because California receives the largest share of Mexican—both legal and undocumented—and because of its tax structure, it also incurs the largest fiscal impacts. Finally, the net fiscal benefits associated with immigration generally accrue to the federal government

(via federal taxes) while the net costs generally accrue to local entities, i.e., states and counties (Smith and Edmonston, 1997). Short-term impacts of Mexican immigrants depend crucially on age at arrival and schooling levels, which determine labor market options. Longer term fiscal impacts depend on income and earnings differences relative to native workers, fertility (which influences the educational investments required by children of immigrants) and state of residence (which determines the progressiveness of the tax structure).

Socio-Political Impacts

Social integration depends crucially on economic assimilation and vice versa. Although there remains some controversy about the pace at which migrants from Mexico can be integrated economically, recent econometric evidence suggests that second and third generation Mexican American men earn higher wages than their foreign-born counterparts of comparable human capital. In other words, the large wage gap between Mexican and non-Hispanic white men, and between native and foreign-born Mexican origin men, is largely attributable to group differences in levels of educational attainment and English proficiency. This is not a trivial issue, however, because Mexican migrants possess significantly lower human capital stocks than U.S. natives (including blacks) and because the demand for unskilled workers has fallen, thereby virtually ensuring low wages for those who do manage to get a foothold in the labor market.

Political impacts of Mexican immigration hinge both on rates of naturalization and settlement patterns. Low rates of naturalization coupled with the low voting rates weaken the potential impact of Mexican immigration on the political system, at least in the short run. Owing to poor data about immigrants and the criminal justice system, it is difficult to draw conclusions about the impact of Mexican migration on crime. Nevertheless, Mexicans do not appear to be more prone to crime than U.S. natives, and the major trends in crime along the Mexico-U.S. border appear not to be driven by migration. Finally, rising opposition to Mexican immigration appears to be based on mis-perceptions about the prevalence of undocumented migration in the total flow of Mexican migrants, and perceptions that Mexicans take jobs away from domestic workers. Whether right or wrong, these perceptions are quite profound in their consequences.

Research Agenda

Our study identified several areas requiring further research to better understand the demographic, economic and social impacts of Mexican migration to the United States. We conclude with a brief overview of priority questions for further research.

Demographic Issues

Mexican origin women have the highest fertility of all immigrant groups, but there is need to better understand:

- What are the causes and consequences of differential fertility of Mexican origin women in the United States?

- How do Mexican-born women and subsequent generations of native-born women of Mexican ancestry adjust their fertility behavior with duration of residence in the United States?

- How will inter-marriage patterns accelerate the assimilation of the Mexican-origin population?

- Why do internal migration patterns of the Mexican-born differ from those of their U.S.-born counterparts, and what consequences (positive and negative) follow from the low rates of internal migration?

Economic Issues

We identified several ways in which Mexican immigration differs from other flows, but data limitations constrained our ability to draw firm conclusions about various aspects of economic impacts. Further research is needed to address unanswered questions, such as:

- How do the earnings of Mexican-born individuals and those of subsequent generations of native-born persons of Mexican ancestry behave relative to an appropriate control with duration of residence in the U.S.?

- How does welfare participation and levels of welfare use change with duration of U.S. residence? What are the short and long-run fiscal impacts of legal and undocumented migrants from Mexico at the local, state and national levels?

- What is the level, nature and outcome of informal employment by legal and undocumented migrants from Mexico?

- Why are the internal migration rates of Mexico-born persons so low relative to other major immigrant groups? To what extent do these low rates of internal migration impact various outcome measures, such as earnings, employment, English language ability and other indicators of economic and social integration?

- How does the limited internal migration of the Mexican-born and Mexican-ancestry population affect residential segregation?

- What factors slow linguistic assimilation of the Mexican-born population? What are the implications of Spanish language maintenance for subsequent generations of youth? Does Spanish language maintenance retard social and economic assimilation?

- What processes undergird the negative impacts of recent migrants on employment and earnings of earlier migrants from Mexico? Is it because the earlier migrants do not respond (via migration) to labor market opportunities in other locations, do not master English, do not acquire additional education, and thus remain labor market substitutes for subsequent arrivals?

- What types of scale effects result from concentrations of Mexican migrants? Scale effects derive from the fact that Mexican immigrants consume goods and services produced in the United States, thereby contributing to aggregate income growth (although the net beneficiaries of immigrant consumption are the owners of capital). Although there is relatively little study of the consumption profiles of Mexican immigrants, such information is valuable for appreciating how the scale effects of Mexican immigration operate through demand for goods and services, including those produced within and outside of ethnic labor market niches.

Social Issues

The economic future of the Mexican-origin population hinges crucially on improving the educational profile of subsequent generations. Although the education levels of the Mexican-origin population have been improving, the rate of improvement is not fast enough to keep pace with either the gains observed for other demographic groups, or the increased skill requirements of employment.

- How do the Mexican-born and their offspring compare in this respect to other historical and contemporary immigrant groups?

- What are the determinants of naturalization propensities among immigrants from Mexico? Why are these propensities so low? Will recent changes in U.S. policies change the naturalization rates of Mexicans?

- How important is crime among the Mexican-born population, and is this problem increasing? Are recent arrivals more prone to crime than earlier migrants?

Notes

1. With assistance from Paul Davies, John McDowell, Emilio Parrado, Michael Rosenfeld and Steven Zahniser.

2. The Illegal Immigration Reform and Immigration Responsibility Act of 1996 explicitly precludes undocumented migrants from receiving most major federal public benefit programs. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, more commonly known as the Welfare Reform Act, disqualifies lawful permanent residents from receipt of food stamps and Supplemental Security Income, and prohibits immigrants legally admitted after 22 August 1996 from receiving any federal means-tested program for five years.

3. That IRCA altered the legal status of over a million Mexican migrants raises the possibility that impacts by legal status have been changed over the period we analyze.

4. For evidence about the sensitivity of conclusions about labor market impacts of migrants to level of aggregation, see Borjas, Freeman and Katz, 1996).

5. Migrant streams from Mexico are relatively small by historical standards, notably the population losses sustained by European countries during the early nineteenth century (see Massey, 1988).

6. There is some evidence that Mexican migrants are "preferred" to African American and Puerto Rican workers, especially in jobs that become "immigrant-typed" (Krischenman and Neckerman, 1991; Tienda, 1989). Some advantages of hiring Mexican migrant workers derive from well-established network recruitment hiring that benefits employers via lower search and replacement costs while also providing an informal screen on reliability.

7. For example, if the owners of capital in the United States enjoy a given gain at the expense of low-income workers, society may not wish to equally weigh the gains and losses. Such normative judgments presumably are one rationale for imposing entry quotas.

8. In the interest of brevity we focus on the three major destination states of Mexican migrants, but have produced parallel tables for Florida, New York and the major regions exclusive of these states. These results are reported in a separate appendix.

9. Another perspective of the dominance of Mexican workers in agriculture is provided by Table 2A, which presents the race and ethnic composition of industries. Taking California as an example, Mexican migrants account for nearly half of all workers in the industry compared to 36 percent of white natives and only 6 to 7 percent of Mexican natives and other migrants. Among women, over one-third of those employed in agriculture are Mexico born, compared to less than 7 percent of other migrant women.

10. Annual net demographic change stabilized around 1 percent by 1968, with modest oscillations around this level in particular years. See 1996 Statistical Abstract of the United States, Table 2.

11. These numbers are derived as follows: 12 percent of legal U.S. immigration from Mexico times a 25- to 33-percent contribution of the foreign born to U.S. population growth yields a 3- to 4-percent contribution of legal Mexican immigration to U.S. population growth during non-IRCA years. During IRCA years the calculation is based on 40 percent of legal U.S. immigration coming from Mexico, which yields between a 10- and 13-percent contribution of legal Mexican migration to U.S. population growth. Of course, this crude calculation ignores the fact that undocumented migrants were already present in the United

States and ignores the secondary impact of undocumented migration on population growth due to fertility. The latter consideration renders these estimates conservative, while the former implies that the demographic impacts occurred in years prior to those observed.

12. Bachu (1991:35) reports that the average number of children ever born was higher for women born in Mexico (2.1 births per woman) than for women born in any other country or region. On average, foreign born women 18 to 44 years old in 1988 each had borne 1.6 births at the time of the survey compared with 1.3 births for native born women.

13. Of the remaining 14.6 percent, 5.4 percent resided in Arizona, Colorado and New Mexico combined, 1.2 percent resided in Florida, 1 percent in New York, and 7 percent were dispersed throughout the rest of the country.

14. The medium immigration assumption is 820,000 per year, which is approximately the 700,000 reported by Fix and Passel (1994) plus an additional 120,000 undocumented migrants or other unanticipated refugee stream. The Census Bureau's (1996) rationale for the 820,000 middle scenario assumes 1,042,000 immigrants and 222,000 emigrants, which reflects the 1990 immigration law changes and current knowledge of emigration, undocumented migration, and movement to and from Puerto Rico.

15. This section was drawn from Greenwood and McDowell (1993) and McDowell, 1997, but with the permission of Greenwood.

16. Greenwood and Lillydahl (1984) discuss these and related data in more detail. Massey, et al. (1987, p. 173) report that among the households they surveyed, annual gross income earned in the U.S. in 1982 ranged from 281,000 to 352,000 pesos, assuming the average exchange rate that prevailed during the year. In the agricultural sector of Mexico the prevailing wage translated into 52,000 pesos per year if a worker were employed 52 weeks, which is highly improbable. Thus, by working in the United States, an individual from rural Mexico would enjoy at least a five-fold increase in annual earnings. For a sample of predominately undocumented Mexican migrants, Jones and Murray (1986) report a ratio of U.S. (i.e., average weekly earnings on latest U.S. job) to Mexican (i.e., average weekly income in Mexico) earnings that ranges from 7 to 13.

17. As of January 1997, 1,585,418 visa applications were active for North American countries. This figure represented 43.8 percent of applications worldwide.

18. The sophistication (and complexity) of the model can be increased by introducing a second good, either produced for export or domestic consumption. This extension of the model is important for understanding the elasticity of substitution of goods and laborers. However, for our purposes here, it suffices to focus on two labor groups, as this is most germane for the topic at hand.

19. This conclusion could conceivably be reversed by the presence of market distortions that result in a wide divergence between an individual's private remuneration and private marginal product. This possibility is, however, unlikely (Johnson, 1965).

20. Referring to the impacts of population growth on inventive activity, Kelley (1972, p. 20) concludes that "the scale effects of population have likely diminished significantly over time; they could well be unimportant in the contemporary setting." Kelley (p. 16) also speculates that, while probably significant in the past, "it is plausible that the positive benefits of population size through land and mineral development ... are relatively unimportant today." Spengler (1956, p. 287) makes essentially the same point as Kelley; that is, "possibly until the outbreak of World War I, immigration contributed directly and indirectly to ...the growth

of net national product and the amount produced per head. It is doubtful, however, whether this proposition remains valid after World War I."

21. For example, if immigrants are unskilled when they arrive, in the short run their impact may widen differentials between the wage of low- and high-skilled domestic workers. However, as immigrants acquire more experience, their earnings rise.

22. Skill groups are based on quartiles in a skill quantity index. Low skill refers to the bottom two quartiles based on a representative national sample from the 1990 U.S. census. High skill refers to the top two quartiles. Based on the national distribution of the skill index, data for specific metropolitan areas were formed into the various skill groups. The foreign born from Mexico tend to fall mainly in the low-skill group. More detail on the skill groups is found in the Appendix to the Commission report (see Davies, Greenwood, Hunt, Kohli, and Tienda, 1997).

23. Appendix A contains detail on all 122 metropolitan areas, whereas Table 6A and 6B report only selected areas.

24. The model upon which these conclusions are based consists of capital and the following eight labor categories: (1) low-skill native black males; (2) low skill native black females; (3) low-skill native non-black males; (4) low-skill native non-black females; (5) low-skill foreign born; (6) high-skill native blacks; (7) high-skill native non-blacks; and (8) high-skill foreign born. The skill categories are defined as discussed for the "Mexican model," and the estimates are based on 1990 census data for 225 MSAs. The simulation results are derived for a 20-percent increase in category 5—low-skill foreign born. Note that this group contains more than just low-skill persons born in Mexico because Los Angeles receives foreign-born persons from numerous countries of birth (Waldinger and Bozorgmehr, 1996).

25. Of course, the important question that no study has answered satisfactorily is whether the economic mobility of African Americans would have been higher were it not for the influx of immigrants. Unfortunately, we are not aware of any studies that can address this question in a compelling way. Several recent papers to be presented at a workshop address the question of whether and how immigration impacts African Americans specifically. This information will be incorporated in a subsequent draft.

26. Card has shown that the Mariel Boatlift, which consisted of mostly low skilled migrants, in the course of 6 months increased Miami's work force by 7% (60,000 people), yet had no perceptible impact on Miami's labor market for either natives or for previous Cuban migrants. This surprising result implies that the economic impacts of migrants are not so easily isolated to their city of entry or residence as has been previously assumed. Considering that the Mariel boat lift corresponded to a wave of migration that was a full order of magnitude larger (relative to the work force of Miami) than most of the empirical studies are able to contemplate, and that no impacts were found, Card's study raises fundamental questions about the efficacy of the econometric literature on labor market impacts of migration

27. A later study by Borjas appears to contradict that conclusion. See OECD report by Greenwood, et al., 1997.

28. Imagine adding one additional child to a school system: if the child can be absorbed into an already existing classroom, without any loss of quality in the education for the classmates, then the marginal cost of educating one additional child may be less than the

average cost. If a community received a wave of new immigrants and was forced to construct a new school building to accommodate them, the marginal cost of educating the new students might exceed the average cost per student throughout the district. Positive returns to scale implies decreasing marginal costs of services (because larger enterprises will presumably be more diversified, more efficient, and will have already made substantial capital expenditures whose cost can be born by more people).

29. Little Village experienced profound demographic succession between 1970, when Hispanics comprised only 30 percent of the community population, and 1990, when Hispanics comprised over 80 percent of all residents. In fact, by 1990, 17 of 20 census tracts were over 84 percent Hispanic, predominantly Mexicans (born in the U.S. and in Mexico). The household survey reported that over three-fourths of respondents were Mexico born. During this period, the white population decreased from 53 to 6 percent of the total and the total population of the community area rose from 62,848 to 81,155, representing a considerable increase in density (Raijman, 1996).

30. Data and models are not sufficiently refined to allow investigators to conclude that no one from Mexico enters the United States with the intention of collecting welfare, but general tendencies are clear.

31. Our discussion of demographic impacts underscored the point that California has received an increasing share of all immigrants in recent years, including undocumented immigrants from countries other than Mexico. Therefore, impacts associated with undocumented and legal migration from Mexico may in fact derive from other groups. Therefore, inferences about the current fiscal impacts of Mexican immigration are therefore exaggerated.

32. Several limitations of this study were identified by NAS, 1996, but generally conclude that this study is one of the best of its genre.

33. In fact, she seems to have causality reversed when she argues that "economic restructuring drew the growing number of new immigrant arrivals into an ever-expanding low-wage sector, where the increased immigrant concentration in a narrow tier of niches drove wages down" (p. 260).

34. Although Mexicans have among the lowest naturalization rates of all immigrant groups, recent years have witnessed a surge in naturalization applications, especially after immigrants granted amnesty became eligible for citizenship.

35. DeSipio and Rocha (1992) argued that Dukakis' successful courting of Mexican American voters and organizations during the 1988 Democratic primaries was a key ingredient in his successful run for the nomination, especially in the Southwest. They also note, however, that once the primaries were over Latino political interests were quickly marginalized.

Appendix A — Real Wage
Percentage Change in Real Wage of Various Labor Skill Groups Due to a 20-Percent Increase in Low-Skilled, Foreign-Born Labor—Selected MSAs

MSA	Low-skilled Native				Low-skilled Foreign Born	Native Black	High-skilled	
	Black		Non-black				Native Non-black	Foreign Born
	Male	Female	Male	Female				
Chicago, IL (1600)	1.73	-1.08	-0.51	-0.31	-1.07	0.17	-0.74	-1.10
Houston, TX (3360)	1.83	0.33	0.68	0.08	0.33	0.89	-0.52	-0.98
Los Angeles, CA (4480)	0.91	-4.50	-0.44	-2.28	-3.38	-0.79	-2.65	-7.21
Miami, FL (5000)	3.42	0.05	1.18	0.69	-5.46	1.86	-0.72	-7.52
New York, NY (5600)	2.88	-2.52	-0.65	-1.33	-3.66	0.91	-1.36	-4.11
Bakersfield, CA (680)	0.22	0.07	-0.57	0.14	-0.76	-0.43	-0.31	-1.16
El Paso, TX (2320)	2.10	0.44	1.37	1.31	-2.39	0.25	0.12	-2.59
Midland, TX (5040)	0.81	-0.13	-0.16	-0.01	-0.64	0.00	-0.13	-0.60
Odessa, TX (5800)	0.07	-0.03	-0.19	0.04	-0.65	0.13	-0.07	-0.73
Tyler, TX (8640)	0.12	-0.09	-0.10	0.03	-0.48	0.04	-0.08	-0.47
Visalia-Tulare, CA (8780)	0.12	0.26	-0.45	0.35	-1.83	-0.12	-0.10	-2.02
Aurora, IL (620)	0.46	-0.27	-0.22	0.03	-0.76	-0.03	-0.21	-0.83
Corpus Christi, TX (1880)	0.55	-0.02	0.01	0.06	-0.33	0.08	-0.03	-0.36
Fresno, CA (2840)	3.92	-0.83	-0.30	-0.07	-0.77	0.17	-0.30	-1.18
Merced, CA (4940)	-1.16	-0.63	-0.47	0.26	-2.21	0.38	-0.13	-2.43
Salinas, CA (7120)	1.95	-0.31	-0.66	-0.03	-2.14	0.24	-0.28	-2.49
Santa Barbara, CA (7480)	0.49	-0.09	-0.35	-0.01	-1.28	0.12	-0.31	-1.51
Santa Cruz, CA (7485)	-0.26	-0.60	-0.22	-0.06	-1.20	0.14	-0.23	-1.36
Waco, TX (8800)	0.23	-0.09	-0.08	0.00	-0.42	0.08	-0.03	-0.45
San Diego, CA (7320)	-0.14	-0.37	0.01	-0.66	-1.25	-0.01	-0.67	-1.68

Appendix A — Employment
Percentage Change in Employment of Various Labor Skill Groups Due to a 20-Percent Increase in Low-Skilled, Foreign-Born Labor—Selected MSAs

MSA	Low-skilled Native Black Male	Black Female	Non-black Male	Non-black Female	Low-skilled Foreign Born	Native Black	High-skilled Native Non-black	Foreign Born
Chicago, IL (1600)	-1.37	-1.68	-0.31	-0.33	-0.90	-1.23	-0.10	-0.49
Houston, TX (3360)	-1.03	-1.57	-0.22	-0.23	-0.24	-1.17	-0.09	-0.43
Los Angeles, CA (4480)	-3.43	-4.25	-0.85	-1.25	-2.21	-3.41	-0.24	-1.46
Miami, FL (5000)	-2.08	-2.76	-0.36	-0.18	-2.97	-2.11	-0.17	-1.22
New York, NY (5600)	-2.64	-3.08	-0.68	-0.88	-2.28	-2.46	-0.18	-1.13
Bakersfield, CA (680)	-0.48	-1.00	-0.14	-0.06	-0.43	-0.50	-0.04	-0.22
El Paso, TX (2320)	-1.05	-1.59	-0.20	0.17	-1.53	-1.17	-0.08	-0.49
Midland, TX (5040)	0.00	-0.03	-0.02	-0.01	-0.29	-0.06	0.003–0.06	-0.06
Odessa, TX (5800)	-0.06	-0.10	-0.02	-0.01	-0.38	-0.08	-0.01	-0.09
Tyler, TX (8640)	-0.05	-0.04	-0.01	0.00	-0.21	-0.05	0.008–0.06	-0.06
Visalia-Tulare, CA (8780)	-0.91	-0.87	-0.13	0.02	-0.82	-0.59	-0.04	-0.28
Aurora, IL (620)	-0.14	-0.14	-0.04	-0.03	-0.37	-0.15	-0.01	-0.11
Corpus Christi, TX (1880)	-0.14	-0.12	-0.03	-0.01	-0.22	-0.10	-0.01	-0.07
Fresno, CA (2840)	-0.75	-1.17	-0.23	-0.20	-0.55	-0.93	-0.07	-0.32
Merced, CA (4940)	-0.45	-0.58	-0.09	0.00	-1.13	-0.36	-0.03	-0.28
Salinas, CA (7120)	-0.37	-0.83	-0.19	-0.14	-1.08	-0.53	-0.04	-0.35
Santa Barbara, CA (7480)	-0.28	-0.39	-0.08	-0.08	-0.64	-0.23	-0.02	-0.23
Santa Cruz, CA (7485)	-0.39	-0.24	-0.05	-0.06	-0.51	-0.26	-0.02	-0.17
Waco, TX (8800)	-0.07	-0.07	-0.02	-0.01	-0.28	-0.06	0.003–0.06	-0.06
San Diego, CA (7320)	-1.20	-1.77	-0.27	-0.44	-1.01	-1.17	-0.09	-0.52

Appendix B — Scenario A
Fiscal Costs and Benefits of Illegal Immigrants, Compared to all Other Persons in Three States

COSTS

(all data for 1992, in 1992 dollars except for prison populations which is 1993 data)

	1992 Number of Persons	K-12 Education per Student ($)	Number of Students	Aggregate Cost (million $)	State & Local Portion of Medicaid per Capita ($)	State & Local Portion of Medicaid Aggregate Cost (million $)	State & Local Jails Prisoners	State & Local Jails Cost per Prisoner ($)	State & Local Jails Aggregate Cost (million $)
California									
Undocumented immigrants	1,410,000	$4,075	276,574	$1,127	$71	$101	15,109	$23,619	$357
Natives, and documented immigrants	29,457,000	$4,075	4,962,922	$20,226	$144	$4,244	93,442	$23,619	$2,207
Total	30,867,000	$4,075	5,239,496	$21,353	$141	$4,344	108,551	$23,619	$2,564
Illinois									
Undocumented immigrants	173,000	$4,633	21,668	$100	$37	$6	348	$17,301	$6
Natives, and documented immigrants	11,458,000	$4,633	1,865,737	$8,645	$177	$2,029	30,869	$17,301	$534
Total	11,631,000	$4,633	1,887,405	$8,745	$175	$2,035	31,217	$17,301	$540
Texas									
Undocumented immigrants	349,000	$4,330	84,374	$365	$23	$8	1,594	$14,062	$22
Natives, and documented immigrants	17,307,000	$4,330	3,463,910	$14,997	$92	$1,600	61,868	$14,062	$870
Total	17,656,000	$4,330	3,548,284	$15,363	$91	$1,608	63,462	$14,062	$892

377

Appendix B — Scenario A (Continued)

TAXES PAID

	1992 Number of Persons	Sales Tax per Capita ($)	Sales Tax Aggregate (million $)	State Income Tax per Capita ($)	State Income Tax Aggregate (million $)	Property Tax per Capita ($)	Property Tax Aggregate (million $)
California							
Undocumented immigrants	1,410,000	$333	$470	$32	$45	$170	$240
Natives, and documented immigrants	29,457,000	$497	$14,628	$557	$16,413	$370	$10,892
Total	30,867,000	$489	$15,098	$533	$16,458	$361	$11,132
Illinois							
Undocumented immigrants	173,000	$362	$63	$34	$6	$160	$28
Natives, and documented immigrants	11,458,000	$369	$4,231	$410	$4,694	$240	$2,746
Total	11,631,000	$369	$4,293	$404	$4,700	$238	$2,774
Texas							
Undocumented immigrants	349,000	$348	$121			$231	$81
Natives, and documented immigrants	17,307,000	$489	$8,460			$479	$8,295
Total	17,656,000	$486	$8,581	None	None	$474	$8,376

Appendix B — Scenario A (Continued)

NET FISCAL EFFECTS

	1992 Number of Persons	Total Costs (million $)	Costs Per Cap ($)	Total Taxes (million $)	Taxes Per Capita ($)	Net Burden (million $)	Burden Per Capita ($)
California							
Undocumented immigrants	1,410,000	$1,585	$1,124	$755	$536	$829	$588
Natives, and documented immigrants	29,457,000	$26,676	$906	$41,933	$1,424	-$15,257	-$518
Total	30,867,000	$28,261	$916	$42,689	$1,383	-$14,428	-$467
Illinois							
Undocumented immigrants	173,000	$113	$652	$96	$556	$17	$96
Natives, and documented immigrants	11,458,000	$11,207	$978	$11,671	$1,019	-$464	-$40
Total	11,631,000	$11,320	$973	$11,767	$1,012	-$447	-$38
Texas							
Undocumented immigrants	349,000	$396	$1,134	$202	$579	$194	$555
Natives, and documented immigrants	17,307,000	$17,468	$1,009	$16,755	$968	$713	$41
Total	17,656,000	$17,864	$1,012	$16,957	$960	$906	$51

Source: Clark, Passel, Zimmerman and Fix (1994) and Statistical Abstract of the U.S.
NOTE: Scenario A represents best estimates of various costs, expenditures and populations by Clark et al.

Appendix B — Scenario B
Fiscal Costs and Benefits of Illegal Immigrants, Compared to All Other Persons in Three States

COSTS
(all data for 1992, in 1992 dollars except for prison populations which is 1993 data)

	1992 Number of Persons	K-12 Education per Student ($)	K-12 Education Number of Students	K-12 Education Aggregate Cost (million $)	State & Local Portion of Medicaid per Capita ($)	State & Local Portion of Medicaid Aggregate Cost (million $)	State & Local Prisoners	State & Local Jails Cost per Prisoner ($)	State & Local Jails Aggregate Cost (million $)
California									
Undocumented immigrants	1,479,144	$4,075	345,718	$1,409	$71	$105	15,109	$23,619	$357
Natives, and documented immigrants	29,387,856	$4,075	4,893,778	$19,944	$144	$4,239	93,442	$23,619	$2,207
Total	30,867,000	$4,075	5,239,496	$21,353	$141	$4,344	108,551	$23,619	$2,564
Illinois									
Undocumented immigrants	178,417	$4,633	27,085	$125	$37	$7	348	$17,301	$6
Natives, and documented immigrants	11,452,583	$4,633	1,860,320	$8,620	$177	$2,028	30,869	$17,301	$534
Total	11,631,000	$4,633	1,887,405	$8,745	$175	$2,035	31,217	$17,301	$540
Texas									
Undocumented immigrants	370,093	$4,330	105,467	$457	$23	$9	1,594	$14,062	$22
Natives, and documented immigrants	17,285,907	$4,330	3,442,817	$14,906	$93	$1,600	61,868	$14,062	$870
Total	17,656,000	$4,330	3,548,284	$15,363	$91	$1,608	63,462	$14,062	$892

Appendix B — Scenario B (Continued)

TAXES PAID

(per capita rates for years near 1992 applied to 1992 population)

	1992 Number of Persons	Sales Tax per Capita ($)	Sales Tax Aggregate (million $)	State Income Tax per Capita ($)	State Income Tax Aggregate (million $)	Property Tax per Capita ($)	Property Tax Aggregate (million $)
California							
Undocumented immigrants	1,479,144	$333	$493	$32	$47	$170	$252
Natives, and documented immigrants	29,387,856	$497	$14,605	$558	$16,411	$370	$10,881
Total	30,867,000	$489	$15,098	$533	$16,458	$361	$11,132
Illinois							
Undocumented immigrants	178,417	$362	$65	$34	$6	$160	$29
Natives, and documented immigrants	11,452,583	$369	$4,229	$410	$4,694	$240	$2,745
Total	11,631,000	$369	$4,293	$404	$4,700	$238	$2,774
Texas							
Undocumented immigrants	370,093	$348	$129	None		$231	$85
Natives, and documented immigrants	17,285,907	$489	$8,452			$480	$8,290
Total	17,656,000	$486	$8,581	None	None	$474	$8,376

Appendix B — Scenario B (Continued)

NET FISCAL EFFECTS

	1992 Number of Persons	Total Costs (million $)	Costs Per Capita ($)	Total Taxes (million $)	Taxes Per Capita ($)	Net Burden (million $)	Burden Per Capita ($)
California							
Undocumented immigrants	1,479,144	$1,871	$1,265	$792	$536	$1,079	$729
Natives, and documented immigrants	29,387,856	$26,390	$898	$41,896	$1,426	-$15,507	-$528
Total	30,867,000	$28,261	$916	$42,688	$1,383	-$14,428	-$467
Illinois							
Undocumented immigrants	178,417	$138	$774	$99	$556	$39	$218
Natives, and documented immigrants	11,452,583	$11,182	$976	$11,668	$1,019	-$486	-$42
Total	11,631,000	$11,320	$973	$11,767	$1,012	-$447	-$38
Texas							
Undocumented immigrants	370,093	$488	$1,317	$214	$579	$273	$738
Natives, and documented immigrants	17,285,907	$17,376	$1,005	$16,743	$969	$633	$37
Total	17,656,000	$17,864	$1,012	$16,957	$960	$906	$51

Source: Clark, Passel, Zimmerman and Fix (1994) and Statistical Abstract of the U.S.
NOTE: Scenario B represents an adjustment to best estimates of Clark et al. by reclassifying mixed status families to increase the number of undocumented school age children by 25%.

Appendix B — Scenario C
Fiscal Costs and Benefits of Illegal Immigrants, Compared to All Other Persons in Three States

COSTS

(all data for 1992, in 1992 dollars except for prison populations which is 1993 data)

| | 1992 Number of Persons | K-12 Education | | | State & Local Portion of Medicaid per Capita ($) | State & Local Portion of Medicaid Aggregate Cost (million $) | State & Local Jails Prisoners | State & Local Jails Cost per Prisoner ($) | State & Local Jails Aggregate Cost (million $)) |
		per Student ($)	Number of Students	Aggregate Cost (million $)					
California									
Undocumented immigrants	2,083,000	$4,075	408,585	$1,665	$71	$149	15,109	$23,619	$357
Natives, and documented immigrants	29,457,000	$4,075	4,830,911	$19,688	$144	$4,291	93,442	$23,619	$2,207
Total	31,540,000	$4,075	5,239,496	$21,353	$141	$4,439	108,551	$23,619	$2,564
Illinois									
Undocumented immigrants	270,000	$4,633	33,817	$157	$37	$10	348	$17,301	$6
Natives, and documented immigrants	11,458,000	$4,633	1,853,588	$8,588	$177	$2,042	30,869	$17,301	$534
Total	11,728,000	$4633	1,887,405	$8745	$175	$2,052	31,217	$17,301	$540
Texas									
Undocumented immigrants	550,000	$4,330	132,967	$576	$23	$13	1,594	$14,062	$22
Natives, and documented immigrants	17,307,000	$4,330	3,415,317	$14,787	$92	$1,614	61,868	$14,062	$870
Total	17,857,000	$4,330	3,548,284	$15,363	$91	$1,627	63,462	$14,062	$892

Appendix B — Scenario C (Continued)

TAXES PAID

(per capita rates for years near 1992 applied to 1992 population)

	1992 Number of Persons	Sales Tax per Capita ($)	Sales Tax Aggregate (million $)	State Income Tax per Capita ($)	State Income Tax Aggregate (million $)	Property Tax per Capita ($)	Property Tax Aggregate (million $)
California							
Undocumented immigrants	2,083,000	$333	$694	$32	$67	$170	$355
Natives, and documented immigrants	29,457,000	$489	$14,404	$556	$16,391	$366	$10,778
Total	31,540,000	$479	$15,098	$522	$16,458	$353	$11,132
Illinois							
Undocumented immigrants	270,000	$362	$98	$34	$9	$160	$43
Natives, and documented immigrants	11,458,000	$366	$4,195	$409	$4,691	$238	$2,730
Total	11,728,000	$366	$4,293	$401	$4,700	$236	$2,774
Texas							
Undocumented immigrants	550,000	$348	$191			$231	$127
Natives, and documented immigrants	17,307,000	$485	$8,390			$477	$8,249
Total	17,857,000	$481	$8,581	None	None	$469	$8,376

Appendix B — Scenario C (Continued)

NET FISCAL EFFECTS

	1992 Number of Persons	Total Costs (million $)	Costs Per Cap ($)	Total Taxes (million $)	Taxes Per Capita ($)	Net Burden (million $)	Burden Per Capita ($)
California							
Undocumented immigrants	2,083,000	$2,171	$1,042	$1,116	$536	$1,055	$506
Natives, and documented immigrants	29,457,000	$26,185	$889	$41,573	$1,411	-$15,388	-$522
Total	31,540,000	$28,356	$899	$42,688	$1,353	-$14,333	-$454
Illinois							
Undocumented immigrants	270,000	$173	$640	$150	$556	$23	$83
Natives, and documented immigrants	11,458,000	$11,164	$974	$11,617	$1,014	-$453	-$39
Total	11,728,000	$11,337	$967	$11,767	$1,003	-$430	-$37
Texas							
Undocumented immigrants	550,000	$611	$1,111	$318	$579	$292	$532
Natives, and documented immigrants	17,307,000	$17,271	$998	$16,639	$961	$632	$37
Total	17,857,000	$17,882	$1,001	$16,957	$950	$925	$52

Source: Clark, Passel, Zimmerman and Fix (1994) and Statistical Abstract of the U.S.
NOTE: Scenario C is based on the states' own (inflated) estimates of the undocumented population.

385

Appendix C

**Percentage Change in the Real Rental Price of Capital Due to a
20-Percent Increase in Foreign-Born, Low-Skilled
Mexican Labor—Selected Areas**

Area	Percentage Change
All areas (122)	0.27
California areas (23)	0.82
Texas areas (23)	0.33
Arizona, New Mexico, Colorado areas (11)	0.30
Areas in border states (52)	0.56
Areas of high concentration of foreign-born, low-skilled, Mexicans (13)	0.88
Areas of low concentration of foreign-born, low-skilled, Mexicans (43)	0.02
Santa Ana, CA	1.31
Bakersfield, CA	0.74
Chico-Paradise, CA	0.12
Fresno, CA	1.04
Los Angeles, CA	2.54
Merced, CA	1.66
Modesto, CA	0.74
Oakland, CA	0.27
Oxnard-Ventura, CA	0.89
Redding, CA	0.02
San Bernardino, CA	1.04
Sacramento, CA	0.15
Salinas, CA	1.68
San Diego, CA	0.80
San Francisco, CA	0.19
San Jose, CA	0.69
Santa Barbara, CA	0.45
Santa Cruz, CA	0.93
Santa Rosa, CA	0.29
Stockton-Lodi, CA	0.58
Vallejo, CA	0.31
Visalia-Tulare, CA	1.43
Yuba City, CA	0.42
Abilene, TX	0.10
Amarillo, TX	0.09
Austin, TX	0.16
Beaumont, TX	0.06

Appendix C (Continued)

Area	Percentage Change
Brazoria, TX	0.12
Brownsville, TX	1.44
Bryan-College Station, TX	0.14
Corpus Christi, TX	0.12
Dallas, TX	0.23
El Paso, TX	1.58
Ft. Worth-Arlington	0.17
Galveston, TX	0.08
Houston, TX	0.27
Killeen-Temple, TX	0.07
Longview-Marshall, TX	0.05
Lubbock, TX	0.06
McAllen-Edinburg-Mission, TX	1.75
Midland, TX	0.25
Odessa, TX	0.26
San Antonio, TX	0.48
Tyler, TX	0.16
Waco, TX	0.13
Wichita Falls, TX	0.07
Yakima, WA	0.81
Yuma, AZ	1.66
Las Cruces, NM	0.70
Richland-Kennwick-Pasco, WA	0.48
Greeley, CO	0.22

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