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Mexican American Mobility

An Exploration of Wealth Accumulation Trajectories

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Abstract

Mexican Americans are a large group whose mobility patterns can provide important insight into immigrant assimilation processes. It is well known that Mexicans have not attained economic parity with whites, but considerable debate exists about the degree to which Mexican immigrants and their American-born children experience mobility over their lives. We contribute to this literature by studying Mexican American wealth accumulation trajectories over the life course, focusing on three interrelated processes. First, we examine childhood poverty and inheritances to establish financial starting points and the degree to which resources from prior generations affect wealth ownership. Second, we study impediments to mobility in young adulthood to understand how processes in early adulthood affect later-life outcomes. Third, we study wealth accumulation rates over the life course and midlife wealth ownership to identify the trajectories followed over the working years and wealth status as respondents near retirement. We find high levels of early-life disadvantage among Mexican Americans, but these disadvantages decline with each generation since migration. We also find that Mexican Americans accumulate assets over the working years more slowly than whites but more rapidly than African Americans, and that accumulation rates increase over the generations for Mexican Americans. At midlife, Mexican Americans have less total wealth than whites but more than African Americans, even when early-life impediments are controlled. Our results suggest that Mexican Americans are establishing a solid financial foundation that is likely to lead to long-term class stability.

Mexican Americans are a large and growing group whose socioeconomic mobility patterns have generated significant debate among immigration scholars. More than two-thirds of American Latinos, or 32 million people, identify as Mexican (Motel and Patten 2012); and population growth among second- and third-generation Mexican Americans—rather than new immigration from Mexico—is expected to double the U.S. Latino population by 2040 (Passel and Cohn 2011). Because Mexicans tend to be disadvantaged even among immigrants (Agius Vallejo 2012; Bean and Stevens 2003; Feliciano 2005), evidence that Mexican Americans are upwardly mobile over the life course would suggest that an important class transformation is in progress. It is well-established that they have not achieved economic parity with whites (Campbell and Kaufman 2006; Cobb-Clark and Hildebrand 2005; Hao 2007; Taylor et al. 2011a), but it is not clear whether Mexican Americans experience socioeconomic mobility over their lives. Proponents of segmented assimilation theory argue that low parental socioeconomic position, high frequency of unauthorized legal status, and a negative context of reception interact to make downward mobility very likely for Mexican immigrants. Consistent with this model, they find that second-generation Mexican American adolescents are likely to adopt elements of oppositional culture, do poorly in school, and otherwise show early signs of downward assimilation (Haller, Portes, and Lynch 2011; Portes and Rumbaut 2001; Portes and Zhou 1993). Others counter that mobility prospects are less grim: they propose that there are many pathways available to immigrants, and they find evidence from cross-sectional and in-depth data of upward mobility for Mexican Americans on measures such as education, occupation, and neighborhood quality (Agius Vallejo 2012; Alba and Nee 2003; Bean and Stevens 2003; Perlmann 2005).

Wealth is an important indicator of class status and economic incorporation, and understanding the wealth mobility of Mexican immigrants and their American-born children could provide important insight into the immigrant mobility debate. Wealth (net worth) is often implied,

though less often measured directly, in studies of immigrant social and economic incorporation (Alba et al. 1999; Alba and Nee 2003; Portes, Haller, and Guarnizo 2002; Portes and Rumbaut 2006). Indeed, wealth ownership reflects most of the behaviors and processes that are usually used to indicate immigrant incorporation, including education, income, family structure, language ability, and legal status. Wealth is measured as total assets less total debts and is central to understanding assimilation because the accumulation of assets (e.g., housing, financial, business) can create short-term mobility and long-term class stability (Keister 2007; Spilerman 2000; Wolff and Zacharias 2009). Wealth is often associated with high net worth families, but it is essential at all points in the distribution: even a small amount of savings can improve security, mitigate the effects of job loss and other financial shocks, and be passed directly across the generations to create long-term advantages (Khan 2012). For immigrants, home and business ownership often hold particular significance and imply success, suggesting that wealth ownership closely approximates immigrants' own conceptions of mobility (Agius Vallejo 2012; Alba and Nee 2003; Portes and Rumbaut 2006; Zhou 2009). A dynamic literature on wealth attainment and mobility shows that studying wealth ownership for the same individuals over their adult lives can yield useful evidence of mobility patterns and prospects that are obscured when life courses are truncated or longitudinal patterns are not available. This literature also offers insights regarding the nature and determinants of mobility pathways – including the potential for within-group heterogeneity and the centrality of educational attainment to mobility – that might be useful in understanding Mexican American patterns and prospects.

We contribute to the literature on immigrant adaptation by asking whether contemporary, adult Mexican Americans have experienced wealth mobility over their lives, and if so, in which direction. We start by synthesizing ideas from immigrant assimilation and wealth mobility research to develop a series of hypotheses regarding Mexican American wealth mobility. Because

assimilation and mobility refer to status in the larger social and economic structure, we focus on comparing Mexican Americans to non-Latino whites and African Americans, two large groups whose wealth positions are well known. We use data from the National Longitudinal Survey of Youth, 1979 cohort (NLSY) to study wealth accumulation from young adulthood through midlife for a large sample of first-, second-, and third-generation plus Mexican Americans. We model three distinct processes. First, we model childhood financial well-being and the receipt of inheritances to establish baseline economic conditions and the degree to which inflows from other generations affect adult wealth. Second, we follow immigration research by modeling impediments to mobility in young adulthood using a six-component index (Haller, Portes, and Lynch 2011). Third, consistent with mobility research, we model (a) net worth accumulation rates over the working years and (b) net worth ownership near the end of the working years. Notably, we include both measures of early-life financial conditions and young adult impediments to mobility in models of adult wealth accumulation and ownership to identify whether these predict adult outcomes. We conclude with a brief discussion of generational differences in resilience to the recent recession and a discussion of prospects for financial stability in retirement.

Mobility Debates: Implications for Mexican Americans

Debate regarding immigrant mobility involves two perspectives that use complementary theoretical ideas but make different empirical predictions, including predictions for Mexican Americans. Both segmented and mainline assimilation theories improved on the classical assimilation model, dominant in the early twentieth century, which assumed immigrants follow a linear path of integration into mainstream education and occupational structures (Gordon 1964). Segmented assimilation proposes that rather than follow a single path, the second generation follows one of two paths reflecting parents' socioeconomic status (SES), legal status, and the host-

country context of reception (Portes and Rumbaut 2006; Portes and Zhou 1993; Zhou 1997). Following the classical assimilation model, first-generation immigrants with high human capital who encounter a positive context of reception will have children (the second generation) who attain professional occupations and whose own children (the third generation) integrate completely. In contrast, this approach suggests that for those whose parents have low human or financial capital, enter the country illegally, or meet a negative context of reception, upward mobility and integration are very unlikely (Haller, Portes, and Lynch 2011; Portes and Rumbaut 2001; Portes and Zhou 1993).[1] A core assumption of the segmented assimilation approach is that roadblocks in young adulthood establish downward trajectories for the second generation that are difficult or impossible to overcome. Mexican immigrants are likely to be particularly disadvantaged because many enter the U.S. illegally and with limited education (Feliciano 2006). Indeed, Mexican immigrants are seen as "the (emphasis in the original) textbook example of the theoretically anticipated effects of low immigrant human capital combined with a negative context of reception which cumulatively leads to downward mobility across the generations" (Portes and Rumbaut 2001:279). Empirical tests of segmented assimilation theory confirm that Mexican American young adults face many obstacles to upward mobility, and scholars conclude that this indicates downward assimilation (Haller, Portes, and Lynch 2011).

Mainstream assimilation theories—a group of related approaches—agree that family background, legal status, and the context of reception interact to affect immigrant assimilation and mobility (Alba 2009; Alba, Kasinitz, and Waters 2011; Bean et al. 2011; Kasinitz et al. 2008). However, researchers in this tradition assume that class boundaries are more fluid than segmented

[1] A third path that is less-commonly discussed is upward mobility through selective acculturation, a process by which immigrants adopt certain cultural practices from the dominant culture while maintaining a clear ethnic identity often as a deliberate effort to delay assimilation (Portes and Rumbaut 2001).

assimilation theory suggests and conclude that, rather than follow one of two possible pathways as proposed by segmented assimilation theory, immigrants may follow multiple trajectories. Specifically, the second generation is likely to be generally successful in integration into American society, but certain individuals and groups will experience lateral, downward, or delayed assimilation depending on the mix of parents' traits and context of reception (Alba, Kasinitz, and Waters 2011; Bean and Stevens 2003; Kasinitz et al. 2008; Neckerman, Carter, and Lee 1999). The diversity of personal and family traits, experiences of and responses to racial discrimination, and cultural characteristics (including some that promote mobility) combine to produce a large variety of outcomes (Agius Vallejo 2012; Alba, Jiménez, and Marrow 2013; Bean and Stevens 2003; Kasinitz et al. 2008). Mainstream assimilation researchers add that the idea that ethnicity impedes mobility is based on a black-white race relations model that assumes Mexican Americans are more similar to African Americans than to non-Latino whites (Agius Vallejo 2012; Perlmann 2005; Smith 2005). They point out that this model is not supported empirically and that class boundaries, which were malleable enough in prior generations to allow white ethnic immigrants to integrate, may be fluid enough to incorporate upward mobility among Mexican Americans (Alba, Raboteau, and DeWind 2009; Bean and Stevens 2003; Smith 2005). Empirically, mainstream assimilation research documents many unique life course trajectories for Mexican Americans (Agius Vallejo 2012; Alba, Jiménez, and Marrow 2013; Perlmann 2005) and shows that downward assimilation is the exception rather than the norm (Waters et al. 2010). Yet, most of this work also draws conclusions from young adult outcomes or cross-sectional data and does not consider wealth accumulation trajectories as a measure of economic well-being.

Wealth Mobility and Assimilation Processes

A rich tradition of research on socioeconomic mobility and life course processes, including research on wealth ownership, might contribute to an understanding of Mexican American wealth

mobility. Three ideas from this work are particularly relevant. First, mobility is an intergenerational process that is best understood when starting points, intergenerational resource transfers, and change over large portions of the life course are considered simultaneously. Early milestones and short-term dynamics, particularly at critical life stages such as in early adulthood, are important, but it is only when significant behaviors and processes (e.g., education, marriage, fertility) have a chance to interact in nuanced and complex ways over long periods that the true nature of a life trajectory emerges (Elder 1992, 1995; Kerckhoff 1976; O'Rand and Krecker 1990). This assumption is foundational in mobility research and is supported empirically in work on education, occupation, income, and wealth mobility (Hauser and Mossel 1985; Henderson and Harris 1985; Keister 2005; Warren and Hauser 1997). Research on immigrant assimilation typically has a traditional sociological mobility model at its core and, thus, makes similar assumptions: both segmented and mainstream assimilation theories address how background, young adult, and adult processes interact to produce adult outcomes. Yet, empirical evidence in assimilation research risks drawing conclusions from incomplete information by focusing on short segments of the life course or on young adult outcomes. Expanding the focus of this work might yield a more accurate portrait of mobility prospects for Mexican Americans.

Second, evidence suggests that upward mobility is possible if demographic and social conditions are conducive. However, consistent with immigrant assimilation research proposing that multiple paths of incorporation are possible, this research shows that there is likely to be considerable within-group heterogeneity in the nature of the trajectories that individuals follow reflecting the many behaviors and processes that interact to create adult attainment. Unlike in research on immigration, mobility researchers have been able to study detailed, longitudinal data on individual life courses for multiple cohorts (Corcoran 1995; Kaelble 1985; Menchik 1979; Solon 1992); this work demonstrates that many demographic (e.g., education, fertility, marital

trajectories, labor force participation), cognitive (e.g., orientations toward work or money), and social processes combine to shape the trajectories people follow (Biblarz, Raftery, and Bucur 1997; Jianakoplos and Menchik 1997; Keister 2011). Most important, variations in the salience and time-ordering of particular processes can create many pathways even within seemingly homogenous groups and can create upward mobility for even the most disadvantaged (Keister 2005, 2007; Kurz and Muller 1987). Of course, this does not imply that all members of disadvantaged groups will be upwardly mobile, and downward and delayed mobility are possible; but this work does show that a variety of life outcomes are possible from seemingly similar starting points.

Finally, mobility research has shown that education is a very strong predictor of adult attainment that can overshadow most other predictors of life outcomes and can allow individuals to overcome early infractions that might otherwise suggest that mobility is not possible (Hauser and Mossel 1985; Warren and Hauser 1997). Education was one of the primary components of early mobility models (Blau and Duncan 1967; Lipset and Bendix 1959; Mills 1959); and contemporary research finds that educational attainment can outweigh early-life outcomes, including early fertility (Harris 1997), illness (Warren et al., 2012), and delinquency (Haynie, South, and Bose 2006). Indeed, education is a particularly important predictor of financial decision making, saving, and wealth outcomes (Behrman and Taubman 1990; Major 2012), including for American Latinos (Campbell and Kaufman 2006; Hao and Pong 2008). Although research on immigrant attainment does emphasize the importance of education, few empirical opportunities have been available for comparing the salience of educational attainment and other life course processes in order to determine the relative importance of each. Such a comparison might provide additional clarity on the importance of young adult conditions in Mexican American mobility.

Starting Point: Childhood Poverty and Inheritances

Childhood poverty and intergenerational resource transfers are essential to understanding life trajectories because they capture the degree to which advantage or disadvantage from prior generations affects cumulative well-being. Childhood poverty reflects parents' education, occupations, incomes, family structure, and other processes that provide a foundation for life paths. Intergenerational resource transfers (e.g., inheritance) are especially important correlates of wealth accumulation because they are a direct measure of the degree to which resources from a prior generation affect starting points. It is well-established that poverty rates are high for Mexican Americans compared with native whites (Leach 2013; Motel and Patten 2012; Telles and Ortiz 2008). Because Mexican migration is largely a low-wage labor migration (Agius Vallejo 2012; Bean and Stevens 2003; Hondagneu-Sotelo 2000), the majority of Mexican immigrants, particularly women, have low human capital and working-class occupational experience, forcing them to accept low-wage jobs in the United States (Feliciano 2005; Massey, Durand, and Malone 2003; Waldinger 2001; Zhou et al. 2008). Approximately one-half of new Mexican immigrants are unauthorized (Taylor et al. 2011b), exacerbating the challenges of finding stable employment. A high propensity to send remittances and help relatives in the United States, particularly for the first generation (Lopez, Livingston, and Koshar 2009), and limited connection to the formal financial system resulting from distrust and unauthorized legal status (Agius Vallejo 2012) add additional financial burdens. It has also become clear that Mexican Americans, including less recent immigrants, have not reached economic parity with whites on most measures of socioeconomic status (SES), including wealth ownership (Campbell and Kaufman 2006; Cobb-Clark and Hildebrand 2005; Hao 2007; Taylor et al. 2011a). For these reasons, we expect:

H1A. Mexican Americans are more likely than whites to be raised in poverty and are less likely than whites to receive inheritances.

Yet, within-group heterogeneity in childhood poverty for Mexican Americans is likely to be evident by immigrant generation (i.e., first or second generation). Generation is important because it captures variation in education, legal status, marriage, geography of residence, and other traits that predict SES. As such, immigrant generation measures vulnerability to racism at one end of the spectrum and similarity to the mainstream at the other (Alba, Jiménez, and Marrow 2013). Education is one of the strongest predictors of wealth, and evidence suggests that the second and subsequent generations surpass their parents on educational attainment even with continued issues related to legal status (Bean and Stevens 2003; Park and Myers 2010; Smith 2003; White and Glick 2009). Indeed, despite continuing constraints on educational and occupational advancement (Haller, Portes, and Lynch 2011; Hao and Pong 2008; Tienda 2010), record numbers of Mexican Americans are completing college degrees (U.S. Census 2012). Even modest gains in education and occupation relative to prior generations can have significant positive effects and cumulative advantages on earnings, career mobility, confidence in and use of formal financial organizations, and nonwage benefits such as retirement plans. Marriage and family behaviors are also important correlates of SES (Waite 1995; Zagorsky 2005), and significant generational differences exist in these correlates for Mexican Americans as well (Alba, Jiménez, and Marrow 2013). Specifically, marriage rates and marital stability are high across the generations, age at first marriage and age at first birth have increased, and family size has simultaneously declined (Bean and Stevens 2003; Lloyd 2006; Parrado 2011). In addition, as social connections in the United States become stronger, the importance of remittances declines (Ortmeyer and Quinn 2012). These patterns suggest that although Mexican Americans are not reaching parity with whites, their financial situations may be improving across the generations. That is:

H1B. Childhood poverty declines and the likelihood of receiving intergenerational transfers increase with each generation since migration for Mexican Americans.

To more fully understand the financial well-being of Mexican immigrants and their descendants, it is useful to consider their status relative to African Americans, who also face racialization and who also have not reached economic parity with whites. Both first-generation Mexican Americans and African Americans face acute disadvantage on all SES measures, but the added challenges of financial commitments to family in the home country, legal status, and English abilities are likely to intensify the disadvantage encountered by new Mexican immigrants. This suggests that first-generation Mexican Americans will have higher poverty rates and lower intergenerational transfer rates than African Americans. However, building on our expectation that poverty will decline and inheritances (from older to younger generations) will increase with each generation since migration (H1B), we also expect second- and later-generation Mexican Americans to have some advantages over African Americans. African Americans have not experienced, on average, the demographic (e.g., education, family structure) changes and other advantages (e.g., greater trust in formal financial structures) that we argued above are likely to improve well-being across the generations for Mexican Americans. Moreover, although a legacy of discrimination and contemporary racialization have created extreme barriers to mobility for African Americans, some evidence suggests that these same processes may not operate identically for Latinos, including Mexican Americans (Lee and Bean 2010). This suggests:

H1C. First-generation Mexican Americans are more likely than African Americans to be raised in poverty and less likely to receive inheritances; the second and later generations are less likely than African Americans to be raised in poverty and more likely to receive transfers.

Young Adult Impediments and Accumulation Trajectories

Young adulthood is another important life stage that may affect social mobility and long-term well-being. Immigration scholars agree that young adult processes are important, but they disagree about what the empirical evidence implies for second-generation mobility. Mainstream immigration scholars that educational and occupational attainment are higher when second-generation young adults, including Mexican Americans, are compared with their parents (Agius Vallejo 2012; Alba, Jiménez, and Marrow 2013; Bean et al. 2011; Kasinitz et al. 2008). They conclude that this provides evidence of intergenerational mobility and may signify the eventual movement of Mexican Americans into the middle class. In contrast, proponents of segmented assimilation theory argue that understanding mobility requires longitudinal data on members of the second generation as they move from childhood, where they assume parents' status, to young adulthood, where they have achieved their own status. These scholars also propose that education and occupation alone do not capture the range of issues with which the second generation contends and that lead to downward assimilation by young adulthood. In a recent empirical example, segmented assimilation scholars used an index of impediments to mobility that includes dropping out of school, unemployment, early fertility, arrest, and incarceration as indicators of downward assimilation to study the second generation in their mid-20s (Haller, Portes, and Lynch 2011; Portes, Fernandez-Kelly, and Hall 2005; Portes and Zhou 1993). They found that immigrants, particularly Mexican Americans, score relatively high on this index, and they argued that this is evidence that these young adults are on a downwardly mobile path where they will become mired in poverty over the generations (Haller, Portes, and Lynch 2011; Portes and Fernandez-Kelly 2008).

Segmented assimilation scholars are likely correct that second-generation Mexican American young adults will encounter disproportionately high impediments to mobility (i.e., evidence of downward assimilation). Indeed, this is consistent with our argument that Mexican Americans face high rates of childhood poverty: people who were raised in poverty are highly

likely to drop out of school, become unemployed, have children early in life, and become involved in countercultural activities that lead to arrest and incarceration. In their empirical work, segmented assimilation theorists have compared various immigrant groups (Haller, Portes, and Lynch 2011), and Mexican Americans score relatively high on composite measures of impediments to mobility relative to other immigrants. It follows that Mexican Americans will also face considerable obstacles to mobility relative to whites; in particular, we expect that impediments to mobility in young adulthood will mirror patterns of childhood poverty:

H2. Mexican Americans will face more impediments to mobility in young adulthood than native whites and a comparable number of impediments to African Americans.

Adult Wealth Accumulation and Mobility

Although young adulthood is an important life stage, mobility is not complete by the mid-20s, and experiencing impediments to mobility in early life does not guarantee downward mobility or even make it the most common resulting adult trajectory (Alba, Kasinitz, and Waters 2011; Waters et al. 2010). As mobility research has shown, understanding life paths requires studying early-life well-being, change over time, and later-life outcomes together to fully understand cumulative advantage or disadvantage. Wealth accumulation—or change in wealth—over the working years is a particularly useful measure of mobility because it captures the notion of status transformation implied in theoretical discussions of mobility. The mobility and immigrant attainment literatures suggest three likely patterns for Mexican Americans. First, upward mobility is possible for Mexican Americans, despite early impediments, because of rising education levels, changes in related financial behavior, and the presence of important social relations. Education is critical to this process. Segmented assimilation research includes dropping out of high school in its downward assimilation index; but despite early dropouts, overall education levels are rising for

Mexican Americans (Agius Vallejo 2012; Alba and Nee 2003; Bean and Stevens 2003; Perlmann 2005). Mobility research also has demonstrated that ultimate educational attainment can overshadow the effects of other impediments because it affects family behaviors (e.g., family size), saving rates (i.e., active saving from current income), and the mix of assets people own (i.e., portfolio behavior) over time (Keister 2004, 2012). These patterns appear to be emerging for Mexican Americans: education levels are increasing along with saving rates, homeownership, and financial asset and business ownership (Campbell and Kaufman 2006; Clark 2001; Hao 2007). Added to these processes, Mexican Americans may have family (Agius Vallejo 2012; Alba and Nee 2003; Clark, Glick, and Bures 2009), community (Agius Vallejo 2009; Bean and Stevens 2003; Kasinitz et al. 2008), and co-religious (Alba, Raboteau, and DeWind 2009; Connor 2011; Ebaugh and Chafetz 2000; Hondagneu-Sotelo 2008) ties that can buffer against downward mobility by providing work and financial resources.

Second, although upward mobility is possible, considerable within-group heterogeneity in the paths Mexican Americans follow is likely. Consistent with our arguments about early-life processes, this heterogeneity should be apparent in generational differences: if poverty declines and inheritances and education increase over the generations, wealth accumulation should also increase across the generations. Third, Mexican Americans are likely to experience upward mobility overall, but the degree of attainment might be somewhat muted given the low starting points and impediments to mobility that Mexican Americans face. Consistent with immigrant attainment research arguing for a delayed pattern of assimilation, this implies that wealth accumulation paths may be upward, or positive, but the endpoint may be lower than for groups, such as native whites, who did not face the same obstacles. For these reasons, we expect:

H3A. Mexican Americans accumulate assets over the working years more slowly than whites but more rapidly than African Americans.

H3B. Accumulation rates increase with each generation since migration for Mexican Americans.

H3C. At midlife, Mexican Americans will have less total wealth than whites but more than African Americans.

Data and Research Design

To study these processes empirically, we use data from the National Longitudinal Survey of Youth, 1979 cohort (NLSY). The Bureau of Labor Statistics administered the first NLSY to a nationally representative sample of 12,686 adolescents and young adults (ages 14 to 22) in 1979. They conducted follow-up surveys annually until 1994 and biennially until 2010, when respondents were ages 45 to 53. These data are ideal for this study because they contain a sizable Mexican American sample and detailed, longitudinal information about family background; individual and household processes; transitions to adulthood; and adult outcomes including wealth. The NLSY began collecting data on wealth ownership starting in 1985, when the youngest respondents were age 20; the wealth modules include highly reliable and comprehensive information on ownership (yes/no), current value, and related information for an inclusive set of assets and debts. The NLSY also contains detailed data on ethnicity, country of origin, and nativity that allow us to identify and study first-, second-, and third-generation plus Mexican Americans. Because we are interested in examining Mexican American mobility and assimilation, our reference group is non-Latino white respondents (whites); we do not separate whites by generation because prior research and our own estimates of the NLSY data show that wealth differs little across generations for whites (Hao 2007). We include non-Latino black, Puerto Rican, and Cuban respondents in our analyses for comparison, but we exclude other Latinos and those of other racial/ethnic groups (e.g., Asians, Native Americans) because their sample sizes were small. As Table 1 indicates, our sample contains 11,718 respondents, including 1,112 Mexican Americans who are spread across the three generational groups.

(Table 1 about here)

We use self-reports of ethnicity, country of origin, and parents' traits from the 1979 interview to identify Mexican Americans by generation. The first generation are immigrants, the second generation are those born in the United States to immigrant parents, and the third-generation plus are those born to the second-generation or later immigrants who continue to identify as Mexican.[2] The NLSY also includes interviewer reports of ethnicity in 1979 and additional respondent reports in 2002; these are highly consistent with the respondent reports we use, and we find no evidence of ethnic attrition (Alba, Jiménez, and Marrow 2013; Emeka and Agius Vallejo 2011). This sample is representative of Mexican American youths living in the United States in 1979 and of midlife Mexican Americans today on many important demographic traits (Keister 2005). However, the sample is not representative of a current cross section of Mexican Americans; for example, wealth values are higher than the national average because this cohort is nearly 50 years old, on average, and has had time to accumulate assets (Taylor et al. 2011a; Wolff 2010). Yet, the sample is relevant to understanding immigrant assimilation because it is longitudinal, a trait that is critical to resolving issues about the direction of immigrant mobility. In addition, there was some sample attrition: nearly 10% of the full sample was not contacted consistently. Sample sizes vary across survey years, and respondents who are missing in one year do reenter the sample in later years. Attrition rates for Mexican Americans are consistent with those of other groups and are relatively even across the generational groups. At least 250 people in each generation are available for all analyses, and sensitivity analyses suggest that there is little effect of attrition on our results.

We have basic information on respondent legal status and visa type from the 1979 interview, but 99% of our respondents reported being legal residents or U.S. citizens.

[2] We code 1.5-generation respondents as first-generation because we do not know age at immigration.

Unfortunately, the NLSY did not probe further regarding legal status and related issues, and they did not request information on parents' legal status. Nonetheless, we explored whether the respondents' wealth and other traits varied by legal status, and we found no substantive difference. Although we cannot clarify legal status, we expect that immigrant parents and respondents who were unauthorized in the 1970s and early 1980s eventually obtained legal status through various channels, such as IRCA (Immigration Reform and Control Act of 1986) amnesty.

Dependent Variables

We use several dependent variables to test our hypotheses. First, we model childhood poverty and inheritances to identify the degree to which prior generations facilitated wealth accumulation. *Childhood poverty* is a dichotomous measure indicating whether the respondent's childhood household income was below the national poverty line. We use a dichotomous indicator to capture the important disadvantages associated with being below this important threshold; results do not change when we use continuous measures. *Ever inherit* is a dichotomous measure indicating whether the respondent has ever received direct wealth transfers from prior generations as cash gifts, trust accounts, or other transfers. Because most people who receive inheritances receive small amounts, modeling the dollar amount of inheritances is less meaningful than measuring receipt of transfers. Modeling the amount received in inheritances and trusts produced similar substantive results to those we report. Evidence suggests that family transfers also frequently go from children to parents or grandparents (or laterally) in Mexican American families (Agius Vallejo 2012). Unfortunately, we have data only on transfers from older to younger respondents and cannot study how other transfers affect wealth.

Second, we measure *impediments to mobility* using an index that is constructed identically to the downward assimilation index used by segmented assimilation theorists—a count variable

indicating negative outcomes in young adulthood (Haller, Portes, and Lynch 2011). To construct this index, we aggregated six indicators into a single summary measure constructed when our respondents were 24 years old, the same age as the respondents used by Haller and his coauthors. The indicators are (1) dropped out of high school, (2) annual income below the poverty line, (3) unemployed and not in school, (4) had at least one child, (5) had at least one arrest (but not incarcerated), and (6) had at least one incident of incarceration. Additional education, income, and family processes occurring after age 24 are reflected in our other control variables (see below).

Third, we model total *net worth*, the value of total household assets less total debts for each survey year between 1985 and 2010, constructed from detailed respondent reports of household finances and adjusted to 2010 dollars with the consumer price index. Assets include stocks, bonds, cash accounts, trusts, Individual Retirement Accounts, 401(k)/403(b) plans, certificates of deposit, the primary residence, other real estate, vehicles, and other possessions. The debts include mortgages on the primary residence and on other real estate, consumer loans, student loans, vehicle loans, and other debt. Net worth is highly skewed, but logging or double logging the variable, taking the square root, and otherwise transforming it did not reduce the skew because a large portion of households have low net worth. Because using the transformed variable did not change the results, we report results of analyses using unlogged net worth to ease interpretation. Using alternative definitions of wealth—gross assets (i.e., the sum of all assets not reduced by liabilities), total financial assets, total nonfinancial assets, total liabilities, and other measures of household wealth—produced comparable results. Removing outliers also did not change the results substantively.

Control Variables

We control for many behaviors and processes that affect wealth. In models of childhood

family poverty and inheritances, we control parents' SES with measures of *parents' education*, whether the respondent's parents *worked full-time* (more than 35 hours per week) in 1978, and *parents' occupations*. We include measures of *family structure at age 14* and total *number of siblings* to control resource dilution in large families. We control for whether *extended family members* were living in the household to control for additional income sources and expenses. We include an indicator that the respondent moved (to a new residence) more than three times during childhood to indicate *geographic instability*, which reduces financial well-being. We control for region of residence (i.e., North Central, South, or West versus Northeast) and urban residence to capture Latino geographic concentration: first-generation Mexican Americans are concentrated in the West, but this is less true for the second and third generations, who were more likely than the first generation to move to the Southeast. Very few Mexican Americans (<1%) live in the Northeast. Cubans are concentrated in the Southeast, and Puerto Ricans are concentrated in the Northeast. We experimented with other controls, but region of residence and urban residence best capture the variation. Finally, we control for basic demographics: age, age squared, and gender.

In models of inheritances, we also control *net family income* in 1978 (logged), region of residence in childhood, and urban residence. In models of impediments to mobility, we include fewer controls to avoid controlling for components of the dependent variable; our controls are age, gender, region of residence, and urban residence. In models of adult wealth, we continue to control for family background and basic demographics. We also control respondent's *education* with a series of dichotomous variables indicating highest level completed; the omitted category is did not complete high school. Using a continuous measure produces comparable results. We control for having a *labor occupation*, *household income*, and having *two earners* in the household. We also control for *family processes* with indicators of marital status, having any children, age at first birth, number of children born, and number of children squared to capture the curvilinear

relationship between family size and wealth. Including the dichotomous and continuous indicators forces the continuous indicators to drop out of the equation when the respondent has no children.

Model Details

We use logistic regression to model childhood poverty and inheritances, negative binomial regression to model the count of impediments to mobility, and generalized least squares (GLS) regression to model total net worth in 2010 (midlife). The negative binomial models address overdispersion in the data, and the GLS models (a maximum likelihood estimator) address heteroskedasticity and correlation between observations. In models of childhood poverty, inheritances, impediments to mobility, and midlife wealth, we use the 2010 NLSY data as a cross section. We do not use Heckman selection models or zero-inflated Poisson models because our respondents have low net worth and many have negative net worth, but zero wealth is unusual. We use multilevel growth models—likelihood-based general linear models that treat both the intercept and the slope as random effects (Singer 1998)—to model total net worth accumulation over time. To estimate these models, we treat the 1985–2010 waves as pooled cross-sectional time series data with person-years as the unit of analysis. Our models start in 1985, when respondents were old enough to have personal assets, and continue through the last survey year of 2010. The data include one observation per respondent per year, and both the dependent and independent variables can vary yearly for each respondent. These models provide estimates of the effects of covariates on both the initial value and the growth rate of the dependent variable. White's test for heteroskedasticity was significant, and the Ordinary Durbin-Watson Test (D-W) for first-order autocorrelation was significantly different from 2. Because the Ordinary D-W was significant, it was not necessary to use the General D-W for high orders of autocorrelation (Bayor 2003). We corrected using the estimator option and assuming a first-order autoregressive process. We omitted

several outliers, but this did not affect the results.

Findings: Declining Poverty and Expanding Inheritances

Table 1 includes descriptive statistics and preliminary support for our hypotheses. Consistent with historical evidence, just more than 20% of the sample were in poverty in 1979, and fewer than 10% ever inherited any financial resources from a prior generation. Whites were considerably less likely than others to grow up in poverty and more likely to inherit; African Americans were very likely to live in poverty as children and very unlikely to inherit. Childhood poverty rates for all Mexican Americans are similar to those of African Americans, but poverty declines slightly with each generation since migration for Mexican Americans. Likewise, the likelihood of inheriting is low for Mexican Americans, but it increases slightly with each generation since immigration.

Multivariate models provide additional support for our first hypothesis. Table 2 includes estimates from logistic regression equations predicting whether the respondent's childhood family income was below the poverty line (Models 1 and 2) and receipt of financial transfers from prior generations (Models 3 and 4). Consistent with H1A, Mexican Americans are significantly more likely than whites to have been raised in poverty (Model 1) and significantly less likely to receive inheritances (Model 3). These findings are consistent with other research showing that poverty rates are high for Mexican Americans compared with non-Latino whites, regardless of whites' immigrant generation (Leach 2013; Motel and Patten 2012; Telles and Ortiz 2008), and reflect the reality that Mexican immigrants tend to have low education and working-class occupational experiences that translate into low-wage jobs in the United States (Feliciano 2005b; Massey, Durand, and Malone 2003; Waldinger 2001; Zhou et al. 2008). The prevalence of unauthorized status, sending remittances, and lack of connection to formal financial institutions also contribute to high poverty rates (Agius Vallejo 2012; Lopez, Livingston, and Koshar 2009; Taylor et al. 2011b). However, consistent with H1B, our findings also suggest the existence of within-group

heterogeneity in both childhood poverty and the receipt of inheritances for Mexican Americans. Model 2 differentiates Mexican Americans into first-, second-, and third-generation plus immigrants and shows that the likelihood of being raised in poverty declines somewhat with each generation since migration for respondents in this sample. Similarly, Model 4 shows that the likelihood of receiving an intergenerational transfer increases with each generation since migration. Note that the interpretation of the coefficients in Model 4 is that a smaller negative value (from the first generation one to generation three plus) indicates an increase. These findings underscore recent work arguing for more attention to within-group heterogeneity among immigrant groups and proposing that considerable within-group differences are likely to exist for Mexican Americans, in particular, because they are such a large group (Alba, Jiménez, and Marrow 2013). Moreover, these findings of an increase in socioeconomic well-being with each generation since immigration for this sample of Mexican Americans provide initial evidence for the idea that downward mobility is not inevitable.

(Table 2 about here)

These analyses also allow us to compare Mexican Americans to African Americans, another group that has faced racialization and that provides an important point of reference given their consistently low median wealth levels (Oliver and Shapiro 1995; Taylor et al. 2011a). Model 1 shows that when Mexican Americans are considered as a single group, they are less likely than African Americans to be raised in poverty; however, Model 2 shows important generational differences here as well. In particular, first-generation Mexican Americans are more likely than African Americans to be raised in poverty, but second- and later-generation Mexican Americans are less likely than African Americans to be raised in poverty. In other words, consistent with H1C, as poverty declines over the immigrant generations for Mexican Americans, the second and later generations start their lives in better financial conditions than African Americans. A similar

pattern emerges in models of inheritances. Model 3 shows that Mexican Americans are less likely overall to receive inheritances; however, Model 4 shows that this pattern is accounted for mostly by first-generation Mexican Americans. Consistent with H1C, first-generation Mexican Americans in this sample are less likely than African Americans to receive inheritances, but the second- and later-generations are more likely than African Americans to receive transfers. Again, these findings suggest that some upward mobility may have occurred with each generation since immigration in this sample of Mexican Americans.

(Table 3 about here)

Findings: High Impediments to Mobility in Young Adulthood

Consistent with our expectations, the Mexican Americans in our sample faced more impediments to mobility in young adulthood than non-Latino whites and comparable numbers of impediments to African Americans. Table 3 includes results from two negative binomial models that predict the number of negative outcomes respondents had experienced by young adulthood; consistent with findings from segmented assimilation research, both models show that Mexican Americans and African Americans experienced significantly more negative outcomes than whites. Model 1 is a base model that includes controls only for race, gender, age, region, and urban residence. The strength of the control variables is also consistent with segmented assimilation work; for example, males face significantly more impediments than females. Model 2 adds characteristics of the family of origin (e.g., parents' educations, family structure, and family size) to explore whether these affect the basic patterns shown in Model 1. Adding the family structure controls in Model 2 significantly reduces the strength of the Mexican American and African American coefficients; a Cox test indicates that this difference is significant. As we would expect from both the status attainment and segmented assimilation literatures, this suggests that childhood

poverty and family structure affect young adult status. Although our results are consistent with those reported by Haller, Portes, and Lynch (2011), there are two important differences between our study and theirs. First, Haller and coauthors used a more contemporary sample, the Children of Immigrants Longitudinal Study (CILS), to study these outcomes. Our respondents were young adults in a different era and entered the United States under different circumstances than those in the CILS sample; we expect that many of our respondents obtained legal status through IRCA amnesty, an option that is not available to today's Mexican immigrants. However, using longitudinal data nearly always necessitates drawing conclusions from a sample that is not perfectly representative of current conditions. Perhaps more important, the similarity in the scores between the NLSY and CILS respondents on this measure suggests important parallels between the samples that underscore the benefits of using the NLSY to study long-term mobility patterns. Second, Haller, Portes, and Lynch compared immigrant groups to one other. We focus on comparisons of Mexican Americans with whites and African Americans because we want to situate Mexican Americans in the larger U.S. wealth distribution, but also because have only limited information on other non-Latino immigrant groups in our data.

(Table 3 about here)

Findings: High Asset Accumulation Rates Despite Early Disadvantage

Patterns of asset growth over the working years, shown in Table 4, correspond closely to our theoretical expectations. Recall that these models measure asset growth rates from 1985, when respondents were ages 20 to 28, until 2010, when they were in the mid-40s to early 50s. Consistent with H3A, Model 1 shows that Mexican Americans in this sample accumulated assets more slowly than non-Latino whites over this time period ($\beta = -7.55$), confirming what researchers have shown about Mexican Americans not achieving parity with whites. However,

accumulation rates for Mexican Americans are significantly higher than for African Americans (β = –10.35), a group that is known to have been relatively stagnant in their wealth accumulation. Moreover, given that African Americans and Mexican Americans in our sample were equally likely to be raised in poverty (as shown in Table 2) and faced comparably high levels of impediments to mobility (as shown in Table 3), this difference in wealth accumulation rates provides some support for our proposal that Mexican Americans are upwardly mobile. Model 1 also shows that educational attainment is one of the strongest predictors of adult wealth accumulation; indeed, it is a much stronger predictor of adult wealth than any of the other adult family or background traits included in the model (e.g., parents' education, income, occupations, and family structure). Finally, we did not include other Latinos in our theoretical discussion, but we included Puerto Rican and Cuban respondents in our analyses for comparison.

Model 2 explicitly controls for the index of impediments to mobility in young adulthood (the dependent variable in Table 3) in order to address the long-term implications of these early-life challenges. Importantly, this model shows that the index is not a statistically significant correlate of adult wealth accumulation, and it does not significantly reduce the strength of the Mexican American coefficient compared with Model 1. Again, a Cox test confirms that the slight decrease in the magnitude of the Mexican American coefficient between Models 1 and 2 is not significantly different from zero. To avoid collinearity, we removed education and adult family traits from Model 2. In analyses not shown here, however, we added adult education, adult family traits, and other adult processes. Adding these variables further reduced the magnitude of the coefficient associated with the index of impediments to mobility but did not affect the Mexican American coefficient significantly. The findings summarized by Model 2 are particularly noteworthy because they highlight the importance of studying immigrants over significant portions of their lives rather than studying them only in young adulthood. Evidence that Mexican

Americans face impediments to mobility is clear from previous research (Haller, Portes, and Lynch 2011), but in light of current debates on Mexican American assimilation trajectories, our findings are significant because they suggest that early disadvantage does not predestine Mexican Americans to downward mobility. Moreover, the index includes a measure of young adult education (dropping out of high school), but it does not include ultimate educational attainment. Although early dropping out and eventual educational attainment are highly correlated, the correlation is not perfect; and other research has also shown that ultimate educational attainment can outweigh early-life outcomes. That the index is not significantly different from zero suggests that ultimate educational attainment is more important than dropping out early in life. This finding does not imply that Mexican Americans are rapidly becoming wealthy or that they are no longer financially vulnerable; but these results do suggest that the Mexican Americans in our sample are achieving a degree of upward mobility that is consistent with becoming middle class. This finding is also consistent with the idea that Mexican Americans may be experiencing a form of delayed assimilation rather than necessarily following a trajectory of downward mobility and becoming part of a growing underclass (Bean et al. 2011).

The third and fourth panels of Table 4 show how accumulation rates vary by immigrant generation for Mexican Americans and provide some support for our proposal that important within-group heterogeneity exists by generation. Model 3 includes separate indicators for first-, second-, and third-generation plus Mexican Americans and is otherwise identical to Model 1. Model 3 shows that wealth accumulation rates increase for the second generation and fall again a bit for the third generation, providing tentative support for our third hypothesis. In addition, all the Mexican American coefficients are smaller than the coefficient for African Americans, suggesting that Mexican Americans accumulated assets more quickly. Model 4 again includes separate indicators for the three Mexican American generational groups, but also contains the index of

impediments to mobility (the dependent variable in Table 3). Again, adding the index of impediments to mobility does not reduce the strength of the Mexican American coefficient, suggesting that early-life impediments had little effect on wealth. This finding is consistent with our proposal and related findings that poverty declined and inheritances increased over the generations for this sample. Again, this finding does not imply that Mexican Americans are rapidly moving into the upper classes, and it does not contradict the finding that Mexican Americans still lag behind whites in total wealth (Taylor et al. 2011a). However, it does provide some evidence that Mexican Americans in this cohort experienced improvements to their wealth status over their working years despite early disadvantage.

(Table 4 about here)

The wealth accumulation trajectories followed by Mexican Americans (shown in Table 4) are evident in midlife wealth levels displayed in Table 5. The table displays results of GLS models of total 2010 wealth that include our race/ethnicity variables as well as controls for education, income, work and family behaviors, and family background. We show results for 2010 net worth, but we also experimented with using 2004 or 2008 net worth, the next most recent years for which we also have net worth data. The substance of the findings was identical to what we report, but the magnitude of the respondents' net worth was notably higher in the 2004 and 2008 data as a result of the market bubble occurring at the time. Consistent with our expectations, Model 1 in Table 5 shows that Mexican Americans in this sample have less total wealth at midlife than non-Latino whites, but they have more wealth than African Americans. Again, given that Mexican Americans and African Americans started their lives at similar SES levels, this suggests that Mexican Americans were upwardly mobile. We do not control for the index of impediments to mobility here because we include controls for adult education and want to avoid collinearity; but models with the index included produce the same substantive finding for Mexican American wealth

levels. Model 1, and all our models, control for multiple indicators of region of residence in order to hold constant the effects of regional differences in asset (e.g., housing) appreciation, incomes, and related processes. We experimented with using restricted data that includes more detailed information about the area of residence over the life course, changes in residence, and traits of the place of residence. We found that controls for the broad regions (i.e., North Central, South, or West versus Northeast) and urban (versus rural) displayed in the tables were the most effective controls. Model 1 is particularly important because it suggests that the Mexican Americans from this sample, a group of people who have lived in the United States for decades, were able to accumulate some wealth despite significant early disadvantages.

Finally, our results provide preliminary evidence regarding the longer-term financial stability that this sample of Mexican Americans can expect as they age and approach retirement. In Table 5, Model 2 replicates Model 1 but also includes a lagged (2008) dependent variable; thus, the coefficients can be interpreted as the effect on the change in wealth between 2008 and 2010 with other traits controlled. The 2008 wealth data were collected at the start of the recession, and the 2010 were collected after the major downturn had occurred, allowing us to speculate about how business cycles and broader economic patterns affect the wealth of this cohort. Model 2 shows that Mexican Americans in this sample lost more wealth during the recession than non-Latino white respondents, but they lost less wealth than African American respondents. Again, these models control for region and urban residence as well as the long list of other standard controls, indicating that this pattern holds even with regional variation in the degree of economic downturn held constant. This finding suggests that Mexican Americans in this sample have achieved a degree of financial stability; that is, they lost less wealth than African Americans, placing them in a somewhat more advantaged position that might carry over into retirement. Yet, these results do not suggest that Mexican Americans have achieved household or class stability.

Rather, they are indicative of the continued financial vulnerability faced by Mexican Americans, particularly those in midlife, as others studying Latino wealth have documented for current cross sections of the American population (Campbell and Kaufman 2006; Cobb-Clark and Hildebrand 2005; Taylor et al. 2011a). Losing significant amounts of wealth at any life stage can leave households exposed and unable to withstand financial shocks, but losing that wealth at the end of the working years can be particularly problematic given that increasing numbers of households are planning to use personal savings to finance retirement. Future research on this and other samples of older adults will usefully assess whether Mexican Americans are able to retain their new wealth into retirement.

Conclusion and Discussion

This study explored the wealth accumulation patterns of Mexican Americans to assess whether they experienced wealth mobility over their lives and to provide insight into debates about immigrant mobility prospects. We started by integrating ideas from immigrant attainment and wealth mobility research to develop a series of propositions regarding Mexican American wealth mobility; we then tested these ideas using longitudinal data from a relatively large cohort sample (the NLSY, 1979 cohort) that allowed us to observe starting points (i.e., family background), intergenerational resource transfers, young adult processes, and change over the working years for the same respondents. Using the cohort sample allowed us to study the same individuals from young adulthood through midlife, when wealth accumulation trajectories are typically well established. We proposed that studying these processes simultaneously is essential for making claims about mobility. Although our sample is not representative of current cross sections of Mexican Americans, understanding the accumulation and mobility patterns of a single cohort provides information that is relevant to today's immigrants. We compared Mexican

Americans with non-Latino white and African American respondents, two large groups with established wealth positions, because debates about assimilation and mobility fundamentally refer to status in the broader socioeconomic structure of the host country. We also followed current scholarship that urges considering within-group heterogeneity in order to understand assimilation patterns (Alba, Jiménez, and Marrow 2013) by comparing wealth accumulation trajectories for first-, second-, and third-generation and later Mexican American respondents.

Our results showed that Mexican Americans in this cohort experienced upward wealth mobility over their lives, consistent with the concept of delayed assimilation. In particular, we found high levels of childhood poverty and low levels of inheritances when we compared Mexican Americans with non-Latino whites, but we also found that these disadvantages declined with each generation since migration. In addition, our results suggested that Mexican Americans overall had levels of childhood poverty and inheritances that were relatively similar to those of African Americans, but that second- and later-generation Mexican Americans were less likely than African Americans to be raised in poverty and more likely to receive transfers. Consistent with our findings regarding childhood poverty and with segmented assimilation research on young adult impediments to mobility, we found that Mexican Americans in our sample encountered more impediments to mobility in young adulthood—measured with an index of negative outcomes such as dropping out of school, early fertility, and encounters with the criminal justice system—than native whites and comparable numbers of impediments to African Americans. Despite these disadvantages, however, we found upward mobility among the Mexican Americans in our sample. Our results showed that that Mexican Americans accumulate assets over the working years more slowly than whites but more rapidly than African Americans and that accumulation rates increase over the generations for Mexican Americans. At midlife, Mexican Americans in our sample had less total wealth than whites but more than African Americans. Perhaps most important, our

analyses showed that controlling for young adult impediments to mobility— a measure that has been used by segmented assimilation researchers to demonstrate the likelihood of downward mobility—did not affect long-term wealth accumulation trajectories or midlife wealth levels.

Our findings do not imply that Mexican Americans are becoming wealthy or rapidly ascending to the top of the wealth distribution. Rather, these results suggest that Mexican Americans may be experiencing a pattern of delayed assimilation rather than necessarily moving down the class structure into the underclass (Bean et al. 2011). Changes in the class status of an entire group naturally occur slowly and over long stretches of time, and evidence that this cohort has experienced some degree of upward mobility suggests that an important class transformation may have begun. Yet, there are reasons to be cautious about the findings. For instance, although our data have important advantages, they are not perfect. Following a cohort over 30 years allowed us to highlight long-term trends in wealth mobility that have been absent in much of the immigrant assimilation literature, but this cohort is unique in important ways. The sample was taken before relatively recent waves of immigration, and the respondents experienced different social, economic, and political realities than a comparable sample taken today would encounter. For example, the respondents in our sample grew up in an era when affirmative action may have benefited them and when legalization was possible. In addition, we were unable to examine whether and to what extent legal status facilitates wealth accumulation, but there is evidence that legalization is an important mechanism that leads to greater economic stability. We suspect that legalization pathways, such as the 1986 amnesty under IRCA, helped to stabilize families economically, provided access to education, and also reduced socially mobile Mexican Americans' burden of giving back to poorer coethnics. All these factors can facilitate saving, wealth accumulation, and upward mobility. This raises important questions about the ability of

post-1986 unauthorized Mexican immigrants and their descendants to accumulate wealth and underscores the importance of legal status in facilitating upward mobility.

In addition to legalization, Mexican Americans continue to face other challenges, and our results should not be read as indicating otherwise. For example, Mexican Americans of all generations continue to face educational challenges and discrimination, particularly in low-wage labor markets (Pager, Bonikowski, and Western 2009; Pager and Quillian 2005; Roscigno et al. 2007). Our results indicate that although Mexican Americans gradually experience upward mobility as they age, African Americans remain economically disadvantaged throughout the life course. This supports research arguing that class lines are fluid for immigrants and their offspring but are more rigid for African Americans (Perlman 2005; Lee and Bean 2010). Yet, our findings provide important evidence that Mexican Americans who have had sufficient time and stability to enter into wealth ownership have done so and are creating an asset base that can provide critical benefits. These benefits have even farther-reaching implications given population growth among Mexican Americans. In particular, as the second- and later-generation Mexican American population grows and baby boomers retire, Mexican Americans will also comprise a larger portion not just of the U.S. population but also of the American workforce.

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Table 1. Mexican American Wealth: Descriptive Statistics

	Sample n (%)	Childhood poverty	Ever inherit	Impediments to mobility (no.)	Net worth 2008, 2010 (000s, $)
Mexican American	1,112 (9.5)	.33	.04	1.76	127.08, 130.69
First generation	315 (2.7)	.38	.02	1.83	105.13, 104.01
Second generation	341 (2.9)	.32	.03	1.60	135.20, 140.19
Third generation plus	456 (3.9)	.32	.04	1.61	142.24, 145.90
African American	3,147 (26.8)	.33	.03	1.59	43.1, 92.77
Puerto Rican	308 (2.6)	.34	.03	1.71	107.80, 107.13
Cuban	112 (1.0)	.13	.20	.97	197.33, 177.23
White	7,058 (60.2)	.17	.19	1.28	330.45, 321.79
All	11,718 (100)	.21	.09	1.42	188.00, 230.59

Family background		**Individual and family traits**	
Father graduated from college	.10	Age (years)	49.53
Mother graduated from college	.07	Male	.49
Father worked full-time	.77	High school graduate	.36
Mother worked full-time	.40	Some college	.18
Father had professional occupation	.10	College graduate	.12
Mother had professional occupation	.03	Advanced degree	.08
Family income in 1978 (000s)	$47.88	Labor occupation	.12
Stepparent family	.08	Family income (000s)	$61.21
Single-parent family	.13	Welfare income (monthly)	$467.78
Siblings (number)	2.95	Two-earner household	.65
Married	.51	Age at first birth (years)	21
Separated	.04	Children (number born)	1.7
Divorced	.12		
Widowed	.004		

Notes: Values are proportions unless otherwise specified. Income and wealth values are medians adjusted to 2010 dollars; other values are means. Adult traits are measured in 2010 for this table, but we use data from 1979–2010 in our analyses. Net worth is higher for this sample than for the U.S. population because this is a cohort sample with a mean age of 49. To conserve space, we do not include all variables in the table. Some proportions do not sum to 1 because of rounding.

Table 2: Childhood Poverty & Intergenerational Transfers: Logistic Regression

	Childhood poverty		Ever inherit	
Mexican American	0.46***	-	-0.82***	-
	(0.09)		(0.09)	
First generation	-	0.72***	-	-1.07***
		(0.14)		(0.17)
Second generation	-	0.39**	-	-0.61***
		(0.14)		(0.15)
Third generation plus	-	0.13	-	-0.60***
		(0.13)		(0.12)
African American	0.51***	0.51***	-0.72***	-0.72***
	(0.06)	(0.06)	(0.06)	(0.06)
Puerto Rican	0.45**	0.46**	-0.10***	-1.0***
	(0.15)	(0.15)	(0.17)	(0.17)
Cuban	-0.63	-0.63*	0.14	0.14
	(0.33)	(0.33)	(0.23)	(0.23)
Father's education				
High school	-0.40***	-0.39***	0.30***	0.30***
	(0.06)	(0.06)	(0.06)	(0.06)
Some college	-0.55***	-0.54***	0.33**	0.33**
	(0.12)	(0.12)	(0.09)	(0.09)
College degree	-0.46**	-0.45**	0.68***	0.68***
	(0.14)	(0.14)	(0.10)	(0.10)
Advanced degree	-0.38*	-0.38*	0.82***	0.83***
	(0.18)	(0.18)	(0.13)	(0.13)
Mother's education				
High school	-0.54***	-0.53***	0.41***	0.41***
	(0.06)	(0.06)	(0.06)	(0.06)
Some college	-0.44***	-0.44***	0.67***	0.67***
	(0.11)	(0.11)	(0.09)	(0.09)
College degree	-0.73***	-0.73***	0.86***	0.87***
	(0.18)	(0.18)	(0.13)	(0.13)
Advanced degree	-0.44	-0.44	0.83***	0.83***
	(0.26)	(0.26)	(0.19)	(0.19)
Father worked full-time	-0.80***	-0.80***	0.07	0.07
	(0.05)	(0.05)	(0.06)	(0.06)
Mother worked full-time	-0.58***	-0.58***	0.04	0.04
	(0.05)	(0.05)	(0.05)	(0.05)
Father's occupation				
Professional	-0.18	-0.18	0.39***	0.39***
	(0.14)	(0.14)	(0.10)	(0.10)
Managerial	0.05	0.06	0.25**	0.24**
	(0.11)	(0.11)	(0.08)	(0.08)
Sales	0.06	0.06	0.22	0.22
	(0.17)	(0.17)	(0.12)	(0.12)
Mother's occupation				
Professional	-0.71***	-0.71***	0.20*	0.19
	(0.15)	(0.15)	(0.10)	(0.10)
Managerial	0.02	0.04	0.03	0.02
	(0.19)	(0.19)	(0.14)	(0.14)
Sales	-0.15	-0.16	0.25	0.25
	(0.18)	(0.18)	(0.13)	(0.13)
Childhood family				
Stepparent family	0.15	0.15	-0.00	-0.00
	(0.09)	(0.09)	(0.08)	(0.08)

(Table 2, continued)

	Childhood poverty		Ever inherit	
Single-parent family	0.69***	0.70***	-0.03	-0.04
	(0.06)	(0.06)	(0.06)	(0.06)
Number of siblings	-0.05***	-0.05***	0.07***	0.07***
	(0.01)	(0.01)	(0.01)	(0.01)
Number of extended family members	0.17***	0.17***	-0.01	-0.01
	(0.03)	(0.03)	(0.03)	(0.03)
Moved frequently	1.30***	1.31***	-0.24	-0.24
	(0.23)	(0.23)	(0.23)	(0.23)
Age	0.50	0.51	-0.29	-0.29
	(0.27)	(0.27)	(0.24)	(0.24)
Age (squared)	-0.01*	-0.01*	0.01	0.01
	(0.01)	(0.01)	(0.00)	(0.00)
Male	-0.23***	-0.24***	-0.15**	-0.15**
	(0.05)	(0.05)	(0.04)	(0.04)
Region of residence				
North Central	-0.15	-0.14	-0.22**	-0.23**
	(0.08)	(0.08)	(0.07)	(0.07)
South	0.21**	0.22**	-0.18**	-0.19**
	(0.07)	(0.07)	(0.06)	(0.06)
West	-0.004	-0.02	-0.05	-0.05
	(0.09)	(0.09)	(0.08)	(0.08)
Urban	-0.14**	-0.14**	0.17**	0.17**
	(0.06)	(0.06)	(0.05)	(0.05)

Notes: Standard errors are in parentheses. Childhood poverty indicates that childhood household income was below the poverty line. Inheritance indicates that the respondent ever received an intergenerational transfer from an older generation.

* p<0.05 ** p<0.01 *** p<0.001

Table 3: Impediments to Mobility: Negative Binomial Regression Models

	Base model	Add family controls
Mexican American	0.23***	0.07*
	(0.03)	(0.03)
African American	0.22***	0.06*
	(0.02)	(0.01)
Puerto Rican	0.31***	0.07
	(0.06)	(0.06)
Cuban	-0.33**	-0.37**
	(0.12)	(0.12)
Father high school grad.	-	-0.08**
		(0.02)
Mother high school grad.	-	-0.13***
		(0.02)
Childhood family		
Stepparent family	-	0.22***
		(0.03)
Single-parent family	-	0.16***
		(0.02)
Number of siblings	-	0.03***
		(0.00)
Extended family members (no.)	-	0.05***
		(0.01)
Moved frequently	-	-0.12
		(0.09)
Parents' income (log)	-	0.00***
		(0.00)
Age	0.02***	0.02***
	(0.00)	(0.00)
Male	0.07***	0.09***
	(0.02)	(0.02)
Region of residence		
North Central	0.13***	0.12***
	(0.03)	0.03
South	0.05	0.01
	(0.03)	0.03
West	0.17***	0.13***
	(0.03)	(0.03)
Urban	-0.04	-0.01
	(0.02)	(0.02)

Notes: Standard errors are in parentheses.

* p<0.05 ** p<0.01 *** p<0.001

Table 4. Wealth Accumulation: Asset Growth Models, 1985-2010

	Model 1	Model 2	Model 3	Model 4
Year	5.25***	5.37***	5.25***	5.37***
	(0.87)	(0.81)	(0.87)	(0.81)
Mexican American	17.53**	14.90**	-	-
	(5.66)	(4.86)		
Mexican American*year	-7.55***	-7.47***	-	-
	(0.65)	(0.60)		
First generation	-	-	27.91**	20.97**
			(7.47)	(6.20)
*First generation*year*	-	-	-8.87***	-8.49***
			(1.02)	(0.88)
Second generation	-	-	7.86	8.46
			(6.13)	5.52
*Second generation*year*	-	-	-6.01***	-6.10***
			(0.91)	(0.85)
Third generation plus	-	-	18.69*	15.75*
			(8.31)	(7.06)
*Third generation plus*year*	-	-	-7.90***	-7.81***
			(0.78)	(0.72)
African American	17.03**	16.14***	17.02**	16.14***
	(4.58)	(4.04)	(4.58)	(4.05)
African American*year	-10.35***	-10.57***	-10.35***	-10.57***
	(0.54)	(0.51)	(0.54)	(0.51)
Puerto Rican	9.50	16.94	9.57	16.98
	(9.36)	(10.69)	(9.37)	(10.70)
Puerto Rican*year	-7.51***	-7.77***	-7.51***	-7.77***
	(0.70)	(0.65)	(0.70)	(0.65)
Cuban	-12.87	-10.30	-12.92	-10.31
	(20.88)	(17.49)	(20.88)	(17.49)
Cuban * year	-0.41	-0.64	-0.41	-0.64
	(2.01)	(1.92)	(2.01)	(1.92)
Impediments to mobility	-	-0.92	-	-0.92
		(1.08)		(1.09)
Labor occupation	-3.00	-7.33	-3.06	-7.34
	(4.28)	(4.02)	(4.29)	(4.02)
Household income (log)	5.84***	6.73***	5.84***	6.73***
	(1.02)	(1.13)	(1.02)	(1.13)
Two earners	0.22**	0.23**	0.22**	0.23**
	(0.08)	(0.07)	(0.08)	(0.07)
Adult family				
Married	15.99***	19.39***	15.96***	19.38***
	(2.96)	(2.80)	(2.96)	(2.80)
Separated	-6.52	-8.22	-6.53	-8.22
	(4.52)	(4.46)	(4.52)	(4.46)
Divorced	-7.02	-9.53*	-6.99	-9.50*
	(4.52)	(4.47)	(4.53)	(4.48)
Widowed	11.61	6.90	11.54	6.88
	(9.92)	(9.64)	(9.92)	(9.63)
Have any children	-53.67***	-	-53.61***	-
	(9.70)		(9.72)	
Age at first birth	1.96***	-	1.96***	-
	(0.34)		(0.34)	

(Table 4, continued)

	Model 1	Model 2	Model 3	Model 4
Family size	17.52***	-	17.47***	-
	(3.10)		(3.10)	
Family size squared	-2.55***	-	-2.54***	-
	(0.57)		(0.57)	
Education				
High school	11.54***	-	11.74***	-
	(2.51)		(2.50)	
Some college	11.63**	-	11.88**	-
	(3.43)		(3.43)	
College degree	22.39***	-	22.66***	-
	(5.72)		(5.72)	
Advanced degree	30.78**	-	30.99**	-
	(8.40)		(8.39)	
Income (log, prior year)	5.84***	6.73***	5.87***	6.73***
	(1.01)	(1.13)	(1.02)	(1.13)
Father's education				
High school	4.60	5.20	4.62	5.23
	(3.67)	(3.46)	(3.68)	(3.47)
Some college	12.89	16.93*	12.87	16.95*
	(7.97)	(7.37)	(7.97)	(7.38)
College degree	7.56	15.95*	7.55	15.97*
	(9.09)	(8.06)	(9.09)	(8.06)
Advanced degree	11.00	20.70*	10.98	20.72*
	(10.88)	(9.41)	(10.88)	(9.42)
Mother's education				
High school	2.41	7.07*	2.42	7.09*
	(3.74)	(3.48)	(3.75)	(3.49)
Some college	11.79	11.13*	11.80	11.15*
	(6.83)	(5.75)	(6.83)	(5.75)
College degree	29.57*	28.55**	29.55*	28.56**
	(12.44)	(11.09)	(12.44)	(11.09)
Advanced degree	8.98	16.69	8.93	16.69
	(12.62)	(13.13)	(12.62)	(13.13)
Parents' income (log)	0.02	-0.05	0.03	-0.04
	(0.59)	(0.53)	(0.59)	(0.53)
Number of siblings	-1.19*	-1.10*	-1.21*	-1.11*
	(0.56)	(0.51)	(0.56)	(0.51)
Region of residence				
North Central	-12.34*	-10.93*	-12.28*	-10.89*
	(5.46)	(4.52)	(5.45)	(4.52)
South	-10.22*	-5.66	-10.09*	-5.60
	(4.77)	(4.20)	(4.77)	(4.20)
West	-5.56	0.28	-5.63	0.26
	(5.72)	(5.19)	(5.72)	(5.19)
Urban	-0.65	-0.06	-0.63	-0.04
	(3.01)	(2.79)	(3.01)	(2.80)

Notes: Standard errors are in parentheses. Also controlled but not displayed are indicators that father and mother worked full-time, age, age squared, and gender.

* $p<0.05$ ** $p<0.01$ *** $p<0.001$

Table 5. Midlife Wealth: Net Worth in 2010 (Age 45-53)

	Model 1	Model 2
	Base Model	**Add 2008 net worth**
Mexican American	-0.37***	-0.31***
	(0.09)	(0.08)
African American	-0.69***	-0.58***
	(0.06)	(0.06)
Puerto Rican	-0.69***	-0.53**
	(0.17)	(0.15)
Cuban	-0.13	-0.08
	(0.21)	(0.19)
2008 net worth (log)	-	1.16***
		(0.04)
Education		
High school	0.37***	0.29**
	(0.09)	(0.08)
Some college	0.60***	0.45***
	(0.10)	(0.09)
College degree	1.19	0.85***
	(0.11)	(0.10)
Advanced degree	1.27***	0.89***
	(0.11)	(0.10)
Labor occupation	-0.28***	-0.20**
	(0.07)	(0.06)
Two earners	0.01***	0.01***
	(0.00)	(0.00)
Household income (log)	0.20***	0.14***
	(0.01)	(0.01)
Adult family		
Married	0.61***	0.50***
	(0.08)	(0.07)
Separated	-0.09	-0.05
	(0.13)	(0.12)
Divorced	0.19*	0.17*
	(0.08)	(0.08)
Widowed	0.17	0.13
	(0.23)	(0.21)
Have any children	-0.12*	-0.12*
	(0.06)	(0.06)
Father high school grad.	0.08	0.10*
	(0.05)	(0.05)
Mother high school grad.	0.03	0.04
	(0.05)	(0.05)
Father worked full-time	0.22***	0.20***
	(0.06)	(0.05)

(Table 5, continued)

	Model 1	Model 2
	Base Model	**Add 2008 net worth**
Mother worked full-time	0.02	0.04
	(0.05)	(0.04)
Number of siblings	-0.01	-0.00
	(0.01)	(0.01)
Age	-0.97*	-0.84*
	(0.44)	(0.40)
Age (squared)	0.01*	0.01*
	(0.01)	(0.00)
Male	0.29***	0.21***
	0.05	(0.04)
Region of residence		
North Central	-0.29**	-0.21**
	(0.08)	(0.07)
South	-0.24**	-0.17**
	(0.07)	(0.07)
West	-0.07	-0.04
	(0.09)	(0.08)
Urban	-0.25***	-0.21***
	(0.05)	(0.05)

Notes: Standard errors are in parentheses.

* p<0.05 ** p<0.01 *** p<0.001