

Immigration and wage changes of high school dropouts

From 1979 to 1989, the earnings gap between immigrant and native high school dropouts remained virtually unchanged, but it increased substantially in areas of high immigration; the growing proportion of immigrant high school dropouts explains some of the earnings change

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One of the most dramatic economic changes of the last 20 years has been a stagnation of earnings. In this regard, low-skilled workers fared worse than any other group. The hourly wage gap between white high school dropouts and white college graduates went from 23 percent in 1980 to 36 percent in 1990.¹ Among the factors that have been held responsible for the drastic deterioration in the relative wages of low-skilled workers are technological change and international trade.² The wage trends in the 1980s are also characterized by a growing disparity by ethnicity, such as the growing wage gap between whites and African-Americans, and between Latinos and non-Latinos.³

During the period of decline in wages of low-skilled workers, immigration increased precipitously. The number of immigrants ages 18 to 55, not enrolled in school and with less than a high school diploma, increased from 2.8 million in 1980 to 4.5 million in 1990, leading some to suggest that immigration might be a factor behind the decline. Research on inequality shows that the largest increase in inequality took place in the West and that this differential can be attributed, in part, to the entrance of a large number of low-skilled immigrants into the labor force.⁴ Outside the West, the large drop in the low-skilled labor supply par-

tially offset the decline in wages resulting from structural change.⁵ One source attributes 40 percent of the decline in the wages of low-skilled natives to immigration and trade combined.⁶

Immigrants can affect wages in two ways. One is compositional: low-skilled immigrants may decrease the wages of low-skilled workers because immigrants have, on average, lower wages than natives. The inability to speak English fluently, very low levels of education, and little familiarity with the U.S. labor market tend to depress the wages of immigrants. The second way immigrants affect wages is behavioral: by increasing the supply of low-skilled workers, immigrants may decrease the wages of other low-skilled workers. In trying to evaluate the effect of immigrants on the wages of low-skilled workers, these two factors are seldom differentiated. And there are other factors: obviously, wages of low-skilled workers could decline for reasons unrelated to immigration, such as industrial changes, technological changes, and international trade.

This article traces the 1979–89 earnings of foreign-born and native-born persons without a high school diploma, in order to identify trends in the wage standing of immigrants relative to natives, as well as assess the compositional impact of immigrants on the wages of low-skilled

María E. Enchautegui is a senior research associate at the Urban Institute, Washington, DC. This research was supported by a grant from the Immigration and Naturalization Service and by the Andrew W. Mellon Foundation. Opinions are those of the author and not of the funders or other staff of the Urban Institute.

workers. Throughout, an eye is kept on how wage differentials and the compositional impact of immigration on wages vary across areas with different levels of immigration. Data are from the 1980 and 1990 Census of Population. A low-immigration area is composed of metropolitan areas in which the foreign-born population arriving between 1980 and 1990 accounts for up to 5 percent of the total population. In medium-immigration areas, the recent immigrant arrivals account for 6 percent to 9 percent of the total population, and in areas of high immigration, the foreign-born population makes up 10 percent or more of the population. Because the article examines wages

for natives and immigrants, data are presented for selected metropolitan areas, including areas that have very few immigrants, but that are important labor markets for native-born workers, especially minorities.

The reason that metropolitan area data are used is because metropolitan areas are often utilized as a proxy for local labor markets. Due to the economic integration of the different units that compose the metropolitan area, metropolitan areas can serve as a proxy for local labor markets better than each separate component can. By looking at metropolitan areas, the article presents a comparative picture of immigrants across U.S.

Table 1. Percent change in real wages of workers without a high school degree, U.S. totals and selected areas, by nativity, 1979-89

Area	All workers	Natives	Immigrants	Percent immigrant	1980 immigrant sample size
U.S. totals	-13.3	-12.7	-13.4	21.2	19,368
25 largest metropolitan statistical areas	-12.7	-10.5	-11.0	40.4	12,276
Outside largest metropolitan statistical areas	-14.1	-13.4	-17.6	11.8	7,092
High-immigration areas	-7.5	-2.1	-7.1	63.1	9,465
Medium-immigration areas	-15.0	-11.6	-16.3	42.3	4,143
Low-immigration areas	-14.4	-13.8	-20.3	9.3	5,760
Los Angeles-Long Beach, CA	-9.5	-8	-8.1	72.5	3,471
New York, NY .....	.1	-2	3.2	52.8	2,654
Chicago, IL	-17.2	-15.6	-18.1	40.1	1,363
Philadelphia, PA-NJ	-7.9	-7.5	-8.3	10.4	189
Detroit, MI	-17.8	-18.4	-10.7	8.2	271
Washington, DC	-8.2	-4.7	-4.9	29.5	175
Houston, TX	-27.5	-26.5	-24.3	39.9	521
Atlanta, GA	-7.9	-8.1	37.4	7.5	20
Boston, MA	3.5	6.7	-2.3	37.8	302
Riverside-San Bernardino-Ontario, CA	-9.5	-7.5	-9	41.8	194
Nassau-Suffolk, NY	-3.6	-1.7	-7.9	30.9	225
Dallas, TX	-16.5	-14.3	-12.7	31.8	283
San Diego, CA	-6.1	-7.2	1.8	51.3	317
Minneapolis-St. Paul, MN	-16.6	-15.2	-30.8	7.9	32
St. Louis, MO-IL	-16.0	-15.9	-19.6	2.2	43
Anaheim-Santa Ana-Garden Grove, CA	-8.6	6.6	-7.7	69.2	483
Baltimore, MD	-4.3	-3.9	-4.2	5.5	43
Phoenix, AZ	-13.3	-9.1	-27.1	23.4	125
Oakland, CA	-8.1	-4.9	-12.6	42.3	155
Tampa-St. Petersburg, FL	-7.3	-5.6	-21.2	12.1	71
Pittsburgh, PA	-28.5	-27.7	-40.4	3.7	39
Seattle-Everett, WA	-16.5	-14.1	-28.2	17.4	63
Miami, FL	-14.7	-15.9	-12.0	71.8	783
Newark, NJ	-7.3	-10.2	-1.3	37.2	349
Cleveland, OH	-18.8	-18.1	-25.2	12.1	105
Bergen-Passaic, NJ	-2.2	-2.5	1.2	42.5	234
Jersey City, NJ	-6.4	-2.0	-10.5	52.9	247
McAllen-Edinburg-Mission, TX	-21.9	-26.8	-16.1	60.9	153
San Francisco, CA	-17.7	-5.7	-24.1	69.6	1,074
San Jose, CA	-9.9	-9.0	-6.0	50.1	211

NOTE: The individual cities listed in this table make up the 25 largest metropolitan statistical areas, according to 1990 census numbers, plus 5 additional metropolitan statistical areas with a high concentration of immigrants (Bergen-Passaic, NJ; Jersey City, NJ; McAllen-Edinburg-Mission, TX; San Francisco, CA; and San Jose, CA). High-immigration areas are metropolitan statistical areas in which at least 10 percent of the population immigrated between 1980 and 1990; medium-immigration areas are composed of between 5 percent and 10 percent recent immigrants; and low-immigration areas contain less than 5 percent re-

cent immigrants. The low-immigration metropolitan statistical areas are Atlanta, GA; Dallas, TX; Detroit, MI; Houston, TX; Minneapolis-St. Paul, MN; Nassau-Suffolk, NY; Philadelphia, PA-NJ; and St. Louis, MO-IL. Low-immigration areas include nonmetropolitan areas. (Overall, less than 1 percent of the population in these areas was recent foreign born.)

SOURCE: Author's tabulations, based on 1980 and 1990 1-percent PUMS Census data obtained from CIESIN's "Explore" cross-tabulation engine.

local labor markets that would not be possible if aggregate figures were used.

National and local wage changes

Table 1 shows percent changes in real annual earnings from 1979 to 1989 for natives and immigrants without high school diplomas and who worked during the previous year. The information is presented for workers inside and outside of the largest 25 metropolitan areas, as well as for those in areas of low, medium, and high immigration. The last column of the table shows the 1980 unweighted sample size for each area. The 1979 earnings are constant at 1989 prices, and the Consumer Price Index was used to convert earnings into real figures.⁷ The decline in wages of low-skilled workers is evident in these data. Between 1979 and 1989, the annual earnings of those without a high school diploma fell by 13 percent nationally. Workers outside the largest 25 metropolitan areas fared worse than those residing in these areas. Areas of high immigration showed better wage performance than did areas of low and medium immigration: wages declined by less than 8 percent in the former and by more than 14 percent in the latter.

In the United States as a whole, immigrants fared only slightly worse than did natives. Also, like natives, immigrants experienced larger wage declines outside than inside the largest 25 metropolitan areas: outside these areas, immigrants' earnings dropped by 17 percent; inside, they fell by 11 percent. In some metropolitan areas, immigrants fared better than natives. For example, low-skilled immigrants did better than low-skilled natives in San Diego and Riverside, California. They fared worse, however, in Los Angeles, Oakland, and Anaheim.

Natives and immigrants alike did better in areas of high immigration than in areas of medium or low immigration. The differentials in wage performance across areas according to immigration level is large: the average annual earnings of immigrants declined by 7 percent in areas of high immigration and by 20 percent in areas of low immigration; natives' earnings declined by 2 percent in the former and by 14 percent in the latter. A study on wage growth in areas with different immigration levels showed that, after controlling for human-capital variables, wages in areas of high immigration grew by approximately 14 percent over wages in areas of low immigration between 1979 and 1989.⁸

Wage gap between immigrants and natives

Table 2 examines the wage ratio between immigrants and natives in 1979 and in 1989. Nationally, in 1989, immigrants without a high school diploma made 93 percent of the wages of natives with similar educational attainment. The gap of 7 percentage points is remarkably small, considering that immi-

Table 2. Immigrant-to-native wage ratios for workers without a high school degree, 1979 and 1989

Area	1979	1989
U.S. totals	0.94	0.93
25 largest metropolitan statistical areas .....	.85	.85
Outside largest metropolitan statistical areas .....	.96	.91
High-immigration areas .....	.84	.79
Medium-immigration areas .....	.88	.84
Low-immigration areas	1.01	.93
Los Angeles-Long Beach, CA .....	.78	.72
New York, NY .....	.88	.91
Chicago, IL .....	.94	.91
Philadelphia, PA-NJ .....	.89	.88
Detroit, MI	1.01	1.10
Washington, DC .....	.80	.80
Houston, TX .....	.87	.89
Atlanta, GA .....	.65	.97
Boston, MA	1.02	.94
Riverside-San Bernardino-Ontario, CA .....	.80	.85
Nassau-Suffolk, NY	1.00	.94
Dallas, TX .....	.85	.86
San Diego, CA .....	.78	.86
Minneapolis-St. Paul, MN .....	.93	.75
St. Louis, MO-IL .....	.98	.94
Anaheim-Santa Ana-Garden Grove, CA .....	.78	.67
Baltimore, MD .....	.87	.87
Phoenix, AZ .....	.99	.79
Oakland, CA	1.00	.92
Tampa-St. Petersburg, FL	1.08	.90
Pittsburgh, PA	1.32	1.09
Seattle-Everett, WA	1.01	.84
Miami, FL .....	.90	.94
Newark, NJ .....	.96	1.05
Cleveland, OH	1.12	1.02
Bergen-Passaic, NJ .....	.90	.93
Jersey City, NJ	1.02	.93
McAllen-Edinburg-Mission, TX .....	.92	1.05
San Francisco, CA .....	.93	.74
San Jose, CA .....	.89	.92

NOTE: The individual cities listed in this table make up the 25 largest metropolitan statistical areas, according to 1990 census numbers, plus 5 additional metropolitan statistical areas with a high concentration of immigrants (Bergen-Passaic, NJ; Jersey City, NJ; McAllen-Edinburg-Mission, TX; San Francisco, CA; and San Jose, CA). High-immigration areas are metropolitan statistical areas in which at least 10 percent of the population immigrated between 1980 and 1990; medium-immigration areas are composed of between 5 percent and 10 percent recent immigrants; and low-immigration areas contain less than 5 percent recent immigrants. The low-immigration metropolitan statistical areas are Atlanta, GA; Dallas, TX; Detroit, MI; Houston, TX; Minneapolis-St. Paul, MN; Nassau-Suffolk, NY; Philadelphia, PA-NJ; and St. Louis, MO-IL. Low-immigration areas include nonmetropolitan areas. (Overall, less than 1 percent of the population in these areas was recent foreign born.)

SOURCE: Author's tabulations, based on 1980 and 1990 1-percent PUMS Census data obtained from CIESINS "Explore" cross-tabulation engine.

grants are more likely to be in farm occupations, that many of them lack fluency in English, that they have very low levels of education, and that a significant portion of the immigrants are recent arrivals—factors which should have a significant negative impact on immigrants' earnings.

The relatively small wage gap between natives and immi-

grants may have do to with the geographic concentration of immigrants in higher wage areas or, alternatively, with the geographic concentration of natives in lower wage areas. In 1989, the mean annual earnings for high school dropouts in areas of high immigration were \$14,047; in areas of low immigration, the figure was \$12,958, or 8 percent below earnings in high-immigration areas. Eighty-four percent of natives, but only 32 percent of immigrants, lived in low-immigration areas.

To factor in the geographic differences in earnings, table 2 breaks down annual earnings ratios of immigrants to natives, in 1979 and 1989, by local area. These ratios tend to be smaller than the U.S. wage ratio, because the high-wage areas dominate the aggregate figure for immigrants and the low-wage areas dominate the aggregate figure for natives. This shows the importance of geographic disaggregation when one compares immigrants with natives.

The largest earnings gap between immigrants and natives is in areas of high immigration. In these areas, low-skilled immigrants make 79 percent of the earnings of natives. The lowest immigrant-to-native earnings ratios in 1989 were in the two high-immigration areas of Anaheim and Los Angeles. In Anaheim, immigrants without high school diplomas make two-thirds of the earnings of their native counterparts; in Los Angeles, immigrants make 72 percent of the earnings of natives. There are several local areas where immigrants do better than natives—especially areas with few immigrants—possibly because of positive selection of the immigrants who live in areas of low immigrant concentration. However, the small sample sizes in some of these areas preclude any conclusion regarding the earnings of immigrants in specific low-immigration areas.

In the decade under study, the immigrant-to-native wage gap remained fairly constant, changing only from 0.94 to 0.93. But again, the overall U.S. figure masks substantial declines across areas. For example, the wage gap increased by 5 percentage points in areas of high immigration and by 8 percentage points in areas of low immigration. Areas of low immigration include cities in the Midwest and the Northeast that experienced important restructuring during the 1980s. Apparently, this restructuring hurt low-skilled immigrants more than it did low-skilled natives. In low-immigration areas, immigrants lack the networks and economic enclaves that could protect them from economic downturns. In these areas, immigrants rely on traditional labor market venues that put them in direct competition with natives. In an economic downturn, immigrants are at a high risk of experiencing wage losses. Also, areas of low immigration have more room for deterioration in the relative earnings of immigrants because these areas started with a very high earnings ratio. By 1989, and despite the changes that took place during the decade, immigrants in areas of low immigration made 93 percent of the wages of natives, while immigrants in high-immigration areas made only 79 percent of the wages of natives.

Some research shows that the wage gap between Latino and non-Latino natives grew during the 1980s. In California, this growing wage gap has been attributed to the increasingly higher value of skills, which left Latinos, many of whom have low levels of education, behind.⁹ For Mexican-Americans, most of whom are also in California, educational deficits explain most of the wage differential relative to natives.¹⁰ By focusing on low-skilled workers and thereby holding educational levels constant, and by desegregating by geographic area, we see that the figures examined in this article show that the wage gap between natives and immigrants increased among high school dropouts.

The level of data aggregation used in our analysis does not allow us to isolate the factors responsible for the large wage gap between low-skilled natives and low-skilled immigrants in areas of high immigration. The figures on wage growth demonstrate that the increase in the area-specific wage gaps was due to the large deterioration in the wages of low-skilled immigrants. The area-specific wages of natives also declined, but not as much as those of immigrants. There is evidence that those whose labor market outcomes are most affected by immigration are other immigrants themselves.¹¹ Thus, it is possible that the high volume of low-skilled immigration is responsible for the poor wage performance of immigrants relative to natives in high-immigration areas. A concentration of immigrants intensifies competition for jobs, especially among immigrants themselves, producing the wage declines and the low immigrant-to-native wage ratios observed in these areas.

Decomposition of the change in wages

The decline in wages of low-skilled workers that occurred in the last decade could reflect a compositional change, whereby the increase in the proportion of immigrant workers among the low skilled brings wages down because immigrants have lower wages than natives. Alternatively, wages of low-skilled workers may have decreased, not because there are more immigrants, but because the wages of *both* immigrants and natives dropped. This may have occurred for either of two reasons: industrial, technological, and international trade shifts, or an increased supply of low-skilled workers. In the Nation, however, the supply of high school dropouts declined by 14 percent during the period under analysis. To sort out the contribution of increased immigration to average earnings, a decompositional analysis of wage changes, using the following formula, was carried out:

$$\begin{aligned} \bar{W}_{89} - \bar{W}_{79} &= \pi_{fb89} \times \bar{W}_{fb89} + \pi_{n89} \times \bar{W}_{n89} \\ &\quad - \pi_{fb79} \times \bar{W}_{fb79} - \pi_{n79} \times \bar{W}_{n79} \\ &= (\pi_{fb89} - \pi_{fb79}) \times \bar{W}_{fb89} \\ &\quad + (\pi_{n89} - \pi_{n79}) \times \bar{W}_{n89} \\ &\quad + (\bar{W}_{fb89} - \bar{W}_{fb79}) \times \pi_{fb79} \\ &\quad + (\bar{W}_{n89} - \bar{W}_{n79}) \times \pi_{n79}. \end{aligned}$$

Here, W stands for annual earnings, π denotes proportions in the work force, and the subscripts indicate the year (1979 or 1989) and the nativity of the worker ("fb" for foreign born—that is, immigrant—and "n" for native born). This formula decomposes the total wage change to changes due to the proportions of natives and immigrants in the work force, keeping wages constant, and changes due to the wages of each group, keeping their proportions constant. Results for the decompositional analysis appear in table 3.

As noted earlier, there was a national decline of 13 percent

in annual earnings of workers without a high school diploma between 1979 and 1989. In that period, the immigrant share of workers without high school diplomas increased from 12 percent to 21 percent. However, only 4 percent of the wage drop can be attributed to the increased representation of low-skilled immigrants in the work force. The changing proportions of immigrants and natives explain more of the wage change in the largest 25 metropolitan areas than outside of those areas. In the largest 25 metropolitan areas, the increasing immigrant share of the work force accounts for 16 percent of the wage

Table 3. Decomposition of the real wage change for workers without a high school degree, 1979–89

Area	Overall percent change in real wages ¹	Percent change due to change in nativity	Percent change due to change in wages
U.S. totals	-13.3	-0.5	-12.8
25 largest metropolitan statistical areas	-12.7	-2.1	-10.6
Outside largest metropolitan statistical areas	-14.1	-.4	-13.7
High-immigration areas	-7.5	-3.3	-4.3
Medium-immigration areas	-15.0	-2.2	-12.8
Low-immigration areas	-14.4	-.3	-14.2
Los Angeles-Long Beach, CA	-9.5	-5.1	-4.5
New York, NY .....	.1	-1.0	1.1
Chicago, IL	-17.2	-.9	-16.3
Philadelphia, PA-NJ	-7.9	-.3	-7.6
Detroit, MI	-17.8	-.1	-17.7
Washington, DC	-8.2	-3.5	-4.7
Houston, TX	-27.5	-1.5	-26.1
Atlanta, GA	-7.9	-.2	-7.7
Boston, MA	3.5	-.8	4.3
Riverside-San Bernardino-Ontario, CA	-9.5	-3.1	-6.4
Nassau-Suffolk, NY	-3.6	-.5	-3.1
Dallas, TX	-16.5	-2.4	-14.1
San Diego, CA	-6.1	-1.8	-4.3
Minneapolis-St. Paul, MN	-16.6	-.8	-15.8
St. Louis, MO-IL	-16.0	.0	-16.0
Anaheim-Santa Ana-Garden Grove, CA	-8.6	-9.8	1.2
Baltimore, MD	-4.3	-.4	-3.9
Phoenix, AZ	-13.3	-1.7	-11.7
Oakland, CA	-8.1	-1.7	-6.5
Tampa-St. Petersburg, FL	-7.3	-.5	-6.8
Pittsburgh, PA	-28.5	.0	-28.4
Seattle-Everett, WA	-16.5	-1.0	-15.5
Miami, FL	-14.7	-.8	-13.8
Newark, NJ	-7.3	.3	-7.6
Cleveland, OH	-18.8	.1	-18.8
Bergen-Passaic, NJ	-2.2	-.7	-1.4
Jersey City, NJ	-6.4	-.9	-5.5
McAllen-Edinburg-Mission, TX	-21.9	.8	-22.8
San Francisco, CA	-17.7	2.0	-19.7
San Jose, CA	-9.9	-1.6	-8.2

¹ For any given row, percent change due to change in nativity and percent change due to change in wages may not sum to overall percent change in real wages because of rounding.

NOTE: The individual cities listed in this table make up the 25 largest metropolitan statistical areas, according to 1990 census numbers, plus 5 additional metropolitan statistical areas with a high concentration of immigrants (Bergen-Passaic, NJ; Jersey City, NJ; McAllen-Edinburg-Mission, TX; San Francisco, CA; and San Jose, CA). High-immigration areas are metropolitan statistical areas in which at least 10 percent of the population immigrated between 1980

and 1990; medium-immigration areas are composed of between 5 percent and 10 percent recent immigrants; and low-immigration areas contain less than 5 percent recent immigrants. The low-immigration metropolitan statistical areas are Atlanta, GA; Dallas, TX; Detroit, MI; Houston, TX; Minneapolis-St. Paul, MN; Nassau-Suffolk, NY; Philadelphia, PA-NJ; and St. Louis, MO-IL. Low-immigration areas include nonmetropolitan areas. (Overall, less than 1 percent of the population in these areas was recent foreign born.)

SOURCE: Author's tabulations based on 1980 and 1990 1-percent PUMS Census data obtained from CIESIN's "Explore" cross-tabulation engine.

decline. Outside these areas, the contribution of this shifting nativity mix to the wage change was only 3 percent.

The larger the immigrant share of the work force, the greater is the explanatory value of changing immigrant representation on the wage change. In areas of low immigration, only 2 percent of the wage change can be attributed to increased immigrant representation in the work force. In areas of medium immigration, 14 percent of the wage drop is due to the larger immigrant share among the low skilled, while in areas of high immigration, the influx of immigrants accounts for 43 percent of the 7-percent decline in wages experienced in these areas.

The different compositions of the wage change among metropolitan areas underscores the discrepancies between areas of high immigration and areas of low immigration, in terms of the explanatory value of changing immigrant representation on the wage change. In Los Angeles, the change in the proportions of natives and immigrants accounted for more than half of the 9-percent decline in real wages of low-skilled workers. In Anaheim, wages declined by 9 percent; yet, if the proportions of immigrants and natives had remained at their 1979 levels, wages would have increased.

These results show that in the Nation as a whole, the increased proportion of immigrants had little to do with the wage deterioration of high school dropouts. The story is different, however, in areas of high immigration, where wages would have declined at a considerably smaller rate, were it not for the growing share of immigrants among the low skilled.

THIS ARTICLE HAS EXAMINED THE WAGE TRENDS of low-skilled immigrants and natives and explored the compositional effect of immigration on the wages of low-skilled workers. In the United States as a whole, no major divergence in wage performance is observed between immigrant high school dropouts and native high school dropouts. In the last decade, in the Nation as a whole, the immigrant-to-native high school dropout earnings gap remained virtually constant at about 93 percent. But the overall U.S. figures mask important declines in the immigrant-to-native wage ratios across areas of varying levels of immigration. During the 1980s, natives and immigrants alike did better in areas of high immigration. Still, in these areas, low-skilled immigrants made just 79 percent of the earnings of natives.

At the national level, the increased proportion of low-skilled immigrants in the work force accounts for only 4 percent of the decline in the wages of low-skilled workers. Apparently, wages of low-skilled workers changed for reasons other than the growing immigrant proportion. When this result is combined with findings from other work that immigrants have little or no effect on the wages of natives, as well as with findings showing the effect of technological change, industrial change, and international trade on wages, it appears that immigration has little to do with the deterioration in the earnings of U.S. low-skilled workers.

The story is different, however, in areas of high immigration. In these areas, the increased proportion of immigrants in the low-skilled labor force accounts for around 43 percent of the wage decline, with Anaheim and Los Angeles the largest metropolitan areas most affected. The figures shown here present some interesting policy dilemmas.

Social networks and immigration policies based on family reunification increase the geographic concentration of immigrants. This, in turn, results in declining wages for immigrants, growing immigrant-to-native wage gaps, and declining area wages. But in areas of high immigration, immigrants count on support networks and immigrant economic enclaves not found in other areas. Immigrants and their advocates seem to be making a tradeoff between wages and proximity to relatives and friends.

A key factor in the way low-skilled immigrants shape the wage profiles of the Nation and the areas in which they concentrate is the extent to which their wages grow with time spent in the United States. Some of the negative wage consequences of a large number of low-skilled immigrants can be offset by policies that increase the entry wages of low-skilled immigrants, as well as accelerate the wage growth of this population.

Research has investigated whether low-skilled immigrants are pushing out natives in areas of high immigration.¹² Outmigration from these areas may protect natives from competition from immigrants. But research also should address to what extent the new immigrants are pushing out old immigrants, and the extent to which new immigrants are altering their destinations toward areas of low immigration. If the latter is the case, internal mobility will not be enough to insulate natives from competition from immigrants. □

Footnotes

¹ McKinley L. Blackburn, David E. Bloom, and Richard B. Freeman, "The Declining Economic Position of Less Skilled American Men," in Gary Burtless, ed., *A Future of Lousy Jobs? The Changing Structure of U.S. Wages* (Washington, DC, Brookings Institution Press, 1990), pp. 31-76.

² Burtless, *A Future of Lousy Jobs?* See also Marvin Koster, *Workers and Their Wages* (Washington, DC, American Enterprise Institute Press, 1991).

³ See Chinhui Juhn, Kelvin Murphy, and Brooks Pierce, "Accounting for the Slowdown in Black-White Wage Convergence," in Koster, *Workers and Their Wages*, pp. 107-43; Cordelia Reimers, *Caught in the Widening*

Skill Differential: Native-born Mexican American Wages in California in the 1980s, manuscript (New York, Hunter College, Department of Economics, 1994); and Stephen J. Trejo, *Why Do Mexicans Earn Low Wages?* manuscript (Santa Barbara, CA, University of Santa Barbara, 1995).

⁴ Robert H. Topel, "Regional Labor Markets and the Determinants of Wage Inequality," *American Economic Review: Papers and Proceedings*, May 1994, pp. 17-22.

⁵ *Ibid.*

⁶ George J. Borjas, Lawrence F. Katz, and Richard B. Freeman, *On the*

Labor Market Effects of Immigration and Trade, working paper (Washington, DC, National Bureau of Economic Research, 1991).

⁷ The Consumer Price Index is commonly used to convert earnings into real figures. (See Gregory Acs and Sheldon Danziger, "Educational Attainment, Industrial Structure, and Male Earnings Through the 1980s," *Journal of Human Resources*, vol. 28, Summer 1993, pp. 618–48; and John Bound and George Johnson, "Wages in the United States during the 1980s and Beyond," in Kosters, *Workers and Their Wages*, pp. 77–103.) In what follows, we do not consider the cost of living in metropolitan areas, although it may be positively correlated with immigration. (See Robert F. Schoeni, *The Effects of Immigrants on the Employment and Wages of Native Workers: Evidence from the 1970s and 1980s* (Santa Monica, CA, RAND Corporation, 1996). The reason is that cost-of-living figures are not available for many small metropolitan areas in which natives are concentrated, the quality of any data that are available is unknown, and the data are not very useful for making comparisons across metropolitan areas.

⁸ María E. Enchautegui, "Effects of Immigrants on the 1980–1990 Wage

Experience," *Contemporary Economic Policy*, July 1995, pp. 20–38.

⁹ See Reimers, *The Widening Skill Differential*.

¹⁰ Trejo, *Why Do Mexicans Earn Low Wages?*

¹¹ See George J. Borjas, "Immigrants, Minorities, and Labor Market Competition," *Industrial and Labor Relations*, vol. 40, no. 3, pp. 382–92; Robert J. LaLonde and Robert H. Topel, "Labor Market Adjustments to Increased Immigration," in John M. Abowd and Richard B. Freeman, eds., *Immigration, Trade, and the Labor Market* (Chicago, University of Chicago Press, 1991); and Enchautegui, "Effects of Immigrants."

¹² See Randall K. Filer, "The Effect of Immigrant Arrivals on Migratory Patterns of Native Workers," in George J. Borjas and Richard B. Freeman, eds., *Immigration and the Work Force: Economic Consequences for the United States and Source Areas* (Chicago, University of Chicago Press, 1992), pp. 245–70; and William H. Frey, "Immigration and Internal Migration 'Flight' from U.S. Metropolitan Areas: Toward a New Demographic Balkanization," *Urban Studies*, vol. 32, nos. 4 and 5, 1995, pp. 733–57.

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