Assimilation across the Latino Generations

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There is concern that Hispanics have not mimicked the European immigrant experience of great generational advance (Jeffrey Grogger and Stephen Trejo, 2002). Reasons for concern vary, but a theme is that Latino immigrants and their offspring are less committed to assimilation than Europeans were. Discrimination, adherence to Spanish, and frequent trips "home" due to proximity are said to be reasons.

I examine two aspects of generational mobility of Hispanic and Mexican men: education and wages. A major problem in studying this assimilation is ambiguity in defining generations and ethnicity across Census and Current Population Survey (CPS) files. Generations are defined as follows: 1st generation, born outside the United States; 2nd generation, at least one parent born outside the United States; 3rd generation or more, both parents born in the United States. While reference is made for convenience to the 3rd generation, it includes all generations beyond the second. Since no distinction was made between the 2nd and subsequent generations in the 1980 and 1990 Censuses or the March CPS's until 1994, I use data from four decennial Censuses between 1940 and 1970, four special CPS supplements on language and immigration (1979, 1983, 1986, 1988) to cover the 1980's, and four successive March CPS's starting in 1994 to represent the 1990's.

Ethnicity is straightforward to define for the 1st and 2nd generation, where place or birth or self-reported ethnicity can be used to define Hispanic ethnicity. The problem is the 3rd generation, where information available for Hispanic descent and specific ethnicity differs across the Censuses and CPS's. Details of the rules adopted to define specific Hispanic ethnicity are available in Smith (2001).

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I. Intergenerational Assimilation: The Puzzle

It is the alleged inability of successive Hispanic generations to close their schooling gap that led to pessimism about generational assimilation. To justify pessimism, the first two panels in Table 1 list education levels for three generations of Hispanic men and their education deficits with native white men. While Latino schooling levels mostly rise and their education deficits fall between the 1st and 2nd generation, the gains are not very large. Across three generations, Latino schooling gains were less than one year of schooling. Since these generations span at least 50 years, at this pace generation progress could rightly be labeled slow, especially given beliefs about the considerable progress made by the children and grandchildren of the European immigrants. While Table 1 contains data for Hispanics in 1970, the story for other years and for Mexicans is similar.

An equally pessimistic story emerges with generation wage gaps, listed in the third panel of Table 1. There is almost no evidence of generation progress. The Latino wage gap declines between the 1st and 2nd generation, but the narrowing is very modest. Retrogression then begins, as the Hispanic wage gap expands in the 3rd generation.

These and similar data created the view that, while Latinos made some minor progress between the 1st and 2nd generation, progress then ceased. However, such data do not speak to intergeneration assimilation since we should not be comparing 2nd- and 3rd-generation workers of the same age in the same year. For example, the 1970 40-year-old 3rd-generation Latinos in Table 1 are not sons of 40-year-old 2nd-generation Latino men in the same year, and certainly not the grandsons of the 1970 1st generation immigrants who were 40 years old. To evaluate generational assimilation correctly, the data must be realigned to match up the sons and grandsons of the Hispanic immigrants.

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TABLE 1—HISPANIC MALE EDUCATION AND WAGES BY GENERATION, 1970

	Age				
Generation	21–30	31–40	41–50	51–60	All
Hispanic Male Education:					
1	9.96	9.01	8.56	7.64	8.96
2	10.83	9.85	8.36	7.02	9.32
3	10.78	9.82	9.04	7.71	9.82
Hispanic Male Education Deficit with Native White Men:					
1	−2.60	−3.14	−2.95	−2.99	−2.82
2	−1.74	−2.31	−3.15	−3.61	−2.46
3	−1.78	−2.34	−2.47	−2.92	−1.96
Hispanic Male Wages as a Percentage of Native White Men:					
1	80.5	71.4	70.1	66.5	72.3
2	83.2	80.1	75.2	73.5	79.5
3	81.6	75.7	73.1	72.8	73.8

TABLE 2—HISPANIC AND MEXICAN MEN'S EDUCATION (YEARS), BY GENERATION

	Hispanic			Mexican		
Year of birth	1st	2nd	3rd	1st	2nd	3rd
1830–1834			3.17			2.80
1835–1839			4.34			4.61
1840–1844			3.69			3.49
1845–1849			5.30			5.47
1850–1854			5.27			5.43
1855–1859		6.34	5.97		5.50	5.68
1860–1864		5.19	6.62		3.75	6.32
1865–1869		4.46	7.33		3.72	6.96
1870–1874		5.26	7.97		3.70	7.75
1875–1879		4.77	8.40		4.77	8.20
1880–1884	3.12	5.65	9.55	2.67	5.08	9.17
1885–1889	3.62	6.22	10.05	2.79	5.66	9.75
1890–1894	4.98	7.55	10.89	4.56	7.04	10.47
1895–1899	4.68	8.13	11.74	3.80	7.47	11.61
1900–1904	4.55	7.75	12.08	3.81	7.37	12.40
1905–1909	5.06	9.59	12.24	4.27	9.27	12.17
1910–1914	6.10	10.56	12.13	5.02	10.30	12.13
1915–1919	7.41	11.17	12.47	6.20	10.93	12.45
1920–1924	7.91	11.80	12.40	6.22	11.61	12.29
1925–1929	8.28	12.28		5.96	12.04	
1930–1934	8.76	12.10		6.23	11.64	
1935–1939	8.40	12.50		6.15	12.26	
1940–1944	9.09	12.88		6.86	12.51	
1945–1949	9.56	12.42		7.79	12.08	
1950–1954	9.13			7.72		
1955–1959	9.47			8.23		
1960–1964	9.79			8.71		
1965–1969	9.90			9.30		
1970–1974	9.66			9.10		

II. Intergenerational Assimilation: A Resolution

To obtain a single estimate for each five-year birth-cohort cell, means across all Census and groups of CPS years were averaged. To track generation progress, Table 2 is indexed by immigrant generation birth cohorts for Hispanics and Mexicans. With a 25-year lag between generations, education of the 2nd generation refers to 2nd-generation Latinos born 25 years after the birth-years indexed for immigrants in the first column. A similar 25-year offset is assumed for the 3rd and 2nd generations.

Latino schooling advances across generations are impressive. Consider Mexican immigrants born during 1905–1909 with 4.3 years of school. Their American-born sons, with 9.4 years, doubled their schooling, and their grandsons were high-school graduates. The average education gain across three generations of Mexican men is more than seven years, in contrast to the impression of the cross section.

Table 3 shows how generations closed schooling gaps with native white men. There is no simple story about trends in relative quality of new immigrants. Education gaps of Mexican immigrants fell between the birth cohorts of the 1880's and 1920 but then expanded, raising concerns about the relative quality of new Mexican immigrants (Smith and Barry Edmonston, 1997). This has reversed again as education gaps of Mexican immigrants have fallen since the 1950 birth cohort (Guillermina Jasso et al., 2000). Despite secular swings, schooling gaps for immigrants are large, averaging over more than three years among Hispanics and five years among Mexicans.

Schooling deficits are much smaller in the 2nd generation than in the 1st and are always lower still in the 3rd. The mean education gap among all 1st-generation Mexicans in Table 3 was 4.94 years. This deficit fell to 2.95 years among 2nd-generation Mexicans. The youngest 3rd-generation cohorts included in Tables 2 and 3 (whose immigrant grandfathers were born between 1920 and 1924) had less than a one-year schooling gap with white men—half as big

TABLE 3—EDUCATION DEFICIT RELATIVE TO NATIVE
WHITE MEN (YEARS), BY GENERATION

Year of birth	Hispanic			Mexican		
	1st	2nd	3rd	1st	2nd	3rd
1830–1834			4.95			5.32
1835–1839			4.02			3.75
1840–1844			4.86			5.07
1845–1849			3.41			3.23
1850–1854			3.58			3.42
1855–1859		1.78	3.03		2.62	3.32
1860–1864		3.16	2.68		4.61	2.98
1865–1869		4.10	2.25		4.83	2.62
1870–1874		3.44	2.30		5.01	2.52
1875–1879		3.64	2.35		4.08	2.56
1880–1884	5.00	3.35	2.48	5.45	3.92	2.87
1885–1889	4.74	3.07	2.34	5.57	3.63	2.64
1890–1894	3.57	2.03	2.19	3.99	2.53	2.61
1895–1899	4.03	2.14	1.64	4.90	2.80	1.77
1900–1904	4.30	3.01	1.16	5.04	3.38	1.32
1905–1909	3.94	2.45	1.08	4.73	2.76	1.14
1910–1914	3.20	1.84	1.07	4.27	2.09	1.07
1915–1919	2.17	1.91	1.03	3.37	2.15	1.06
1920–1924	2.36	1.58	0.71	4.05	1.77	0.82
1925–1929	2.48	1.44		4.79	1.68	
1930–1934	3.27	1.22		5.81	1.68	
1935–1939	3.99	0.70		6.24	0.94	
1940–1944	3.99	0.62		6.22	1.00	
1945–1949	3.82	0.70		5.59	1.04	
1950–1954	4.59			6.00		
1955–1959	3.85			5.09		
1960–1964	3.41			4.49		
1965–1969	3.60			4.20		
1970–1974	3.46			4.01		

TABLE 4—HISPANIC AND MEXICAN MEN'S ADJUSTED
WAGE VALUES (PERCENTAGES OF NATIVE WHITE MEN'S
LIFETIME EARNINGS), BY GENERATION

Year of birth	Hispanic			Mexican		
	1st	2nd	3rd	1st	2nd	3rd
1830–1834			58.20			61.98
1835–1839			50.69			51.19
1840–1844			63.47			50.37
1845–1849			68.07			74.04
1850–1854			65.37			63.54
1855–1859		64.20	65.32		62.30	67.41
1860–1864		77.87	73.32		55.44	74.53
1865–1869		73.95	74.74		56.98	74.37
1870–1874		63.57	75.83		57.52	74.71
1875–1879		62.83	72.85		62.28	73.68
1880–1884	55.53	71.50	78.65	41.59	63.14	77.82
1885–1889	52.93	70.26	78.74	39.98	68.70	77.63
1890–1894	71.81	74.58	77.41	64.72	74.24	73.32
1895–1899	60.51	76.25	81.88	54.54	76.81	83.80
1900–1904	74.14	78.47	79.11	70.19	75.09	74.38
1905–1909	75.11	79.17	82.96	67.43	80.06	78.79
1910–1914	69.70	82.85	80.17	65.32	81.15	79.17
1915–1919	70.92	82.34	84.77	65.84	83.78	83.15
1920–1924	72.52	83.19		67.65	88.26	
1925–1929	71.83	86.22		65.36	86.60	
1930–1934	72.65	86.51		66.11	84.97	
1935–1939	70.40	79.45		63.64	76.83	
1940–1944	69.97	84.25		65.41	82.19	
1945–1949	67.27			60.63		
1950–1954	70.36			65.86		
1955–1959	67.26			62.96		
1960–1964	68.49			66.59		
1965–1969	71.15			70.15		

as their fathers' education deficit. Compared to the 1st generation, schooling gaps of 2nd-generation Latinos have closed more quickly, implying that the eventual education gap of the grandsons of Hispanic immigrants born in the 1940's will be small indeed.

Did progress in schools signal similar generational progress in incomes? Table 4, which arranges age-normalized wage gaps by generation in the same manner as previous tables, tells a story of generational progress. Mexican immigrants born during 1895–1899 earned 55 percent as much as native white men over their lifetimes. When their American-born sons competed in the labor market, their lifetime wage gap averaged 23 percent. By the time their grandsons worked, the Mexican wage gap averaged 16 percent.

Table 4 shows that the size of the wage gap among 3rd-generation Mexicans became pro-

gressively smaller, reaching about 17 percent among the most recent birth cohort listed. Since there remain quantifiable differences in skills (e.g., less schooling) compared to native white men born at the same time, an adjusted wage deficit is even smaller. Adjusting for their own schooling deficits only, the wage gap of 3rd-generation Mexicans would only be about 10 percent.

III. Models of Intergeneration Transmission

These data are used to model generational transmission of schooling and wages among immigrants. Table 5 contains estimated coefficients obtained for Mexican men. The column and row headings list the outcome measure studied (education or log wages) and the generation represented. The first model regresses education of 2nd-generation Mexican

TABLE 5—MODELS OF INTERGENERATION TRANSMISSION (MEXICAN MEN)

A. *Dependent Variable = Education (2nd or 3rd Generation)*

Independent variable	(i) Ed^2	(ii) Ed^2	(iii) Ed^3	(iv) Ed^3	(v) Ed^3
Ed^1	1.59	0.50			−0.54
	(9.07)	(3.84)			(4.16)
Ed^2			0.77	0.22	0.52
			(5.81)	(2.94)	(7.24)
MEd		1.09		1.09	1.56
		(9.44)		(9.08)	(11.6)
Constant	1.51	−5.88	4.52	−4.73	−11.09
	(1.61)	(6.94)	(4.64)	(4.39)	(6.84)
R^2:	0.862	0.984	0.716	0.969	0.985

B. *Dependent Variable = ln(Wages) (2nd or 3rd Generation)*

Independent variable	(vi) Lnw^2	(vii) Lnw^3	(viii) Lnw^3
Lnw^1	0.46		−0.52
	(4.79)		(2.23)
Lnw^2		0.27	0.57
		(2.52)	(1.74)
Constant	3.66	4.68	5.66
	(6.55)	(7.24)	(6.08)
R^2:	0.646	0.309	0.402

men against that of their immigrant fathers. The estimates imply that for a year increase in schooling of Mexican immigrants, schooling of their American sons rose by 1.6 years. This high degree of generational transmission in schooling by immigrants is well above estimates for nonimmigrant populations. Historical generation data show lower rates of generation transmission for both native-born white and African-American men (see Smith, 1986) so that, across generations, descendants of Latino immigrants achieve schooling gains relative to both groups.

Why would schooling transmission be so high relative to native populations? A reason is given in column (ii) which adds a variable (MEd) measuring mean schooling of all American men born in the same years as 2nd-generation Mexican men. Schooling transmission from 1st to 2nd Mexican generations can be partitioned into two parts. The first results from equal sharing in secular gains in schooling, so periods of rising education levels also produced more rapid increases in schooling among 2nd-generation Mexican men. The remaining is the direct transmission effect from 1st-generation to 2nd-generation schooling. This coefficient of 0.5 is now within the range of estimates for nonimmigrant populations.

The next three columns have estimates of education transmission for 3rd-generation Mexican men. These estimates imply a smaller rate of generation transmission between 3rd- and 2nd-generation Mexicans than between 2nd- and 1st-generation Mexicans. Declining rates of transmission across immigrant generations may be due to the original immigrants being unusually able and motivated, so as their descendants blend into the more general population, they lose their distinctiveness.

Column (v) contains a model predicting 3rd-generation Mexican schooling which includes the schooling levels of both the 2nd and 1st Mexican generations. The estimated coefficient of 2nd-generation schooling (fathers') is positive, while that of 1st-generation (grandfathers') schooling is negative. This result is consistent with the implications of the Becker-Tomes model (Gary Becker, 1981). Controlling for 2nd-generation (fathers') schooling, an increase in 1st-generation (grandfathers') schooling is a signal of less-able 1st-generation grandparents which lowers schooling levels in the 3rd (sons') generation.

The final columns (Table 5B) contain estimates of the intergenerational elasticity of sons' earnings with respect to fathers' earnings. Since these wages have been normalized to place all generations at the same place in their life-cycle earnings profiles, these parameters may measure long-run elasticities. The estimate of earnings elasticity between the 1st and 2nd generation of 0.46 would be on the high side of the estimates surveyed by Gary Solon (1999) in nonimmigrant samples which ranged from 0.3 to 0.5. The elasticity decreases when measured between the 2nd and 3rd generation so that over time generations increasingly converge toward the mean.

IV. Summary

The conventional view regarding Hispanic immigrants' ability to secure a better life for

their children and grandchildren has been pessimistic. They have been seen as not sharing in the successful European experience, perhaps due to a reluctance to assimilate into American culture. These fears are unwarranted: 2nd and 3rd-generation Hispanic men have made great strides in closing their economic gaps with native whites. The reason is simple: each successive generation has been able to close the schooling gap with native whites which then has been translated into generational progress in incomes. Each new Latino generation not only has had higher incomes than their forefathers, but their economic status converged toward the white men with whom they competed. The methodological problems that have marred interpretation of immigrants' generational progress in schooling and earnings would apply equally to health, where it is alleged that the descendants of immigrants lose their initial health advantage.

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