

Labor force characteristics of second-generation Americans

Second-generation American workers—those with at least one foreign-born parent—are more racially diverse and better educated than their counterparts in the third-and-higher generation; in terms of labor force status, however, the two groups have similar participation and unemployment rates

Abraham Mosisa

This article documents the labor market characteristics of second-generation Americans compared with those of the “third-and-higher” generation. Second-generation Americans are native-born Americans who have either one parent or both parents who are foreign born. Americans of the third-and-higher generation are native-born Americans whose parents are both native born.¹

This article examines the labor force status, occupations, and earnings of second- and third-and-higher-generation workers by a variety of demographic characteristics including age, sex, race or ethnicity,² educational attainment, and family status. (See box on page 11.) It also looks at the labor market situation of the two groups that make up the second generation—persons whose parents are both foreign born (foreign parentage) and persons who have one native-born parent and one foreign-born parent (mixed parentage). The article uses data from the 2005 Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS).³

Demographics

In March 2005, there were 17.6 million second-generation Americans. They constituted 7.8 percent of the civilian noninstitutional popu-

lation aged 16 years and older. Americans of the third-and-higher generation numbered 174.8 million and made up 77.6 percent of the population. (The remainder—about 15 percent—were foreign born). There are some marked demographic differences between the second generation and the third-and-higher generation in terms of age, race or ethnicity, and education. (See tables 1 and 2.) A brief examination of the differences (and similarities) between these groups will be helpful in understanding their respective labor market characteristics. For the remainder of this article, native-born Americans whose parents are both native born are called “third generation” and should be understood to include those who are third-and-higher generation.

One of the major differences between the second generation and the third generation is the noticeably smaller proportion of the second generation who are aged 25 to 54 years, an age group for which labor force participation tends to be relatively high and unemployment relatively low. Forty percent of the second generation is in this broad age group, compared with 55 percent of the third generation. In contrast, as chart 1 shows, the proportion of the second generation who are 65 years and older (27.5 percent) is nearly double that of their third-generation counterparts. Persons 65 years and

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Table 1. Percent distribution of the civilian non-institutional population by nativity and by selected characteristics, March 2005
(Numbers in thousands)

Characteristic	Native born		Foreign born
	Second generation	Third-and-higher generation	
Age and sex			
Total, 16 years and older	17,638	174,839	32,759
Percent	100.0	100.0	100.0
16 to 24 years	23.1	16.2	12.7
25 to 54 years	39.9	54.6	65.3
25 to 34 years	16.3	16.0	24.7
35 to 44 years	13.1	18.8	23.8
45 to 54 years	10.5	19.8	16.7
55 years and older	37.0	29.2	22.0
55 to 64 years	9.6	14.0	10.5
65 years and older	27.5	15.2	11.6
Men, 16 years and older	8,507	83,658	16,538
Percent	100.0	100.0	100.0
16 to 24 years	23.5	17.0	13.7
25 to 54 years	42.2	55.5	66.9
55 years and older	34.3	27.6	19.4
55 to 64 years	9.1	13.9	9.9
65 years and older	25.2	13.7	9.5
Women, 16 years and older	9,131	91,182	16,221
Percent	100.0	100.0	100.0
16 to 24 years	22.7	15.5	11.7
25 to 54 years	37.7	53.8	63.6
55 years and older	39.5	30.6	24.7
55 to 64 years	10.0	14.0	11.1
65 years and older	29.5	16.6	13.6
Race and Hispanic or Latino ethnicity¹			
Total, 25 to 54 years	7,033	95,501	21,382
Percent	100.0	100.0	100.0
White non-Hispanic or Latino	52.5	78.8	17.8
Black non-Hispanic or Latino	4.1	13.4	7.6
Asian non-Hispanic or Latino	9.1	.4	23.4
Hispanic or Latino	31.1	5.3	50.2

¹ Estimates for the above race groups will not sum to totals shown because data are not presented for all races.

older are less likely than their younger counterparts to be labor force participants.

The difference in the age distributions between the second generation and the third generation is at least partly a result of changes in immigration laws that took place in the early 20th century when the flow of immigrants into the United States was sharply restricted.⁴ (These restrictions remained in effect until the passage of the Immigration and Nationality Act of 1965, which eliminated the quota system based on national origin or ancestry for immigration to the United States). Because the wave of immigrants that entered the country prior to 1924 was larger than the wave entering after 1924, the group of offspring of the pre-1924 wave was also a large group and one that is now relatively old. Because the

inclusion of the disproportionately large population segment that is 65 years and older would make comparisons of the labor force characteristics between the second and third generations problematic, this article focuses primarily on persons aged 25 to 54 years.

Race and ethnicity. The second generation is more racially diverse than their third-generation counterparts. Overall, 31.1 percent of the second generation 25- to-54-year-olds are Hispanic or Latino and 9.1 percent are Asian non-Hispanic. By comparison, 5.3 percent of the third-generation 25- to 54-year-olds are Hispanic or Latino and 0.4 are Asian non-Hispanic. In contrast, about four-fifths of the third generation 25- to 54-year-olds are white non-Hispanics, compared with a little more than half of the second generation. Black non-Hispanics make up 13.4 percent of the third generation, but only 4.1 percent of the second generation. (See table 1 and chart 2.)

Education. Understanding the educational characteristics of the second generation is important to interpreting several features of their labor market characteristics. In general, second-generation individuals have somewhat higher educational attainment than their third-generation counterparts. In March 2005, for example, 38 percent of the second-generation 25- to 54-year-olds had graduated from college, compared with 29.7 percent of their third-generation counterparts. (See table 2.) In addition, the proportion of the second generation with graduate-level degrees (master's, professional or doctoral) was 12.0 percent, compared with 9.2 percent of the third generation.⁵

For all the major race and ethnic groups, the proportions of the second-generation 25- to 54-year-olds with college degrees are higher than those of the third generation. The largest difference is among blacks—36.9 percent of the second generation had college degrees, compared with 18.2

Who are second-generation workers?

The youngest of the second-generation workers who were 16 years old in 2005 were born in 1989. Therefore, the parents of today's second-generation Americans of working age can only be the foreign born who arrived in the United States before 1989. For example, of the 32.6 million foreign born in 2005, about 65 percent entered the United States between 1989 and 2005. As a result, most of the foreign born today are not the parents of the second-generation workers under study. Therefore, comparisons of the labor market situation of the foreign born to that of the second generation are not made.

Table 2. Educational attainment of the second generation and the third-and-higher generation, native-born civilian noninstitutional population aged 25 to 54 years by sex, race, and Hispanic or Latino ethnicity, March 2005

Characteristic	Total, aged 25 to 54 years (in thousands)	Percent	Less than a high school diploma	High school graduates, no college	Some college or associate degree	Bachelor's degree and higher
Second generation						
Total	7,033	100.0	8.1	23.7	30.2	38.0
Men	3,587	100.0	8.6	25.9	29.5	36.0
Women	3,446	100.0	7.5	21.4	31.0	40.1
White non-Hispanic or Latino	3,691	100.0	4.0	22.9	29.1	44.0
Black non-Hispanic or Latino	285	100.0	4.6	25.5	33.0	36.9
Asian non-Hispanic or Latino	641	100.0	4.8	12.6	20.7	62.0
Hispanic or Latino	2,188	100.0	16.9	28.0	33.9	21.1
Third-and-higher generation						
Total	95,501	100.0	7.9	32.8	29.6	29.7
Men	46,410	100.0	8.6	35.3	27.3	28.8
Women	49,091	100.0	7.2	30.5	31.7	30.6
White non-Hispanic or Latino	75,272	100.0	6.3	31.5	29.4	32.8
Black non-Hispanic or Latino	12,814	100.0	12.3	40.2	29.4	18.2
Asian non-Hispanic or Latino	407	100.0	3.7	14.3	24.9	57.1
Hispanic or Latino	5,072	100.0	20.2	35.5	29.2	15.1

Chart 1. Age distribution of the civilian noninstitutional population 16 years and older of the second generation, third-and-higher generation, and foreign born, March 2005

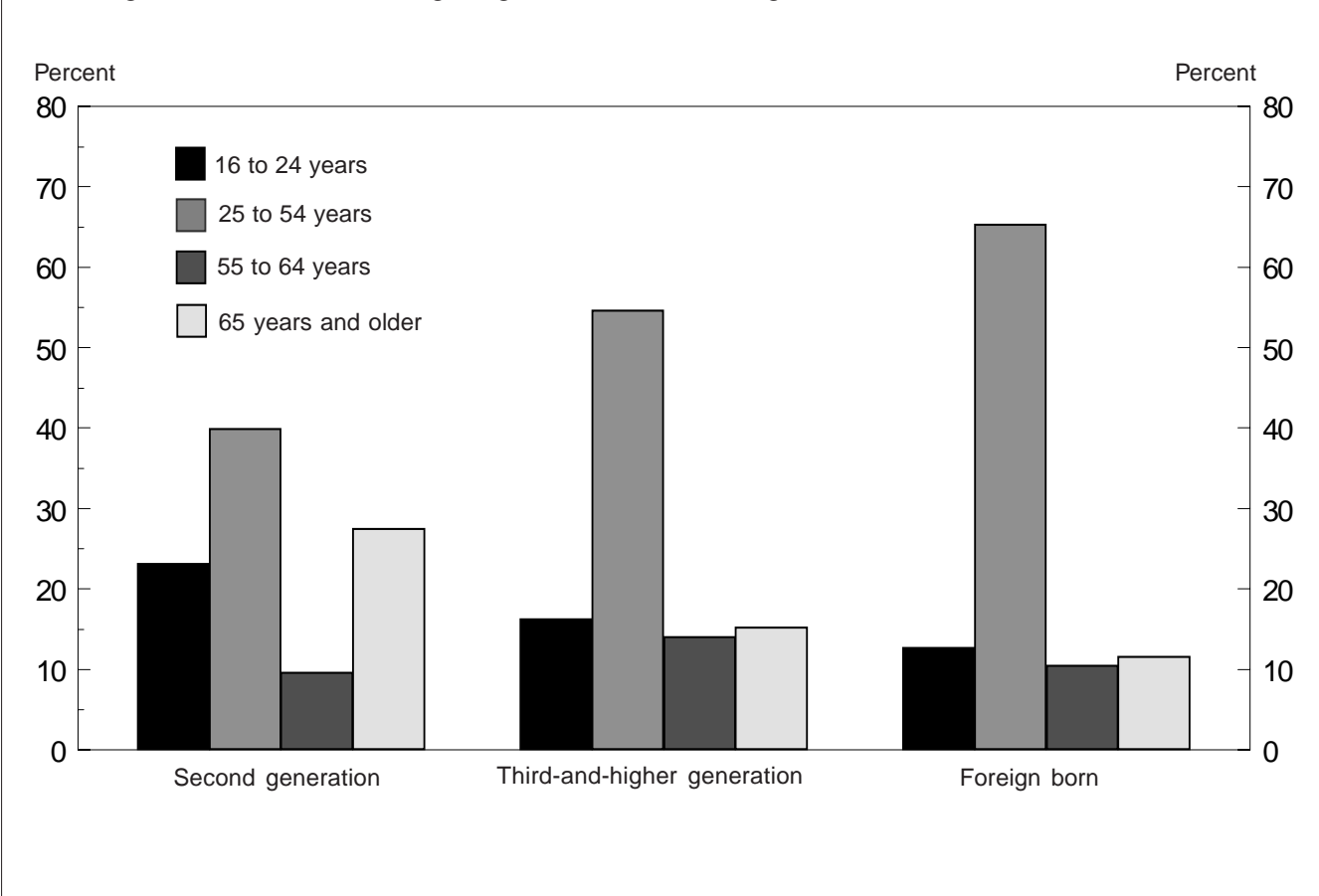


Chart 2. Percent distribution of second generation and third-and-higher generation, aged 25 to 54 years, by race, and Hispanic or Latino ethnicity, March 2005

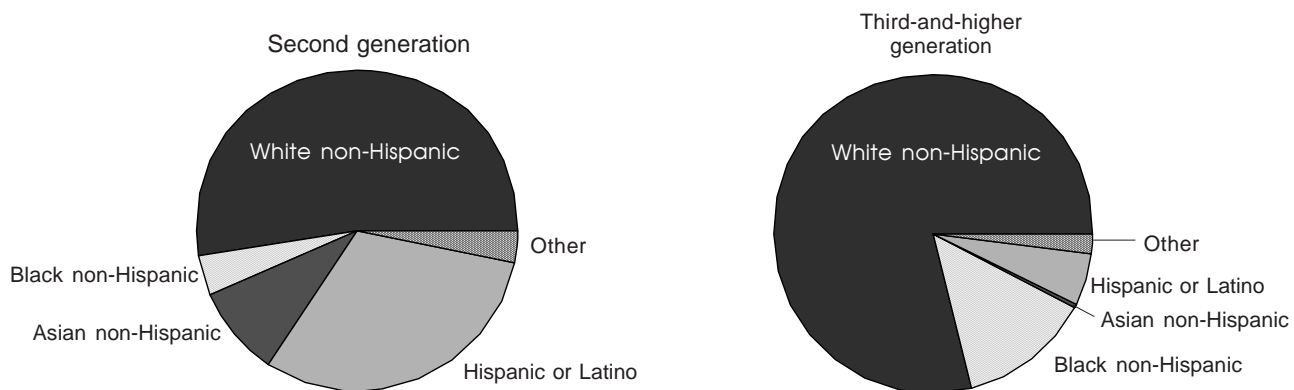


Table 3. Labor force participation rates of the second generation and the third-and-higher generation, native-born population by selected characteristics, March 2005

Characteristic	Total		Men		Women	
	Second generation	Third-and-higher generation	Second generation	Third-and-higher generation	Second generation	Third-and-higher generation
Age						
Total, 16 years and older	51.6	62.6	56.8	67.7	46.8	57.8
16 to 24 years	45.2	53.2	46.1	52.7	44.2	53.7
25 to 54 years	79.6	79.2	84.9	84.7	74.0	74.0
25 to 34 years	77.7	78.2	81.7	84.1	73.3	72.7
35 to 44 years	81.3	80.5	88.8	86.5	73.8	74.9
45 to 54 years	80.3	78.7	85.1	83.4	75.5	74.2
55 years and older	25.5	36.7	29.6	42.9	22.2	31.6
55 to 64 years	62.1	60.6	66.0	66.4	58.7	55.3
65 years and older	12.8	14.7	16.5	18.9	9.8	11.6
Educational attainment, aged 25 to 54 years						
Less than a high school diploma	68.9	63.6	77.0	72.2	59.0	53.8
High school graduates, no college	79.1	80.5	86.7	86.9	69.6	73.6
Some college, no degree	85.5	84.4	92.4	90.5	78.6	79.5
College graduates	87.6	89.4	93.1	95.3	82.4	84.1
Race and Hispanic or Latino ethnicity, aged 25 to 54 years						
White non-Hispanic or Latino	84.5	84.2	90.9	90.9	77.7	77.7
Black non-Hispanic or Latino	79.9	78.7	85.1	79.7	74.9	77.9
Asian non-Hispanic or Latino	80.9	80.3	84.1	87.2	77.0	73.7
Hispanic or Latino	82.8	78.8	90.5	85.5	75.2	72.5

Table 4. Unemployment rates of the second generation and the third-and-higher generation, native-born population by selected characteristics, March 2005

Characteristic	Total		Men		Women	
	Second generation	Third-and-higher generation	Second generation	Third-and-higher generation	Second generation	Third-and-higher generation
Age						
Total, 16 years and older	6.4	5.6	7.3	6.1	5.3	5.0
16 to 24 years	12.9	12.7	15.2	14.5	10.4	10.8
25 to 54 years	4.6	4.6	5.5	4.9	3.6	4.2
25 to 34 years	6.6	5.9	8.2	6.1	4.5	5.7
35 to 44 years	3.2	4.3	3.5	4.6	3.0	3.9
45 to 54 years	3.4	3.7	3.9	4.1	2.8	3.4
55 years and older	4.3	3.4	4.0	3.7	4.7	3.2
55 to 64 years	4.0	3.5	4.0	3.8	4.1	3.2
65 years and older	4.8	3.3	4.0	3.4	5.8	3.1
Education, 25 to 54 years old						
Less than a high school diploma	8.3	11.9	6.5	10.7	11.2	13.8
High school graduates, no college	6.4	5.8	8.4	6.2	3.3	5.2
Some college, no degree	4.6	4.3	6.4	4.5	2.5	4.2
College graduates	3.1	2.2	2.7	2.4	3.5	2.0
Presence and age of own children 25 to 54 years old						
With own children under 18	3.4	3.8	4.2	3.3	2.6	4.2
With children 6 to 17 only	3.6	3.6	4.2	3.2	3.0	3.9
With children under 6	3.3	4.0	4.2	3.4	2.2	4.8
With own children under 3	3.6	3.8	4.6	3.2	2.4	4.5

percent of the third generation. At least some of the second-generation blacks are the offspring of African parents or Caribbean parents (or some combination of both) who came to the United States to pursue higher education. The difference in educational attainment is smallest among Asians and Hispanics or Latinos. For example, among Hispanics or Latinos, 21.1 percent of the second generation had college degrees, compared with 15.1 percent of the third generation.

Labor force status

In March 2005, second-generation persons aged 25 to 54 were about equally likely to be labor force participants as their third-generation counterparts, 79.6 percent and 79.2 percent, respectively. This was true for both men and women. For both generations, men were more likely to be labor force participants than women. (See table 3.)

Education. The labor force participation rates of second- and third-generation 25- to 54-year-olds with high school diplomas and those with some college (no degree) are quite similar. Among those without a high school diploma, however, the participation rate of the second generation is higher—68.9 percent—than that of the third generation—

63.6 percent. Third-generation workers with college degrees are somewhat more likely to be labor force participants than their counterparts in the second generation.

Race and ethnic origin. The labor force participation rates of second- and third-generation whites and Asians (aged 25 to 54) are about the same. In contrast, second-generation Hispanics or Latinos and blacks in the same age group are more likely to be labor force participants than their third-generation counterparts.

Mothers. Overall, as the following tabulation shows, third-generation women with children under 18 years of age are more likely to be labor force participants than their second-generation counterparts:

	<i>Labor force participation rates</i>	
	<i>Second generation</i>	<i>Third-and-higher generation</i>
With own children under 18 years	73.1	75.3
With children 6 to 17 years, none younger	79.0	79.6
With children under 6 years	67.1	68.5

Table 5. Occupational distribution of the employed second generation and third-and-higher generation, native-born population 25 to 54 years old by sex, race, and Hispanic or Latino ethnicity, March 2005

Characteristic	Second generation			Third-and-higher generation		
	Total	Men	Women	Total	Men	Women
Total						
Total	100.0	100.0	100.0	100.0	100.0	100.0
Management, business, and financial operations occupations	17.6	16.7	18.8	16.3	17.2	15.4
Professional and related occupations	27.1	22.4	32.8	22.8	17.7	28.3
Service occupations	12.1	11.5	12.8	13.1	10.2	16.2
Sales and office occupations	24.9	19.3	31.6	24.7	16.8	33.2
Natural resources, construction, and maintenance occupations	8.2	14.7	.4	10.5	19.4	1.0
Production, transportation, and material moving occupations	10.0	15.4	3.6	12.6	18.8	5.9
White non-Hispanic or Latino						
Total	100.0	100.0	100.0	100.0	100.0	100.0
Management, business, and financial operations occupations	20.8	21.2	20.2	17.5	18.7	16.2
Professional and related occupations	30.0	23.7	37.7	24.0	18.7	29.9
Service occupations	10.5	9.4	11.8	11.4	8.7	14.5
Sales and office occupations	21.8	17.5	27.0	24.6	16.9	33.3
Natural resources, construction, and maintenance occupations	8.1	14.8	.2	11.0	19.9	1.0
Production, transportation, and material moving occupations	8.7	13.4	3.1	11.5	17.1	5.3
Black non-Hispanic or Latino						
Total	100.0	100.0	100.0	100.0	100.0	100.0
Management, business, and financial operations occupations	12.1	8.2	15.9	10.6	8.5	12.3
Professional and related occupations	30.3	30.0	30.6	17.4	11.6	22.1
Service occupations	12.6	10.6	14.7	21.5	18.4	24.1
Sales and office occupations	32.2	25.7	38.6	24.4	16.3	30.8
Natural resources, construction, and maintenance occupations	3.6	7.3	—	7.1	14.8	.9
Production, transportation, and material moving occupations	9.2	18.3	.3	19.0	30.5	9.8
Asian non-Hispanic or Latino						
Total	100.0	100.0	100.0	100.0	100.0	100.0
Management, business, and financial operations occupations	19.0	14.3	25.3	19.2	19.9	18.4
Professional and related occupations	36.7	37.9	35.1	31.1	26.6	35.8
Service occupations	10.2	11.6	8.4	12.4	13.8	11.0
Sales and office occupations	22.7	18.9	27.8	27.3	24.3	30.4
Natural resources, construction, and maintenance occupations	4.9	8.2	.5	4.0	7.7	—
Production, transportation, and material moving occupations	6.5	9.1	2.9	6.0	7.7	4.3
Hispanic or Latino ethnicity						
Total	100.0	100.0	100.0	100.0	100.0	100.0
Management, business, and financial operations occupations	12.3	10.5	14.4	12.7	12.5	12.9
Professional and related occupations	19.2	13.7	25.7	16.5	12.7	20.8
Service occupations	15.6	15.6	15.5	18.8	16.1	21.9
Sales and office occupations	29.6	22.0	38.7	26.8	17.3	37.4
Natural resources, construction, and maintenance occupations	9.8	17.5	.7	10.6	19.3	.8
Production, transportation, and material moving occupations	13.5	20.7	5.0	14.6	22.2	6.2

Dash indicates missing values

In March 2005, 75.3 percent of third-generation mothers were in the labor force, compared with 73.1 percent of second-generation mothers. The difference in participation rates between mothers in the two generations was mostly among those with children under 6 years of age.

Unemployment. Overall, the unemployment rate for members

of the second generation aged 25 to 54 years is the same as that for the same age group in the third generation. The jobless rate among second-generation men is higher than that for their third-generation counterparts; among women, the unemployment rate for those in the second generation is lower than that for those in the third generation. (See table 4.)

The unemployment rate of second-generation mothers with

Table 6. Median annual earnings in 2004 of the second generation and third-and-higher generation, native-born population by age, sex, race, and Hispanic or Latino ethnicity

Characteristic	Second generation	Third-and-higher generation
Age and sex		
Total, 16 years and older	\$38,016	\$36,840
16 to 24 years	20,706	20,775
25 to 54 years	40,417	38,982
55 years and older	41,644	39,526
Men, 16 years and older	42,042	41,688
16 to 24 years	20,006	22,224
25 to 54 years	44,414	43,261
55 years and older	50,833	47,346
Women, 16 years and older	33,653	30,886
16 to 24 years	22,563	19,593
25 to 54 years	36,275	32,552
55 years and older	34,656	31,603
Race and Hispanic or Latino ethnicity		
White non-Hispanic, total	42,623	39,241
16 to 24 years	22,872	21,284
25 to 54 years	44,500	40,452
55 years and older	43,198	40,513
Black non-Hispanic, total	34,478	29,790
16 to 24 years	24,749	19,890
25 to 54 years	40,740	30,210
55 years and older	30,698	30,432
Asian non-Hispanic, total	41,256	46,796
16 to 24 years	27,329	23,145
25 to 54 years	47,200	47,836
55 years and older	43,680	51,795
Hispanic or Latino ethnicity, total	30,069	30,500
16 to 24 years	18,720	19,967
25 to 54 years	33,292	32,694
55 years and older	39,210	30,667

children under age 18 was 2.6 percent in March 2005, compared with 4.2 percent for the third generation. Second-generation mothers with children under 3 years of age were also less likely to be unemployed than those of the third generation.

Occupation

As a group, second-generation workers in the 25- to 54-year age group are somewhat more likely than their third-generation counterparts to be employed in professional and related occupations, and in management, business, and financial operations occupations. In contrast, third-generation workers are more likely than second-generation workers to be employed in production, transportation, and material moving occupations and in natural resources, construction, and maintenance occupations. (See table 5 on p. 15.)

Among second-generation male workers aged 25 to 54,

the largest three occupational shares are professional and related occupations (22.4 percent), sales and office occupations (19.3 percent), and management, business, and financial operations occupations (16.7 percent). Among third-generation male workers, the largest three occupational shares are natural resources, construction, and maintenance occupations (19.4 percent); production, transportation, and material moving occupations (18.8 percent); and professional and related occupations (17.7 percent).

Among women workers, those who are second generation are a little more likely than those who are third generation to be employed in professional and related occupations and in management, business, and financial operations. In contrast, third-generation women workers are more likely to be employed in service occupations and in production, transportation, and material moving occupations. The largest shares of both groups work in sales and office occupations (about 1 in 3 of each group), mostly in the office and administrative support occupations component. (See table 5.)

Among the major race and ethnic groups, second-generation whites, blacks and Asians are more likely to be employed in professional and related occupations than their counterparts in the third generation. Among blacks, the proportion of second-generation workers employed in professional and related occupations is much larger than that of third-generation workers, perhaps because second-generation blacks are more likely to be college graduates. Hispanics of both generations are concentrated in sales occupations, reflecting in part the relatively low proportions of Hispanics with college degrees. Third generation Hispanics are more likely to be employed in service occupations than their second-generation counterparts.

Earnings

In 2004, about 4.5 million (88.2 percent) second-generation workers aged 25 to 54 years and 60.8 million (86.8 percent) third-generation workers in the same age group were employed full-time, year-round. The 2004 median annual earnings of the second-generation workers were \$40,417, somewhat higher than the \$38,982 for their third-generation counterparts.⁷

The difference was largely because second-generation women workers had median earnings that were considerably higher (\$36,275) than those of their third-generation counterparts (\$32,552). There was relatively little difference in median earnings among men for the two generations. (See table 6.)

Foreign and mixed parentage

The second generation can be subdivided into two roughly

Table 7. Selected characteristics of the second generation native-born population by parentage, March 2005

(Numbers in thousands)

Characteristic	Total		Men		Women	
	Mixed parentage ¹	Foreign parentage ²	Mixed parentage ¹	Foreign parentage ²	Mixed parentage ¹	Foreign parentage ²
Total, 16 years and older	8,759	8,879	4,244	4,263	4,515	4,616
Percent	100.0	100.0	100.0	100.0	100.0	100.0
16 to 24 years	19.0	27.2	19.3	27.8	18.7	26.7
25 to 54 years	44.5	35.3	45.8	38.5	43.2	32.4
55 years and older	36.6	37.4	34.9	33.7	38.1	40.9
55 to 64 years	14.1	5.1	13.4	4.8	14.7	5.3
65 years and older	22.5	32.4	21.5	28.9	23.4	35.6
Race and Hispanic or Latino ethnicity³						
Total, 25 to 54 years	3,895	3,138	1,945	1,642	1,951	1,496
Percent	100.0	100.0	100.0	100.0	100.0	100.0
White non-Hispanic or Latino	65.9	35.8	65.8	37.2	66.0	34.3
Black non-Hispanic or Latino	2.9	5.5	2.6	5.4	3.2	5.6
Asian non-Hispanic or Latino	3.6	15.9	3.6	17.2	3.7	14.5
Hispanic or Latino	22.8	41.4	23.0	39.0	22.6	44.1
Educational attainment						
Total, 25 to 54 years old: percent	100.0	100.0	100.0	100.0	100.0	100.0
Less than a high school diploma	6.9	9.5	8.6	8.7	5.2	10.5
High school graduates, no college	25.9	21.0	28.1	23.3	23.7	18.4
Some college, no degree	30.7	29.6	29.9	29.0	31.5	30.4
College graduates	36.5	39.9	33.4	39.1	39.6	40.8
Employment status, 25 to 54 years old						
Civilian labor force	3,283	2,584	1,752	1,470	1,531	1,114
Labor force participation rate	84.3	82.3	90.1	89.5	78.5	74.5
Employed	3,146	2,449	1,662	1,382	1,484	1,067
Employment-population ratio	80.8	78.0	85.5	84.2	76.1	71.3
Unemployed	137	135	90	88	47	47
Unemployment rate	4.2	5.2	5.1	6.0	3.1	4.2
Occupation						
Total 25 to 54 employed: percent	100.0	100.0	100.0	100.0	100.0	100.0
Management, business, and financial operations occupations	17.9	17.3	16.4	17.0	19.7	17.6
Professional and related occupations	27.0	27.3	21.4	23.5	33.2	32.2
Service occupations	12.6	11.5	11.9	11.1	13.4	12.0
Sales and office occupations	24.5	25.5	19.5	19.0	30.0	33.9
Natural resources, construction, and maintenance occupations	8.2	8.2	15.2	14.2	.3	.4
Production, transportation, and material moving occupations	9.8	10.3	15.6	15.2	3.3	3.9
Earnings						
Median annual earnings of year-round, full-time workers, 25 to 54 years	\$41,036	\$39,567	\$45,375	\$43,346	\$37,039	\$35,489

¹ Refers to second-generation Americans with one parent who is foreign born and the other native born.

² Refers to second-generation Americans with both parents foreign born.

³ Estimates for the above race groups will not sum to totals shown because data are not presented for all races.

equal groups based on the nativity of the parents. One group is the offspring of couples in which one parent is foreign born and the other native born (“mixed parentage”). The other group is the offspring of couples in which both parents are foreign born (“foreign parentage”).

The demographic characteristics of second-generation workers of mixed parentage differ from those of second-generation workers of foreign parentage. In terms of age, the proportion of mixed-parentage, second-generation workers who are 25- to 54-year-olds is higher than those whose

parents are both foreign born—44.5 percent and 35.3 percent, respectively. In contrast, the proportion of mixed-parentage workers who are either aged 65 years and older or aged less than 25 years is lower than that of those with foreign parentage. The two groups also differ in terms of race and ethnic composition. Notably, those of mixed parentage are more likely to be white (65.9 percent) than those with foreign-born parentage (35.8 percent); 22.8 percent of workers of mixed parentage are Hispanic or Latino and 41.4 percent of those of foreign-born parentage are members of that ethnic group.

With regard to educational attainment, those of foreign parentage are somewhat more likely to have college degrees, but they also are more likely to be high school dropouts than those of mixed parentage. Those of mixed parentage are more likely to have some college or associates degrees and to be high school graduates. Men with foreign parentage are more likely to have college degrees than those of mixed parentage. Among the women, however, both groups are about equally likely to have college degrees.

In March 2005, the labor force participation rates of 25- to 54-year-old workers of mixed parentage was 84.3 percent, compared with 82.3 percent for those of foreign parentage. The difference in participation between the two groups stems from the higher participation among women of mixed parentage compared with those of foreign parentage. Foreign-and-mixed-parentage men, however, are about equally likely to be labor force participants. Among both the foreign- and-mixed-parentage groups, men are more likely to be labor force participants than women. (See table 7.)

Overall, the unemployment rate for those of foreign parentage in the 25- to 54-year age group was somewhat higher than that of their mixed-parentage counterparts (5.2 percent and 4.2 percent, respectively) in March 2005. The jobless rate among both the men and the women of mixed parentage was lower than that for of their foreign-parentage counterparts.

Turning to occupations, foreign-parentage male workers aged 25 to 54 years are more likely to be employed in professional and related occupations than their mixed-parentage counterparts. Among the women, those of mixed parentage are more likely to be employed in management, business, and financial operations occupations, while those of foreign parentage are more likely to be employed in sales and office occupations.

Overall, the median annual earnings in 2004 of full-time, year-round workers who were of mixed parentage were \$41,036, compared with \$39,567 for those who were of foreign parentage. Among the men, median earnings of those of mixed parentage were \$45,375, compared with \$43,346 for those who were of foreign parentage. Among the women, the median annual earnings of those of mixed parentage were also somewhat higher than the earnings of those who were of foreign parentage (\$37,039 and \$35,489, respectively).

IN SUMMARY, THERE ARE MARKED DIFFERENCES between second-generation American workers and their third-and-higher generation counterparts in terms of age, race and ethnicity, and education. A smaller proportion of the second generation is aged 25 to 54 years—an age group characterized by relatively high labor force participation and low unemployment, compared with their third-generation peers. The second generation is more racially diverse than the third generation; and second-generation individuals tend to have higher levels of education than their third-generation counterparts.

In terms of their labor market status, it appears that members of the second generation of American workers have achieved parity with their third-generation counterparts; indeed, in some respects, they may have become more successful. One of the key factors for the second generation's success lies in educational attainment. The second generation has taken advantage of access to education and 38.0 percent of those aged 25 to 54 years have at least a bachelor's degree, compared with 29.7 percent of the third generation.

Second-generation workers aged 25 to 54 are about as likely as their third-generation counterparts to be labor force participants and the jobless rate for both groups is about the same. Perhaps reflecting the higher proportion with college degrees, second-generation workers are somewhat more likely than third-generation workers to be employed in professional and related occupations, and in management, business, and financial operations. The median annual earnings of second-generation workers are somewhat higher than those of their third-generation counterparts. Finally, the two groups that make up the second generation—those of foreign parentage and mixed parentage—are about equally likely to be in the labor force, to work in similar occupations, and to earn about the same. □

Notes

¹ Native-born persons include those born in the United States, Puerto Rico, or an outlying area of the United States (such as Guam or the U.S. Virgin Islands), and persons who were born in a foreign country but who had at least one parent who was a U.S. citizen. Native-born persons with either parent (or both) born in a foreign country are considered second generation. Native-born persons with neither parent

foreign born are considered third-and-higher generation. The foreign born are considered first generation.

² In this article, the usual BLS practice of counting Hispanics (an ethnic group) as part of the race category to which they belong has not been followed; instead of including Hispanics among the race

groups whites, blacks, and Asians, in this article they are shown separately. People of Hispanic origin may be of any race, including white, black, Asian, and some other race. In regular BLS practice, Hispanic-origin groups are included in both the white, Asian, and black population groups.

³ The Annual Social and Economic (ASEC) Supplement, formerly known as the Annual Demographic Survey, contains the basic monthly demographic and labor force data, plus additional data on work experience, income, non-cash benefits, and migration. More detailed information regarding ASEC can be accessed from the Census Bureau Web site at the following Internet address: <http://www.census.gov/apsd/techdoc/cps/cpsmar04.pdf>

⁴ For a more detailed discussion on the brief history of immigration and migration, see Abraham Mosisa, Terence McMenamin, and

Howard Hayghe, “Counting Minorities: A Brief History and a Look at the Future,” *Report on the American Workforce* (U.S. Department of Labor, 2001), chapter 1.

⁵ A 1995 study by Grace Kao and Marta Tienda showed that foreign-born parents have significantly higher educational aspirations for their children than do native-born parents. Thus, parental nativity status appears to be a crucial factor shaping the educational aspirations of their children. See Grace Kao and Marta Tienda, “Optimism and achievement: The educational performance of immigrant youth,” *Social Science Quarterly*, March 1995, pp. 1–19.

⁶ For a detailed explanation of money income, see “Current Population Survey (CPS) - Definitions and Explanations,” on the Census Bureau Web site at the following Internet address: <http://www.census.gov/population/www/cps/cpsdef.html>