# IMMIGRANT INTEGRATION IN LOW-INCOME URBAN NEIGHBORHOODS:

*Improving economic prospects and strengthening connections for vulnerable families*

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## ACKNOWLEDGMENTS

## ABOUT THE AUTHORS

**Lynette Rawlings** is a Research Associate in the Metropolitan Housing and Communities Policy Center at the Urban Institute. Dr. Rawlings' research involves the examination of how the structure, demographics, and governance of America's urban communities shape the quality of life and opportunities available to their residents. As a part of this body of work, Dr. Rawlings' work has focused on the impacts of concentrated poverty, neighborhood racial and ethnic change, public housing transformation, workforce development in the low wage labor market, and inter-municipal cooperation.

**Randy Capps** is a Senior Research Associate at the Urban Institute. He has analyzed data on immigrants from a wide variety of sources, at the national, state and local levels. Dr. Capps recently published national-level reports on trends in the immigrant labor force, the health and well being of young children of immigrants, and the characteristics of immigrants' children in elementary and secondary schools. He is currently conducting a study of the impact of immigration enforcement operations on children of unauthorized immigrants and recently participated in an evaluation of employment services in the federal refugee resettlement program.

**Kerstin Gentsch** is a Research Assistant in the Urban Institute's Metropolitan Housing and Communities Policy Center. She has substantial experience handling and analyzing large datasets and is the lead technical analyst for the Casey Foundation's *Making Connections* Cross-Site Survey.

**Karina Fortuny** is a Research Associate in The Urban Institute's Immigration Studies Program. Her research primarily focuses on the demographic and socio-economic characteristics, well-being, and integration of immigrants in the United States, including immigrant families and children, workers, unauthorized migrants, and refugees. She is currently working with The Annie E. Casey Foundation in evaluating the needs of Limited English Proficient workers and students in the State of Maryland with the goal of devising programs to address these needs.

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# FOREWORD

Improving the economic status and prospects of low-income parents has become an essential strategy in the Annie E. Casey Foundation's mission to improve outcomes for the country's most at-risk and disadvantaged children. Immigrant families have emerged as an important, vulnerable population given that a large number of children, 3.5 million, are living in immigrant families with incomes below 100 percent of the federal poverty level. Just as significantly, children of immigrants are now the fastest growing segment of the nation's child population. Children with at least one foreign-born parent represent almost one-quarter of children under age six and 20 percent of youth ages six to 17. The majority – 79 percent – are U.S.-born citizens. While high numbers of immigrants are attached to the workforce, one in five are employed in low-wage jobs and therefore still find it hard to build the savings and assets needed to achieve genuine economic security for themselves and their children.

There is an acute need to enhance and expand data-driven policies and programs designed to help working poor immigrant families get better jobs, accumulate assets, and prepare their children for success. To this end, the Casey Foundation commissioned a specialized study of a rich body of data from the *Making Connections* initiative, a Foundation-funded, neighborhood-based family strengthening initiative that has been working in ten low-income urban neighborhoods since 2000. The authors were asked to focus on immigrants in the *Making Connections* neighborhoods in order to analyze the economic hardship, advancement, and integration of immigrants compared to native-born neighborhood residents. They were also asked to take a special look at factors that affect the vulnerability of immigrants in particular, such as English language ability, legal status, and country of origin, in order to assess the impact of these characteristics on closing the gap on family well-being and economic opportunity.

The study's overall conclusion is that with education, access to transportation, English language acquisition, and citizenship, immigrants are able to close the gap with native-born whites on most measures of economic integration, even when living in the same low-income urban neighborhoods. This finding is a real contribution to the ongoing debate around immigrant integration and assimilation.

We are indebted to the study's authors – Lynette Rawlings, Randy Capps, Kerstin Gentsch and Karina Fortuny – for their willingness to undertake this analysis of baseline data from our *Making Connections* cross-site survey and lift up a set of research findings that are timely and relevant to the Foundation's efforts to advance family strengthening and family economic success as priorities for public support, political will, civic action, and investment.

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The Annie E. Casey Foundation               The Annie E. Casey Foundation

# INTRODUCTION

Many families in low-income urban neighborhoods face substantial hardship, financial insecurity and serious challenges to economic advancement — despite considerable work effort. This is particularly true of immigrant families, where connections to opportunities and formal services can be tenuous. This paper explores the comparative integration and financial well-being of immigrant groups in several vulnerable urban communities with an eye toward improving their economic prospects and strengthening their connections to services and supports. This analysis looks within these neighborhoods to examine the circumstances of families of different racial, ethnic, and nativity status to discuss similarities and differences in pathways to upward mobility and asset building among these groups. By holding the neighborhood context constant, the analysis focuses on the individual characteristics that are most crucial to the economic success of immigrant families and traditionally marginalized native groups.

Historically, racial and ethnic minorities (regardless of immigrant status) have fared less well than whites on a range of economic indicators. Even within the same low-income neighborhoods, substantial differences in economic security persist across these groups, indicating that race, ethnicity, and nativity play an important role in the well-being of families and their links to opportunity. Evidence from the literature shows that immigrants and native minorities in low-income neighborhoods share many important challenges such as poor quality schooling, job discrimination and constrained residential choice. However, many aspects of their economic circumstances and opportunities differ in important ways. Immigrants often face the additional difficulties of limited English proficiency, lack of citizenship status and discrimination. Furthermore, the complex historical inequities between native whites and blacks have led to economic imbalances between these two groups that are often more pervasive and pernicious than those between native whites and other ethnic minorities (including immigrants). Consequently, while the outcomes for immigrants and native minorities may look similar on the surface, their underlying causes may be quite different. This paper explores some of these underlying issues to help to identify specific needs that can inform programs and interventions to improve access to the resources that can empower residents of these communities to transform their lives.

Through this analysis we are able to examine both the influence of immigrant-related risk factors (lack of citizenship status and limited English proficiency), and many of the risk factors typically faced by all low-income minority groups. We attempt to determine the extent to which the economic well-being of immigrant groups is influenced by specific factors related to their immigrant status, compared with members of a native-born minority groups and native-born whites.

Insights from this analysis should provide helpful lessons about the types of policies that might offer assistance with the integration of residents in these challenging neighborhoods — particularly for immigrants. A clearer understanding of the unique circumstances of immigrants should lead to more focused and accurate policy prescriptions for greater access to opportunity and upward mobility.

### *Immigrant Integration in Low-Income Neighborhoods*

Over the last several decades, the immigrant population in the United States has increased dramatically. Between the 1990 census and 2006, the number of immigrants rose from just 20 million to over 37 million.[1] While immigrants remain heavily concentrated in the nation's largest cities, they are dispersing to

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[1] Source: Urban Institute analysis of data from the American Community Survey, 2006 and the U.S. Census of Population and Housing (Census), 1990.

smaller cities, towns and rural areas in increasing numbers.[2] The dispersal of the foreign born across the country has meant that immigrant integration—especially in terms of economic advancement and the well-being of families—is now an important issue for most American cities, not only those with long traditions of welcoming newcomers.

Large numbers of these new residents are thriving, and are well integrated in many areas of mainstream American society. However, lower skilled, less-educated immigrants are increasingly concentrated in vulnerable neighborhoods throughout the country, often mimicking the residential patterns of low-income native minority families. By their very residence in these vulnerable neighborhoods, immigrants have not integrated very well into mainstream society.

While there have been a number of studies that have examined immigrant integration generally – few have examined it in the specific context of a large number of low-income urban areas with diverse immigrant populations. The neighborhoods examined in this analysis were selected by the Annie E. Casey Foundation and partner organizations for anti-poverty and community building initiatives called the *Making Connections* Initiatives.[3] These sites are clusters of low-income neighborhoods, mostly in central cities but including some suburban areas. There are large differences in the economic circumstances of the residents of these 'target' neighborhoods compared with residents of their surrounding cities or counties. As a result, one of the main goals of this initiative was to close the gaps that exist between the *Making Connections* neighborhoods and surrounding cities and counties on a number of indicators of economic well-being.

The data discussed in this report were derived from a survey of residents in the *Making Connections* sites, making it possible to control for place—that is for neighborhood context—when examining the economic advancement of different immigrant and native-born groups. While other studies have focused on differences in economic trajectories between immigrants and natives using nationally representative data, the findings in these studies may be confounded by differences in residential settlement patterns of immigrants and natives. If immigrants live in worse neighborhoods than natives, then their outcomes may be negatively affected by neighborhood conditions. On the other hand, if immigrants move out of poorer neighborhoods more rapidly than natives in historically disadvantaged groups, then immigrants' outcomes may improve alongside their surroundings. By controlling for the neighborhood context, the survey offers the opportunity to analyze differential economic trajectories of immigrant versus native-born groups based more closely on individual characteristics rather than contextual factors.

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[2] In fact, the fastest growing foreign-born populations are no longer located in the nation's largest cities like New York, Los Angeles and Chicago but are in smaller cities spread across the Midwest, Southeast, and the West except for California (Capps, Fix and Passel 2002; Singer 2004).

[3] For more information on the *Making Connections* project and the sites, see Annie E. Casey Foundation, "*Making Connections* FAQ" at http://www.aecf.org/MajorInitiatives/MakingConnections/FAQs.aspx.

# EXECUTIVE SUMMARY

Many families in low-income urban neighborhoods face substantial hardship, financial insecurity and serious challenges to economic advancement—despite considerable work effort. This is particularly true of low-income immigrant families, where connections to opportunities and formal services are often tenuous. This paper explores the comparative economic integration and financial well-being of immigrant groups in 10 vulnerable urban communities with an eye toward improving their economic prospects and strengthening their connections to services and supports. The findings are based on a survey of residents in 10 low-income urban neighborhoods conducted in 2002-04, by The Urban Institute and NORC for the Annie E. Casey Foundation. These 10 neighborhoods are target sites for anti-poverty and community development initiatives under Casey's *Making Connections* program.

This paper compares several key indicators of economic well-being, advancement, and integration across six different immigrant groups (disaggregated by region of birth) and four race/ethnic groups of natives. By limiting the analysis to residents of 10 specific low-income neighborhoods, the report holds community context constant and focuses on the individual characteristics that are most crucial to the economic success of immigrant families and traditionally marginalized native groups.

Key findings from this comparison include:

### *Demographics*

- Immigrants made up 23 percent of the *Making Connections* target neighborhoods in 2002-04, much higher than the better-off surrounding counties (14 percent) and about double the national average (11 percent).

- The most vulnerable groups of immigrants—those from Mexico, Central America and Southeast Asia—were over-represented in the target neighborhoods, while some of the better off groups—other Asians, Europeans, and South Americans—were underrepresented. The majority (60 percent) of immigrants in the *Making Connections* neighborhoods were from Mexico and Central America.

### *Risk Factors for Economic Advancement*

- The high school completion rate for target neighborhood residents (64 percent) was very low compared with residents of the surrounding counties (93 percent). Within the target neighborhoods, Mexican, Central American, and Southeast Asian immigrants had the lowest high school completion rates (40 and 52 percent, respectively). These two groups were also the least likely to have completed ninth grade (a measure of functional literacy).

- Residents of the *Making Connections* neighborhoods also had very low college completion rates. Within the target neighborhoods, college completion rates were relatively high for Europeans, other Asian, African/West Indian immigrants and native whites (13-15 percent). College completion rates were much lower (3-7 percent) for Mexican, Central American, and Southeast Asian immigrants as well as for native-born blacks and Hispanics.

- The greatest transportation and identification barriers were faced by blacks, followed by Latinos—both U.S. and foreign-born. U.S.-born blacks were the least likely of all groups to have a drivers' license and a dependable car (45 percent). About half of native-born Hispanics and Mexican/Central American immigrants had a license and a dependable car. The share was over 60 percent for all other groups.

- The two groups of immigrants with the lowest educational attainment also had the highest rates of limited English skills: those from Southeast Asia (70 percent) and Mexico and Central America (68 percent). Other Asian immigrants also had a high rate of limited English skills (55 percent) despite high levels of formal education. For this group, transferring education and skills gained in other languages may be problematic.

- Only about a quarter (26 percent) of immigrants from Mexico and Central America had become U.S. citizens. Many immigrants from this region are unauthorized, while those who are legal immigrants have a relatively low proclivity to naturalize. Other immigrants groups had much higher naturalization rates ranging from 46 percent for African and West Indian immigrants to 65 percent for European immigrants.

## *Economic Advancement*

- Immigrants were just as likely to be employed as natives overall, and most immigrant groups had substantially higher odds of being employed than did natives, after controlling for education, English language ability and other risk factors. These findings suggest that most immigrants are able to find work, even in lower-income neighborhoods where employment opportunities may be relatively scarce or unfavorable for economic advancement.

- Native-born minorities in the *Making Connections* target neighborhoods faced similar if not greater difficulties than immigrants, when it came to their economic well being, advancement and integration. Native-born minorities had higher poverty rates and lower rates of homeownership, savings accounts and credit card holding than any of the immigrant groups, when controlling for education, English language ability and the other risk factors.

- Three of the race/ethnic and origin groups we disaggregated—Mexican and Central American immigrants, native-born blacks, and native-born Hispanics—showed the lowest levels of economic advancement across most of the measures we analyzed. These three groups had the highest poverty rates and among the lowest rates of employer-provided health insurance, homeownership, savings accounts and credit card holding.

- While Southeast Asian immigrants had among the lowest employment and highest poverty rates, they also were among the groups *least* likely to experience food hardship or to lack health insurance for their families. They also had relatively high homeownership rates, when controlling for other factors. These findings suggest that Southeast Asians' high citizenship rate and the benefits and services they received through the federal refugee program have decreased their economic hardship, at least to some degree.

- Households with children in the *Making Connections* target neighborhoods were particularly vulnerable. For instance, households with children were much more likely to be poor and experience food hardship than families without children, when controlling for race/ethnicity, immigrant origin, and risk factors.

- Greater household work effort was consistently associated with lower poverty and economic hardship, but significant differences in these indicators remained among race/ethnic and immigrant origin groups even when controlling for work. The two immigrant groups with relatively low employment rates—Mexican/Central Americans and Southeast Asians—also had relatively high poverty rates. But employment rates were lower and poverty rates higher for native-born blacks and Hispanics.

- Educational attainment and having access to a license and reliable car were consistently associated with higher odds of economic well-being. Across all measures, respondents without a college degree did not do as well as those with a college degree, and those without a high school education generally fared worse still.

- Respondents without a license and a dependable car were much more likely to be poor and to experience food hardship. They were also less likely to own their own homes and have employer-provided health insurance, savings accounts and credit cards than respondents with access to a license and a car. These findings underscore how vital proper work documentation and reliable transportation are to maintaining employment and economic well-being.

- Limited English proficiency was also associated with most economic outcomes for immigrants, though not as strongly as education or having a license and a reliable car. Respondents with limited English skills experienced much higher odds of poverty and hardship, and lower odds of employment. They also had lower odds of employer-provided health insurance coverage, savings accounts, credit card holding, and homeownership than English proficient respondents.

- Citizenship affected economic indicators related to integration more than those related to basic sustenance. Noncitizens were far less likely than citizens to own their own homes, obtain credit cards, or have family health insurance through their employers. However, citizenship did not have a significant association with poverty or food hardship.

### Conclusions

Our analyses indicate that differences in economic outcomes by race/ethnicity and immigrant origin are affected in part by the risk factors we explore: educational attainment, a driver's license and a dependable car, English proficiency, and U.S. citizenship. The risk factors appear to strongly influence race/ethnicity and immigrant origin variations on the economic outcomes we analyzed. But on some measures of economic well-being and advancement, a great deal of variation remains even when accounting for the risk factors, suggesting that labor market discrimination, legal status, cultural differences or other unmeasured factors are very likely important influences.

Education is the most important determinant of economic advancement regardless of race, ethnicity, nativity, citizenship or origin. English language proficiency has some association with the outcomes we analyzed, but these associations are not as powerful or consistent as the associations with education. Thus, English language training must be provided alongside significant job skills development and education—including postsecondary education where possible—in order for immigrants to advance. Education is the key to advancement for both immigrants and natives in the *Making Connections* neighborhoods.

After controlling for both general and immigrant-specific risk factors, many of the economic disadvantages disappear for immigrant groups, but not for native-born minorities. This suggests that with education, access to transportation, English language acquisition, and citizenship, immigrants are able to reach near parity with native-born whites on most measures of economic integration, even in low-income urban neighborhoods.

# DATA AND METHODS

This analysis draws from the *Making Connections* Cross-Site Survey — a unique dataset focusing on the well-being of families and children in selected neighborhoods in 10 cities that are a part of the Annie E. Casey Foundation's *Making Connections* (MC) initiative.[4] The data are derived from Wave 1 of the survey, which was conducted for the Foundation by the Urban Institute and NORC between Spring 2002 and Fall 2004.

This dataset allows us to not only look at different racial and ethnic groups, but also to consider immigrants by region of origin — using categories similar to these available in the Census and other large scale surveys. The content depth of the survey also allows us to provide rich descriptive analyses of immigrants compared with other groups in these neighborhoods. We examine differences in poverty, employment, educational attainment, job quality, and assets. The unique geography of the survey—with samples drawn from 10 low-income neighborhoods—allows us to hold community context constant and focus on the individual characteristics that are most crucial to the economic success of different immigrant and native-born groups.

Many of our analyses are based on cross-tabulations of individual measures, by immigrant origin and native-born race/ethnicity. While the descriptive analyses can determine whether our measures of family economic well-being vary substantially by race, ethnicity, nativity, and immigrant origin, they do not address the extent to which these measures are driven more by these demographic factors or whether factors external to a family's race, ethnicity or origin might be also be driving the differences in economic well-being. To this end, we use logistic regression to determine the factors explaining variation in several measures of economic well-being. These regression models control for 1) general and immigrant-specific risk factors described later in the report, 2) household work effort, 3) household composition, and 4) geographic location.

See the technical appendix at the end of this document for more details on the methodology.

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[4] The 10 cities in the *Making Connections* Initiative are: Denver, Des Moines, Hartford, Indianapolis, Louisville, Milwaukee, Oakland, Providence, San Antonio, and Seattle.

# ORIGINS OF IMMIGRANTS IN THE *MAKING CONNECTIONS* TARGET NEIGHBORHOODS

Immigrants are more likely to settle in inner-city neighborhoods than elsewhere nationally, although over time their rate of suburbanization is increasing (Alba et al. 2000; Alba et al. 1999; Logan, Alba and Zhang 2002). We find the same pattern for the 10 *Making Connections* cities included in the survey (Figure 1). The foreign-born share of respondents in these target neighborhoods was 23 percent[5], far higher than the share in the surrounding counties (14 percent) and the United States overall (11 percent)[6].

**Figure 1: Foreign-Born Shares of Cross-Site Survey Respondents, 2002-04, and U.S. Census Comparison Groups, 2000 (Percent)**



| All U.S. Households* | *Making Connections* Counties** | Low-Income Households in U.S. Central Cities* | MC Target Neighborhoods** |
|---|---|---|---|
| 11 | 14 | 22 | 23 |
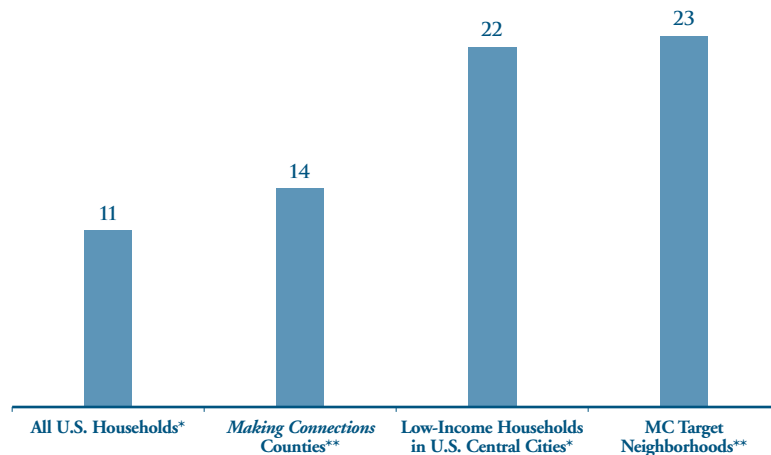
NOTES:

*U.S. foreign-born shares are based on the nativity of the household head, from the 2000 U.S. Census, 5 percent Public Use Microdata Sample.
**County and target neighborhood foreign-born shares are based on the nativity of the respondent, from the 2002-04 *Making Connections* Cross-Site Survey.

SOURCE: Urban Institute analysis of data from 2000 U.S. Census, 5 percent Public Use Microdata Sample, and the *Making Connections* Cross-Site Survey, 2002-04.

There is great variation in the share of immigrant household respondents across the 10 *Making Connections target neighborhoods* (Appendix Table 1). Neighborhoods in two of the sites could be considered major immigrant gateways, because immigrants there comprise a majority of residents.[7] Given the great diversity of immigrants across sites, it is important to disaggregate the immigrant population by their origins. The *Making Connections* neighborhoods tend to have higher shares of immigrants from poorer, less well-educated backgrounds, as well as higher shares of immigrants with Latino or African ethnicity, than is the case nationally. These characteristics are common with other low-income households in inner-city neighborhoods across the country. When we examined the Census low-income inner-city sample, we found the origins of immigrants to be similar to those for immigrants in the *Making Connections* target neighborhoods, with some exceptions.[8]

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[5] Just about the same share (22 percent) of respondents to the 2000 Census in low-income households in central city census tracts was foreign born.

[6] Immigrants accounted for about 11 percent of the total U.S. population in the 2000 Census, and for over 12 percent in the 2006 American Community Survey.

[7] The sites are Oakland (58 percent) and Providence (53 percent). By contrast, fewer than 10 percent of residents were immigrants in Indianapolis, Milwaukee, and Louisville.

[8] The target neighborhoods have higher shares of Mexican, Central American, African, West Indian, and Southeast Asian immigrants than do low-income inner-city neighborhoods nationally.

The counties *surrounding* the *Making Connections* neighborhoods represent a sampling of mid-sized urban areas nationally. Because these urban counties include a mixture of inner-city and suburban neighborhoods, their demographics are closer to the U.S. average than the target neighborhoods, which are poorer and pre-dominantly inner-city.[9] Overall, it appears that the regions sending relatively high income and highly educat-ed immigrants (Europe and Asia other than Southeast Asia) are over-represented in the *Making Connections* counties, but under-represented in the target neighborhood within these countries (Appendix Table 2).

For the purposes of this analysis, we were able to disaggregate the foreign-born population in these neighbor-hoods into six meaningful groupings based on common traits. These groups are detailed below.

### Mexican and Central American Origin

We categorize Mexican and Central American immigrants together because they share many common char-acteristics, including: Spanish language use, low educational attainment, recent arrival, low rates of citizen-ship, and high rates of unauthorized status. Mexican and Central Americans were a majority (60 percent) of immigrants in the target neighborhoods in 2002-04 compared with 36 percent nationally (Table 1).

### South American Origin

South American immigrants, though also mostly Spanish speaking and recently arrived, tend to be much bet-ter educated and have higher English proficiency than Mexican and Central American immigrants. South Americans were only 2 percent of target neighborhood immigrants.

### Southeast Asian Origin

We disaggregated Asian countries into two groups: Southeast Asian countries and other Asian immigrants. Most immigrants from Southeast Asian countries — Vietnam, Cambodia, Laos, Thailand and Burma — have come to the United States as refugees who have fled persecution or a well-founded fear of persecution (Department of Homeland Security 2005; Rumbaut 1996; Takaki 1989). This refugee experience differenti-ates them from other immigrants, who come to the United States primarily to join family members and/or for work. Southeast Asian immigrants are often relatively poor and less well educated. Also, due to their offi-cial refugee designation, refugees are eligible for a broad range of resettlement services mostly unavailable to other immigrants (Fix, Zimmermann and Passel 2001; Office of Refugee Resettlement 2004; Rumbaut 1996; Takaki 1989). Southeast Asians were 14 percent of target neighborhood immigrants, much higher than the national average (4 percent).

### Other Asian Origin

Other Asian immigrants encompass a broad range of countries spanning the continent, from the Middle East across South Asia to East Asia and the Pacific. The most common origin countries for other Asian immigrants are China, India and the Philippines. In general, immigrants from these countries are very well educated — and many come to the United States for temporary or permanent employment in health care, technology and other high-skilled sectors (Duleep and Regets 2002, 1994; Waldinger and Lee 2001; Schoeni, McCarthy and Vernez 1996).[10] Other Asians were just 7 percent of target neighborhood immigrants, well below the national average (21 percent).

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[9] The immigrants in the counties surrounding the *Making Connections* neighborhoods however, were less likely to be Latin American and more likely to be European, than in the United States overall.

[10] See Appendix Table 3 for a full list of countries included in the "other Asian" category.

### *African and West Indian Origin*

We grouped African and West Indian immigrants[11] together for two primary reasons. First, most immigrants from these countries are originally of African origin (although their race is mixed in many cases in the Caribbean), and therefore may face some of the same types of discrimination that U.S.-born blacks face in the labor market and otherwise. Second and more important, most immigrants from these countries are English speakers and highly educated. African and West Indians were 13 percent of target neighborhood residents, above the national average (8 percent).

### *European Origin*

Most immigrants from Europe, Canada, and Australia also speak English and they tend to be highly educated as well, but because they are predominantly white, their integration into U.S. society may be much smoother than the integration of African and West Indian immigrants. European origin immigrants were only 5 percent of immigrants in the target neighborhoods, versus 24 percent nationally.

**Table 1: Household Distribution by Immigrant Region of Origin**

|  | Europe | Southeast Asia | Other Asia | Africa & West Indies | Mexico & Central America | South America |
|---|---|---|---|---|---|---|
| Target N'hoods | 5% | 14% | 7% | 13% | 60% | 2% |
| Counties | 25% | 3% | 23% | 6% | 39% | 4% |
| US | 24% | 4% | 21% | 8% | 36% | 6% |

SOURCE: Urban Institute analysis of data from 2000 U.S. Census, 5 percent Public Use Microdata Sample, and the *Making Connections* Cross-Site Survey, 2002-04.

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[11] We designed this region to include English-speaking Caribbean countries along with Haiti.

# RISK FACTORS FOR ECONOMIC ADVANCEMENT IN THE TARGET NEIGHBORHOODS

As previously discussed, the *Making Connections* target neighborhoods are comprised of very diverse populations. This diversity also extends to the native-born population. Much like foreign-born populations, traditionally marginalized native minorities are disproportionately represented in the target neighborhoods when compared to the surrounding counties. For instance, while white natives make up the vast majority of the households in the surrounding counties (65 percent), they comprise only 21 percent of the households in the *Making Connections* target neighborhoods (Table 2). Minority households (both native and foreign-born), on the other hand, make up the overall majority in the *Making Connections* neighborhoods but not in the surrounding counties.

**Table 2: Household Distribution by Race, Ethnicity & Nativity**

|  | Immigrants | Natives | | | |
|---|---|---|---|---|---|
|  |  | White | Black | Asian | Hispanic |
| Target N'hoods | 23% | 21% | 23% | 2% | 31% |
| Counties | 14% | 65% | 10% | 2% | 9% |

SOURCE: Urban Institute analysis of data from the *Making Connections* Cross-Site Survey, 2002-04.

These residence patterns suggest that different groups may end up, or remain in the *Making Connections* neighborhoods for different reasons. These reasons may be partly due to work skills, experience, and connections to economic opportunity — or risk factors. The economic advancement and social integration of these different groups is likely to proceed at different paces, depending on the severity of the risk characteristics with which they must contend. Some of the risk factors that could impede economic advancement apply to all of the race, ethnicity and nativity groups; others apply exclusively to immigrant populations. Of course, some of these factors can be more easily measured through survey data than others, and thus our measures capture some but not all of the variation in economic advancement of different groups in the target neighborhoods.

## GENERAL RISK FACTORS

In this section of the report, we describe two factors that broadly affect the economic advancement of *both* immigrants and the U.S.-born population: educational attainment and having a driver's license and a reliable car.

### *Educational Attainment*

Numerous studies have shown that human capital, usually measured by formal schooling, has a great influence on wages, job quality and other measures of economic advancement (Becker 1964), especially for native minorities (Holzer and Offner 2002) and immigrants (Borjas 1994; Friedberg 2000). High rates of high school dropouts in inner-city neighborhoods have been cited with concern for both the trajectory of residents and the overall economic health of these communities (Wilson 1996 and 1987). The literature on immigrant integration shows that low levels of formal education may affect the economic and social integration of immigrants by impeding both their career advancement and their ability to interact with and comprehend broader social processes such as the public schooling of their children, access to government services, and U.S. politics (LaLonde and Topel 1992; Smith and Edmonston 1997).

Within the target neighborhoods, as nationally, there is great variation in the educational attainment of immigrant and native-born residents. Data from the 2002-04 cross-site survey show that 60 percent of working-age immigrant respondents from Mexico and Central America lacked a high school education, about double the share for native-born blacks and Asians and triple the rate for native-born whites (Figure 2).[12] A relatively high share of Southeast Asians also lacked a high school degree: 48 percent. But shares without a high school education were lower than the average for U.S. natives for the remaining four immigrant groups: Europeans, other Asians, African/West Indians, and South Americans.[13] It is also worth noting that a relatively high share of U.S.-born Hispanics ("Hispanic natives") lacked a high school degree — 47 percent — and that the rates on this measure for black and Asian/other natives were also higher than the rate for non-Hispanic whites.

**Figure 2: Working Age Respondents[†] with Less than a High School Education,**
***Making Connections* Target Neighborhoods, 2002-04 (Percent)**
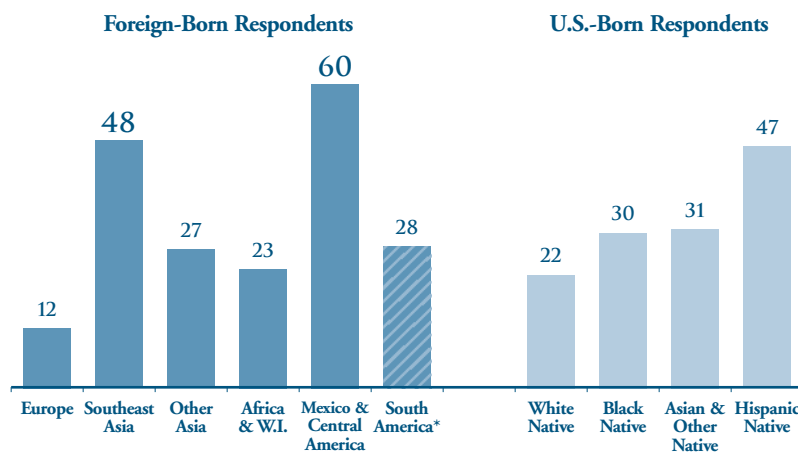


NOTES:
[†]Working age respondents are ages 18 to 64.

*The sample size for South American immigrants was very small (N=28). Results for this group should be interpreted with caution.

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

[12] Working-age respondents are ages 18 to 64 in this analysis.

[13] The sample size for South American immigrants was very small, and so we do not consider results shown here and in subsequent descriptive charts to be significant for this group.

An even more striking pattern appears in the shares of immigrants with very little formal schooling — less than ninth grade (in other words, no high school at all). This measure can be considered a proxy for functional literacy (Irwin and Jungeblut 1986). In 2002-04, over a quarter of working age immigrant respondents from Mexico, Central America and Southeast Asia did not have a ninth grade education (Figure 3). These shares are much higher than those for any other group — immigrant or native. These very low rates of educational attainment mean that many Mexican, Central American, and Southeast Asian immigrants do not have enough formal education for a good command of reading and writing, most likely even in their first languages (Portes and Rumbaut 1996). Compounded with lack of English proficiency, these very low educational attainment rates severely restrict their access to the labor market, and are a major factor in explaining the low wages and high poverty of these groups.

**Figure 3: Working Age Respondents[†] with Less than a Ninth-Grade Education, *Making Connections* Target Neighborhoods, 2002-04 (Percent)**



NOTES:
[†]Working age respondents are ages 18 to 64.
*The sample size for South American immigrants was very small (N=28). Results for this group should be interpreted with caution.

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

While rates of very low educational attainment are primarily confined to Latino and Southeast Asian immigrants, broader patterns of educational disadvantage emerge when college completion rates are examined. In 2002-04 in the target neighborhoods, working age U.S.-born non-Hispanic whites had about the highest rate of four-year college completion (15 percent), but four immigrant groups had college-completion rates in the same range (13-15 percent): Europeans, other Asians, African/West Indians, and South Americans (Figure 4).[14] Based on educational attainment alone, one would expect the economic advancement of these immigrant groups to nearly match that for U.S.-born non-Hispanic whites. When compared with U.S.-born whites, the four-year college completion rate was only about half as high for Southeast Asian immigrants (7 percent) and a third as high for immigrants from Mexico and Central American (4 percent). But college-completion rates for U.S.-born blacks and Hispanic natives (3-5 percent) were just as low as for Mexican and Central American immigrants, and the rate for U.S.-born Asians was only slightly higher (at 9 percent). Even though they have higher high school completion rates than Latin American and Southeast Asian immigrants, the native-born black and Hispanic populations have such low college completion rates that their labor market opportunities are also likely to be highly constrained.

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[14] These college completion rates include some respondents who may have gone on to pursue professional degrees.

**Figure 4: Working Age Respondents[†] with a Four-Year College Degree or More Education, *Making Connections* Target Neighborhoods, 2002-04 (Percent)**



NOTES:

[†]Working age respondents are ages 18 to 64.

*The sample size for South American immigrants was very small (N=28). Results for this group should be interpreted with caution.
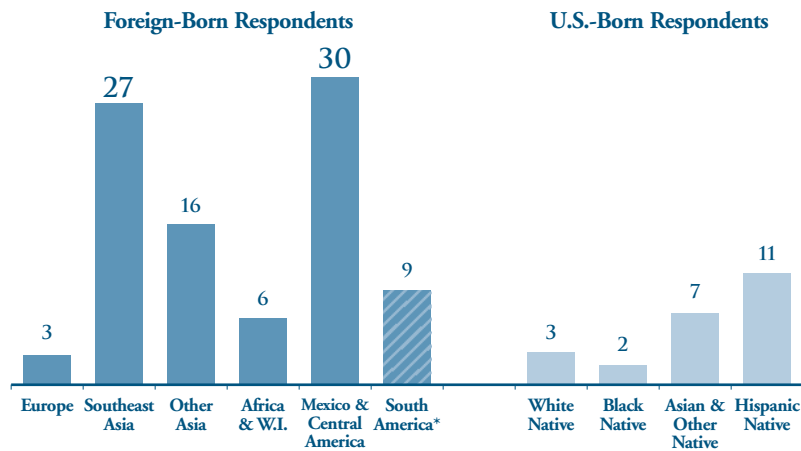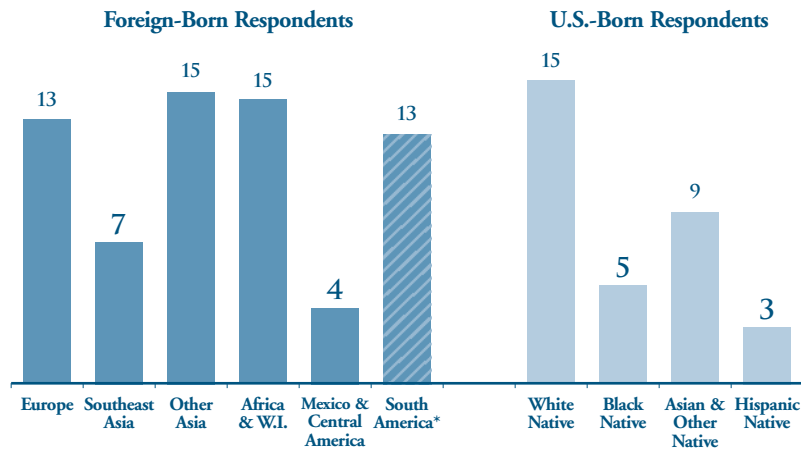
SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

At the low end of the spectrum, both immigrants and natives in the *Making Connections* sites are as disadvantaged in terms of education as are residents of low-income urban neighborhoods generally. However, at the higher end of the spectrum, the target neighborhoods do not include as many well educated immigrants as do inner-city neighborhoods generally.

### *Driver's Licenses and Availability of Dependable Automobiles*

Studies have shown that access to reliable transportation can be a major barrier to employment (Raphael and Rice 2002; Waller and Hughes 1999). Because job opportunities are often weaker in inner-city neighborhoods than elsewhere in metropolitan areas, inner-city residents must often travel significant distances to find high-paying jobs (Holzer and Danziger 1998; Holzer and Vroman 1992). Thus, lack of transportation may be a more important barrier to economic advancement in low-income urban neighborhoods than elsewhere. Driver's licenses are also important forms of government-sanctioned identification, and adults who do not have them may experience difficulties accessing government benefits and services, as well as credit, bank accounts, home loans and other financial services products (Appleseed 2007; Newberger, Paulson, and Chiu 2004). For these reasons, we examine the proportion of respondents who report having both a license and access to a reliable car.

Mexican and Central Americans are one of the three groups that are least likely to have licenses and dependable cars, but the other two groups are U.S.-born blacks and U.S.-born Hispanics. In fact, in 2002-04 in the *Making Connections* target neighborhoods, the respondents least likely to have both a license and access to a car were U.S.-born blacks, at 45 percent (Figure 5). The respondents with the next lowest shares of licenses and cars were Mexican and Central American immigrants (49 percent), followed by U.S.-born Hispanics (51 percent). Over 70 percent of U.S.-born whites and European immigrants had licenses and dependable cars, as did over 60 percent of African and West Indian immigrants as well as all the Asian groups, regardless of nativity or origin.

**Figure 5: Respondents with a Driver's License and Access to a Reliable Car, *Making Connections* Target Neighborhoods, 2002-04 (Percent)**



NOTES:
*The sample size for South American immigrants was very small (N=28). Results for this group should be interpreted with caution.

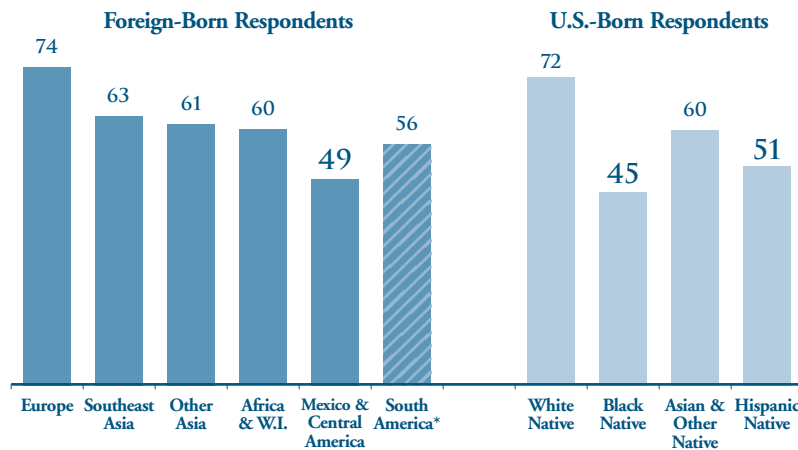SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

The fact that native-born blacks are the least likely to have a license and a dependable car suggests that transportation is not a risk factor unique to immigrant communities. On the contrary, most immigrant groups — with the exception of Mexican and Central Americans — are more likely to have a license and a car than are native-born blacks or Hispanics. Southeast Asians — who fare relatively poorly on most of the measures so far — are just as likely to have licenses and cars as are other Asian immigrants and Asian natives. The relatively high share of Southeast Asians with licenses and cars may be due to driver's education programs and other forms of transportation assistance available through federally-funded refugee resettlement services.[15] The relatively low share of Mexican and Central Americans with cars and licenses, on the other hand, may be due to the difficulties that unauthorized status creates in obtaining licenses and other forms of official identification.

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[15] Refugee service providers can use federal Office of Refugee Resettlement funding to provide transportation assistance for recently arrived refugees. These services often include driver's education, driver's license application assistance, and help in purchasing an automobile. For an example of a refugee transportation assistance program in Houston, see Alliance for Multicultural Community Services, "Employment and Transportation," http://www.allianceontheweb.org/refugee.htm.

## IMMIGRANT RISK FACTORS

This section explores the factors that apply mostly or exclusively to immigrants: English proficiency and U.S. citizenship. The first of these factors — English language skills — applies mostly to immigrants but affects some groups of natives, such as Puerto Ricans and other native-born Latinos.

### *English Proficiency*

English proficiency is a component of human capital that is closely tied to educational attainment. In fact, the least educated immigrant groups — with some exceptions — are often those with the lowest levels of English proficiency (Capps et al. 2003; Stevens 1999).[16] In the target neighborhoods during 2002-04, 70 percent of immigrants without a high school education were LEP, compared with just 48 percent of those with a high school but no college degree, and 23 percent of those who had completed four years of college.

In 2002-04 in the target neighborhoods, over half of respondents in four immigrant groups were LEP (Figure 6): Southeast Asians (70 percent), Mexican and Central American immigrants (68 percent), immigrants from other Asian countries (55 percent), and South Americans (52 percent). Immigrants from Mexico, Central America and Southeast Asia are doubly disadvantaged in that they have low levels of both formal education and English proficiency. On the other hand, immigrants from South American and other Asian countries may also face language barriers in the labor market, despite their relatively high educational attainment. South American and other Asian immigrants might have difficulty translating home-country degrees or certificates in fields such as medicine and engineering, because of low English skills (Kossoudji 1988; Park 1999).[17]

### *Citizenship and Legal Status of Immigrants*

Lack of citizenship — and in some cases lack of legal status — has important implications for the economic advancement and general social integration of immigrants. Some jobs — e.g., security guards and some government positions — may require citizenship. All jobs — by law if not in reality — require documentation of legal authorization to work, and so lack of legal status may affect the types of jobs that unauthorized immigrants can get. Nationally, for instance, unauthorized workers are overrepresented in agriculture, construction, low-skilled manufacturing, and service jobs — many of which are low-paying and offer little opportunity for advancement (Passel 2006).

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[16] The definition of English proficiency we use here is based on a combination of the language in which the survey was conducted and interviewers' ratings of respondents' English ability. All those respondents who took the survey in a language other than English are included in our limited English proficient (LEP) group. All those respondents who took the survey in English but whose English language ability was rated as "fair" or "poor" are also categorized as LEP. Those respondents taking the survey in English with an interviewer rating of "good" or "excellent" are considered English proficient. Interviewers rated the English language ability of all respondents in five of the sites; in the other five sites they only rated the English language ability of those respondents taking the survey in English. For purposes of comparability across all 10 sites, we therefore categorized all respondents taking the survey in another language as LEP, because we do not have information on their English proficiency in 5 of the sites. This measure differs substantially from the Census and American Community Survey, where instead of an interviewer rating, respondents were asked about their own English proficiency.

[17] A small minority of African and West Indian immigrants come from non-English speaking countries such as Haiti (French) and Somalia (Arabic and other languages). These immigrants face substantial language barriers in the United States. However, the numbers of African and West Indian immigrants from English speaking countries such as Nigeria, Jamaica, Trinidad and Tobago are much larger. See Appendix Table 3 for a full listing of countries in this group.

**Figure 6: Limited English Proficient Respondents[†],**
*Making Connections* **Target Neighborhoods, 2002-04 (Percent)**
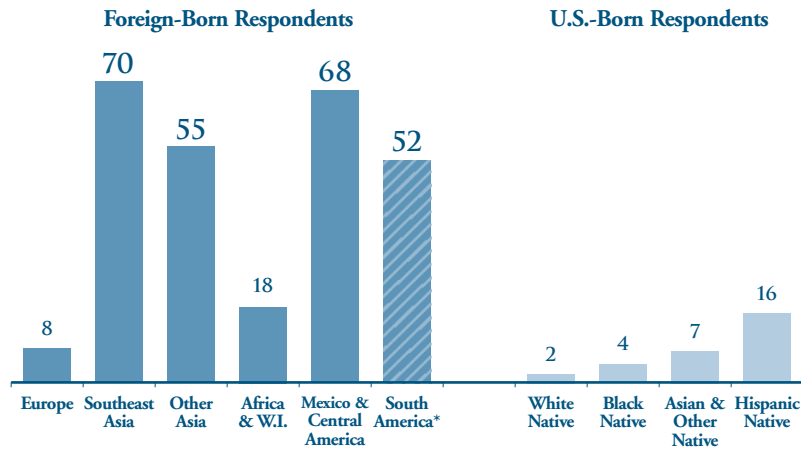


NOTES:

[†]Limited English proficient respondents took the survey in a language other than English or were rated by interviewers as having "fair" or "poor" English skills.

*The sample size for South American immigrants was very small (N=27). Results for this group should be interpreted with caution.

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

In the *Making Connections* target neighborhoods; the pattern of citizenship among foreign-born groups generally follows the pattern of length of U.S. residency, with the notable exception of Mexican and Central American immigrants.[18] Europeans and Southeast Asians also had the highest naturalization rates: 65 and 60 percent, respectively (Figure 7). Just over half of other Asian immigrants, and just under half of African and West Indian immigrants had become citizens. By contrast, only about a quarter (26 percent) of Mexican, Central American and South American immigrants had become citizens.

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[18] Sociologists generally agree that the length of U.S. residency is an important variable to consider in terms of immigrant integration. Overall, immigrants in the target neighborhoods are well established—a large majority of immigrants have been in the country for at least 10 years. The limited amount of variation in length of U.S. residency among immigrants in the target neighborhoods weakens the utility of this measure in economic advancement trajectories among different immigrant groups. Moreover, there is a high degree of correlation between length of residency and citizenship—as legal immigrants must generally be in the country at least five years before they can apply for citizenship. As a result of these factors, we do not include length of residency as a risk factor in our analyses in this report.

**Figure 7: Foreign-Born Respondents who are U.S. Citizens,**
*Making Connections* **Target Neighborhoods, 2002-04 (Percent)**
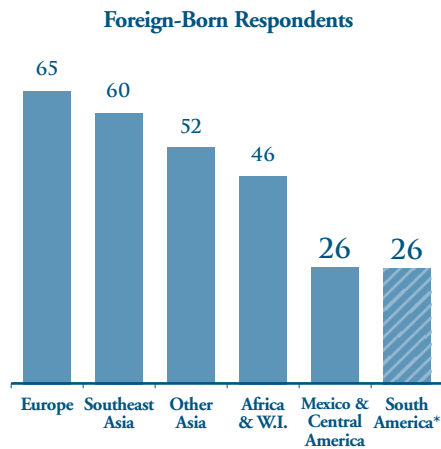
**Foreign-Born Respondents**



NOTES:

*The sample size for South American immigrants was very small (N=28). Results for this group should be interpreted with caution.

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

There are other factors that affect naturalization rates, and these factors have important implications for the economic advancement of immigrants. First and most importantly, about 30 percent of all immigrants are unauthorized because they either entered the country illegally or stayed in the United States longer than they were supposed to (e.g., overstayed a tourist or student visa). Nationally about three quarters (78 percent) of all unauthorized immigrants are from Mexico and Central America, and their unauthorized shares are much higher than for immigrants from other origins (Passel 2006).

A second important factor is that, even when controlling for legal status, certain groups of immigrants are less likely to naturalize than others. Among the legal immigrant population, Mexican immigrants are also the least likely to naturalize of any group. In 2005, the share of Mexican legal immigrants who had become citizens — among those eligible to do so — was only 35 percent, compared with 59 percent for immigrants overall. Naturalization rates were highest among Asian and European immigrants, at 71 and 69 percent, respectively (Passel 2007). Some of the explanations for lower naturalization rates among Mexican immigrants include lower educational attainment, more difficulty learning English, and a lower likelihood of staying in the United States permanently because of the relative ease of returning to Mexico (Passel 2007; Passel, Fix, and Sucher 2003).

Taking both the general and immigrant risk factors together, we find strong patterns of potential economic and social disadvantage for certain groups of immigrants. Mexican and Central American immigrants are one of the most disadvantaged groups — if not the most disadvantaged — across all risk factors: education, English proficiency, license and car, and citizenship. Asian immigrants have among the lowest educational attainment and English proficiency, but they have relatively high rates of citizenship and license and car access. Other Asian immigrants also have low English proficiency but relatively high rates of educational attainment, license and car access, and citizenship. European and African/West Indian immigrants have relatively high rates on all measures — educational attainment, English proficiency, licenses and car access, and citizenship — and in fact they may have significant labor market advantages versus most of the native-born residents in the target neighborhoods. Finally, U.S.-born blacks and Hispanics have relatively low educational attainment and license and car access when compared to many of the immigrant groups, and so they may be at a relative labor market *disadvantage* compared to many immigrants.

The next section of this report discusses economic advancement of immigrants in the *Making Connections* target neighborhoods, with comparison to the major racial/ethnic groups of U.S.-born citizens. Throughout the next section, the risk factors discussed above — education, license and car, English proficiency, and citizenship — will be considered alongside immigrants' regions of origins as factors that influence their labor market outcomes and general social integration.

# ECONOMIC HARDSHIP, ADVANCEMENT, AND INTEGRATION OF IMMIGRANTS IN THE *MAKING CONNECTIONS* NEIGHBORHOODS

## ANALYTIC APPROACH

While descriptive analyses can determine whether our measures of family economic well-being vary substantially by race, ethnicity, nativity, and immigrant origin, they do not address the extent to which these measures are driven by these demographic factors or whether factors external to a family's race, ethnicity or origin might be also be driving the differences in economic well-being.

To this end, we consider whether any demographic differences in economic well-being persist after controlling for 1) the risk factors described in the previous section (both general and immigrant), 2) household work effort, 3) household composition, and 4) geographic location. Our analyses use logistic regression to determine the factors explaining variation in several measures of economic well-being. We specify a series of models that include test and control variables detailed below.

Our research variables can logically be grouped into three categories signifying different levels of integration and economic well-being among families (Table 3).

**Table 3: Research Variables**

| Basic Sustenance | Economic Advancement | Economic Integration |
|---|---|---|
| • Employment<br><br>• Poverty<br><br>• Food Hardship (family lacked enough money to buy food) | • Moderate Income<br><br>• Job Quality (employer provided health insurance for family) | • Savings Account<br><br>• Credit Card<br><br>• Homeownership |

### Tier One Measures – Basic Sustenance

- Employment – Respondent is employed

- Poverty – Family has income below the federal poverty level

- Food Hardship – Family lacked enough money to buy food at some point in the previous year

These measures represent a very basic level of well-being. Families who fail to achieve these basic measures of well-being are facing severe challenges.

### Tier Two Measures – Economic Advancement

- Moderate Income – Household income above $30,000 per year

- Job Quality – Employer provided health benefits for the family

A moderate level of family income provides much of the foundation for self-sufficiency and family well-being. Employers' provision of health benefits also contributes substantially to family well-being and is a good basic indicator of the quality of employment. These factors affect a family's ability to save, potential financial hardships, and prospects for upward mobility.

**Tier Three Measures – Economic Integration**

- Family has a savings account

- Family has a credit card

- Family owns their home

These measures represent longer term economic integration and asset building. Having a savings account is an indication of some degree of progress toward wealth building. Having a credit card is a measure of a household's access to capital for investment. Homeownership, in particular, is one of the foundations of wealth creation in American society and is a hallmark of not only economic stability, but also upward mobility. For the typical American family, a large portion of their wealth is in home equity.

## INTERPRETATION OF LOGISTIC REGRESSION RESULTS

Throughout this section of the report we use logistic regression to analyze economic advancement outcomes for various immigrant and native-born groups. Logistic regression allows us to calculate the "relative odds" of poverty, home ownership and other outcomes among different groups. Relative odds are generally interpreted with reference to a particular group. In our regressions, we use "native-born whites" as the reference group. This means that, in a regression on poverty, the odds of poverty are defined relative to native-born whites.

Essentially, the farther the odds ratio is from '1', the stronger the relationship. Odds ratios that are *greater* than '1' signify a positive relationship to the research variable and odds ratios that are *less* than one signify a negative relationship to the test variable. Take for example the regression results for poverty described in Table 5 on page 39. Here, the odds-ratio for native-born blacks is 1.8. This means that, compared with native-born whites, blacks are 1.8 times as likely to be poor.

## EMPLOYMENT, POVERTY, AND ECONOMIC HARDSHIP

*Employment*

The employment rates of the residents of the *Making Connections* target neighborhoods were far lower than those in the surrounding counties. Three-quarters of respondents were employed in the surrounding counties while the overall employment rate in the target neighborhoods was only 60 percent. These total figures disguise substantial subgroups differences within the target neighborhoods.

Overall, immigrant respondents in the *Making Connections* target neighborhoods were somewhat more likely to be employed than those in native-born households in 2002-04. Sixty-three percent of immigrant respondents were employed compared with only 58 percent of native-born respondents. However, these employment levels varied substantially across the different race/ethnic and origin groups (Figure 8). African/West Indian, European and other Asian immigrants had the highest employment rates of all of the groups (at or above 70 percent). Sixty-eight percent of native whites were employed. Black and Hispanic natives had the

lowest employment rates of all of the groups (53 and 54 percent respectively). Southeast Asian and Mexican and Central American immigrants had the lowest employment rates among the immigrant groups (60 percent each), but their employment was higher than for black or Hispanic natives.

**Figure 8: Respondents who are Employed,**
*Making Connections* **Target Neighborhoods, 2002-04 (Percent)**
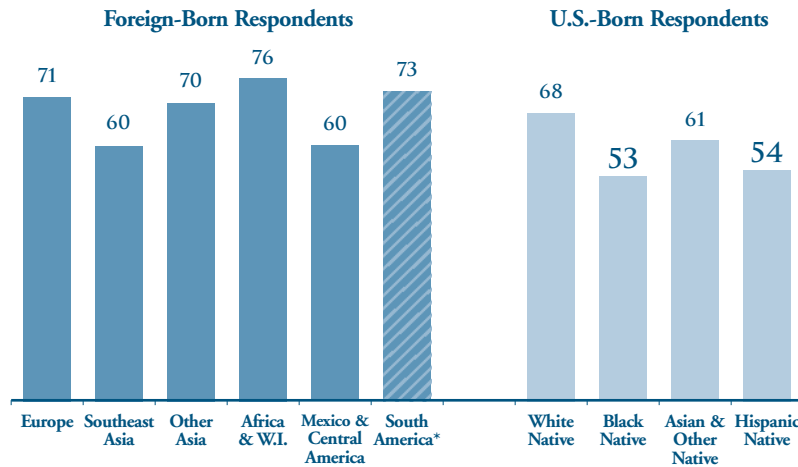


NOTES:

*The sample size for South American immigrants was very small (N=24). Results for this group should be interpreted with caution.

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

While this descriptive analysis is instructive, it does not control for a number of important factors that might contribute to the differences in employment rates across the various origin and race/ethnicity groups. The regression analysis displayed in Table 4 will allow us to do that.

'Model 1' includes only the demographic controls (race/ethnic and immigrant origin variables), household composition, and work effort variables. 'Model 2' includes the demographic household composition, and work effort variables from Model 1, *and* the general risk factor controls described in the previous section of this report. 'Model 3' is the full model- including all of the control variables in Model 2 *and* the immigrant risk factors.[19]

In the Model 1, many of the controls had strong associations with being employed. Having a child had no association with employment, but each additional adult in the household increased the likelihood of the respondent being employed by 10 percent; this may be because in some cases the presence of a second parent allowed one of the parents to work and the other to stay at home to take care of children. Female respondents had 30 percent lower odds of being employed. Participation in an employment placement program was also associated with 20 percent lower odds of being employed. This is probably due the fact that enrollment in these employment placement programs is a signal of poor job readiness.

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[19] Each of these models also controls for the geographic residence, with a variable for each of the 10 sites. However these results are not included in the main tables for ease of presentation.

Southeast Asian, and Mexican and Central American immigrants had 30 percent lower odds of being employed than U.S.-born whites. U.S.-born minorities — blacks and Hispanics — also had lower odds of being employed than white natives (30 and 40 percent lower respectively).

When we added educational attainment and license and access to a car to the model, we found both of these general risk factors to be strongly associated with employment outcomes. Very low levels of educational attainment had among the strongest associations with employment. Respondents who did not complete high school had 80 percent lower odds of being employed than those with a college degree. Having at least some post-secondary education cut this gap in half — to 40 percent lower odds of employment. Respondents who did not have both a license and access to a reliable car had 70 percent lower odds of being employed.

Controlling for educational attainment and car accessibility substantially changed the outcomes for the race/ethnicity and immigrant origin groups. The employment rates of Southeast Asian immigrants, and black and Hispanic natives were no longer significantly different from those of white natives. On the other hand, the direction of the relationship for Mexican and Central American immigrants reversed. After the addition of these general risk factors, this group went from 30 percent lower odds to having 60 percent *higher* odds of being employed than native whites. This was likely due to fact that while Mexican and Central American immigrants had the lowest level of educational attainment, their employment rate was about average among the groups in the analysis. After controlling for educational attainment and car access, South American immigrants had 3.8 times higher odds of being employed than native whites.

With the addition of immigrant risk factors in Model 3, we found that respondents with limited English proficiency had 20 percent lower odds of being employed. However, being a US citizen did not have a significant association with the respondent's odds of being employed. Southeast Asian immigrants showed a positive association with employment: they were 50 percent *more* likely to be employed than white natives. Before the inclusion of LEP and citizenship as controls, Southeast Asians had 30 percent *lower* odds of employment. Despite their generally low levels of educational attainment, Southeast Asians benefit from generous supportive social services provided to refugees that are not available to other immigrants. South American immigrants also had higher odds of being employed then native whites. This is likely due to their high level of employment despite very low levels of English proficiency.

After controlling for the full complement of explanatory factors we did not find any negative associations between employment and immigrant origin. In fact, most immigrant groups had higher odds of being employed than did natives. These findings suggest that most immigrants are able to find work, even in lower-income neighborhoods where employment opportunities may be relatively scarce or unfavorable for economic advancement.

**Table 4: Factors Affecting Odds of Respondent Employment**

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| | Origin, Race, Ethnicity, and Controls | Model 1 plus General Risk Factors | Model 1 plus General and Immigrant Risk Factors |
| Characteristic | Odds Ratio | Odds Ratio | Odds Ratio |
| **Origin and Race/Ethnicity** | | | |
| *Immigrants (by region of birth)* | | | |
| Europe and Other | 1.1 | 0.8 | 0.9 |
| Southeast Asia | 0.7 ** | 1.3 | 1.5 * |
| Other Asia | 1.1 | 1.4 | 1.6 |
| Africa and West Indies | 1.6 ** | 2.1 *** | 2.2 *** |
| Mexico and Central America | 0.7 *** | 1.6 *** | 2.1 *** |
| South America | 1.1 | 3.8 * | 4.4 * |
| *U.S.-Born Residents (by race/ethnicity)* | | | |
| Non-Hispanic Black | 0.7 *** | 1.0 | 1.0 |
| Asian and Other Race (Non-Hispanic) | 0.8 | 1.1 | 1.1 |
| Hispanic | 0.6 *** | 1.0 | 1.1 |
| Non-Hispanic White (reference) | | | |
| **General Risk Factors** | | | |
| *Educational Attainment* | | | |
| Eighth Grade or Less | | 0.2 *** | 0.2 *** |
| Ninth through Eleventh Grade | | 0.2 *** | 0.2 *** |
| Twelfth Grade, High School Diploma or Equivalent | | 0.4 *** | 0.5 *** |
| Some College | | 0.6 *** | 0.6 *** |
| Four-Year College Degree or More (reference) | | | |
| No License and/or No Reliable Car | | 0.3 *** | 0.3 *** |
| **Immigrant Risk Factors** | | | |
| Poor English | | | 0.8 ** |
| Not a Citizen | | | 1.0 |
| **Work Effort** | | | |
| Employment Placement | 0.8 *** | 0.8 *** | 0.7 *** |
| **Household Composition** | | | |
| Household with Child | 1.0 | 1.1 | 1.1 |
| Number of Adults | 1.1 ** | 1.0 | 1.0 |
| Female Respondent | 0.7 *** | 0.7 *** | 0.7 *** |

\* p <= 0.10
\*\* p <= 0.05
\*\*\* p <= 0.01

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

*Poverty*

The difference in poverty rates between the *Making Connections* target neighborhoods and their surrounding counties is substantial. Only 14 percent of households were poor in the surrounding counties, while nearly 40 percent of households in the target neighborhoods were poor in 2002-2004. Again, these total figures conceal substantial subgroups differences within the target neighborhoods.

Overall, immigrant households in the *Making Connections* target neighborhoods were slightly more likely to be poor than native-born households. Forty-one percent of immigrant households–those in which the survey respondent was foreign-born—had incomes below the federal poverty level in 2002-04, compared with 38 percent of native-born households.[20] However, these broad categories disguise wide variation in poverty levels across the different origin groups of immigrants and racial/ethnic groups of natives we were able to disaggregate in the data. Of all groups in this analysis, Hispanic and black native households were actually most likely to be poor, with nearly half (48 percent) of these households having incomes below the federal poverty level (Figure 9).[21] Mexican and Central American immigrants, and immigrants of Southeast Asian origin had the next highest poverty rates (45 and 41 percent, respectively). Other Asian, and African and West Indian immigrants fared slightly better in these low-income neighborhoods, with approximately a third of these households having incomes below poverty. White native and European households in these low-income neighborhoods were least likely to be poor (23 and 26 percent respectively).

**Figure 9: Households with Incomes below the Federal Poverty Level, *Making Connections* Target Neighborhoods, 2002-04 (Percent)**
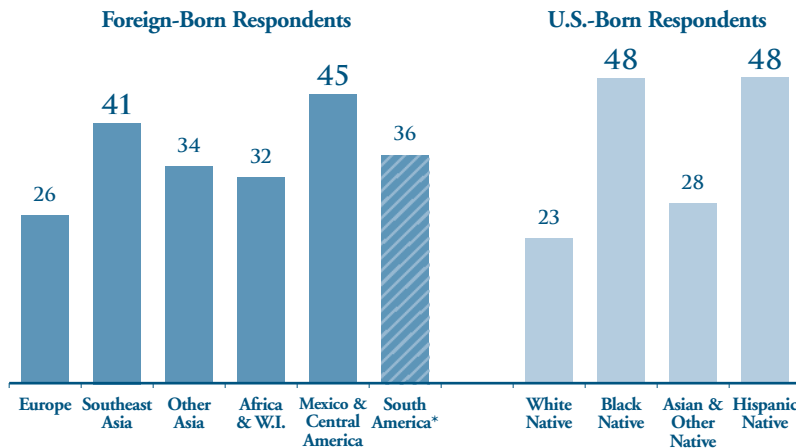


NOTES:
*The sample size for South American immigrants was very small (N=24). Results for this group should be interpreted with caution.
SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

In this basic examination of household poverty rates, all of the immigrant origin groups actually fared better than black and Hispanic natives. However, this analysis does not control for a number of important factors that might contribute to these differences in household poverty rates across the various origin and race/ethnicity groups.

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[20] Here the nativity of the household is based on the nativity of the survey respondent.

[21] In 2002, the federal poverty level was $18,100 for a family of four.

In Model 1, (Table 5) households with children were 4.3 times as likely to be in poverty as those without children. For each additional adult in the household, the odds of household poverty increased by 10 percent; this may be because the poverty threshold increases with household size, and in some cases a second parent does not work. Households with higher numbers of hours worked outside of the home each week were less likely to be in poverty. For each additional 10 hours worked in the household, the likelihood of being poverty was reduced by 30 percent.[22]

All of the native minority and immigrants groups had a greater likelihood of being in poverty than white natives. After controlling for the specified household composition and work effort variables, South American and Mexican and Central American immigrants had the highest poverty rates. Respectively, these groups were 3.8 and 3.5 times as likely to be in poverty as white Natives. Native Hispanics were the next worse off group: they were nearly three times as likely as whites to be poor. Other Asians were 2.5 times as likely to be poor. Each of the other groups was approximately twice as likely to be poor as white natives.

The addition of general risk factor variables in Model 2 changed the picture somewhat. Low educational attainment was one of the factors most strongly associated with household poverty. All other things equal, respondents with less than a ninth grade education were 5.2 times as likely to live in poor households as respondents with four-year college degrees. Respondents who did not complete high school, or with a just a high school degree were approximately 4 times as likely to be in poverty as those with 4-year college degrees. The relative odds of being poor decreased to 2.3 for respondents with some post-secondary education — a substantial improvement over those without a high school degree. Not having a license and access to a reliable car increased the odds of being in poverty to 2.6. The strong relationship between educational attainment and poverty is important, because as we saw earlier some immigrant groups — especially Mexican, Central American and Southeast Asian immigrants — are substantially less likely to have completed high school than any of the other groups.

All other race/ethnic and immigrant origin groups continued to have greater odds of being in poverty than white natives after additionally controlling for educational attainment and having a driver's license and access to a reliable car. However, the magnitude of the association with poverty among the different groups changed after including these risk factors — increasing for some groups and declining for others. After controlling for these factors European, South American and other Asian immigrants, saw their odds of being in poverty increase versus native whites. While this might seem counterintuitive, this result is likely due to the fact that these were the best-educated immigrant groups, and that their educational attainment might not translate into higher incomes the same way that education translates into higher earnings for native-born whites. European, South American and other Asian immigrants in some cases may have low incomes despite high educational attainment because of employment discrimination, lack of English proficiency, or difficulty in transferring foreign credentials to the U.S. job market. South Americans had the highest poverty rate, perhaps because they were the most recent group of immigrants in the analysis.

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[22] The survey asked respondents how many hours they worked during an average week. We included this measure as a continuous variable in our regressions, but we divided hours by 10, so that the effect would be measured in increments of 10 hours instead of a single hour. When we included the variable coded by single hours, the coefficients were very small and therefore more difficult to interpret.

After controlling for these general risk factors the magnitude of the poverty gap between Mexican and Central American immigrants and Hispanic natives, and the reference group of native whites dropped considerably — although the gap remained high. This is likely due to the fact that these groups had among the lowest levels of educational attainment, and also had relatively low access to driver's licenses and reliable cars. Although Southeast Asian immigrants also had very low levels of education, controlling for these factors did not decrease their odds of being in poverty relative to whites. One potential explanation is that because of their refugee status, Southeast Asian immigrants received a complement of benefits and social services on a scale not available to the other groups of immigrants. The addition of these risk factors to the model did not substantially change the gap with whites for the other groups examined in this analysis.

In Model 3, we add controls for the immigrant-related risk factors of limited English proficiency (LEP) and citizenship status. The odds of being in poverty were 30 percent higher where the respondent was LEP, but citizenship status did not have significantly affect the results. Not surprisingly, the addition of the immigrant-related risk factors did not change the strong association with poverty for native minorities. However, after controlling for the effects of LEP and citizenship, the poverty gap with native-born whites decreased for all of the immigrant groups. The gap was no longer significant for European, African or West Indian immigrants — none of whom had high LEP rates but all of whom had high rates of citizenship. There was a significant decline in the relative odds of being poor for Latin American and Asian immigrants as well, although the odds of being poor remained significantly higher for Latin American and Asian immigrants than for white natives. Thus, while inclusion of English proficiency in the model reduced *some* of the variation in poverty rates across immigrant groups (and their higher poverty when compared with natives), there are other factors (unmeasured here) that might also be associated with variation in poverty. These factors may include employment discrimination, difficulty transferring credentials and job experience from home countries, and — for the Mexican and Central American-origin population — barriers to job entry and mobility created by unauthorized status.

After controlling for all of the explanatory factors in our model, the negative associations between poverty and race/ethnicity and immigrant status persisted. In fact, many groups remained twice (or almost twice) as likely to be poor as native-born whites. Addressing the risk factors faced by these groups is certainly an important step, but other approaches will be needed to address the strong association between poverty and race, ethnicity and nativity.

**Table 5: Factors Affecting Odds of Household Poverty**

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| | Origin, Race, Ethnicity, and Controls | Model 1 plus General Risk Factors | Model 1 plus General and Immigrant Risk Factors |
| Characteristic | Odds Ratio | Odds Ratio | Odds Ratio |
| **Origin and Race/Ethnicity** | | | |
| *Immigrants (by region of birth)* | | | |
| Europe and Other | 2.0 * | 2.4 * | 1.7 |
| Southeast Asia | 2.2 *** | 2.2 *** | 1.7 * |
| Other Asia | 2.5 *** | 3.1 *** | 2.4 ** |
| Africa and West Indies | 2.1 *** | 2.1 *** | 1.6 |
| Mexico and Central America | 3.5 *** | 2.4 *** | 1.6 ** |
| South America | 3.8 ** | 5.2 *** | 4.0 ** |
| *U.S.-Born Residents (by race/ethnicity)* | | | |
| Non-Hispanic Black | 1.8 *** | 1.7 *** | 1.8 *** |
| Asian and Other Race (Non-Hispanic) | 1.9 ** | 1.8 * | 1.8 * |
| Hispanic | 2.9 *** | 2.1 *** | 2.1 *** |
| Non-Hispanic White (reference) | | | |
| **General Risk Factors** | | | |
| *Educational Attainment* | | | |
| Eighth Grade or Less | | 5.2 *** | 4.5 *** |
| Ninth through Eleventh Grade | | 4.2 *** | 3.9 *** |
| Twelfth Grade, High School Diploma or Equivalent | | 4.0 *** | 3.6 *** |
| Some College | | 2.3 *** | 2.1 *** |
| Four-Year College Degree or More (reference) | | | |
| No License and/or No Reliable Car | | 2.6 *** | 2.7 *** |
| **Immigrant Risk Factors** | | | |
| Poor English | | | 1.3 * |
| Not a Citizen | | | 1.3 |
| **Work Effort** | | | |
| Respondent+Spouse Hours Worked/Week (per 10 hours) | 0.7 *** | 0.7 *** | 0.7 *** |
| **Household Composition** | | | |
| Household with Child | 4.3 *** | 4.0 *** | 4.1 *** |
| Number of Adults | 1.1 *** | 1.1 ** | 1.1 ** |

* p <= 0.10
** p <= 0.05
*** p <= 0.01

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

### Food Hardship

Overall, the same share of native and immigrant households (19 percent) in the *Making Connections* target neighborhoods experienced a time in the past year when the household was without enough money to buy food. However, when we disaggregated these groups by race/ethnicity and immigrant origins, we found substantial variation in food hardship levels (Figure 10). Of all groups in this analysis, Mexican and Central American immigrants had the highest level of food hardship (25 percent). African/West Indian immigrants and Hispanic natives also reported very high rates of food hardship (23 percent each), as did U.S.-born blacks and Hispanics (21 percent each). Southeast Asian and other Asian immigrants were the least likely to have experienced this form of hardship — with rates of 10 and 5 percent respectively.

**Figure 10: Households with an Instance of Food Hardship[†],**
***Making Connections* Target Neighborhoods, 2002-04 (Percent)**
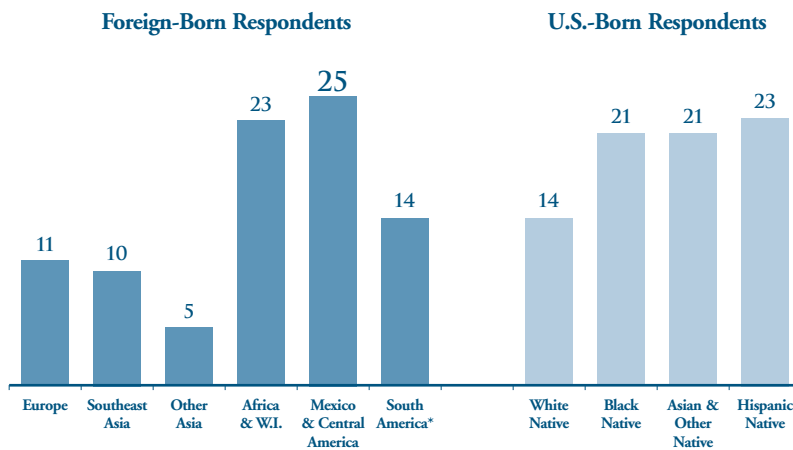


NOTES:
[†]Household lacked enough money to buy food at some point in the previous year.
*The sample size for South American immigrants was very small (N=28). Results for this group should be interpreted with caution.
SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

In Model 1, households with children had 80 percent higher odds of experiencing food hardship in the past year than those without children (Table 6). Additional adults in the household had no association with food hardship. Households with more hours worked per week had lower odds of experiencing food hardship. Each additional 10 hours worked outside the home was associated with 10 percent lower odds of experiencing hardship.

As we saw with the poverty and employment analyses, many of the immigrant groups faced lower rates of food hardship than did native minorities. After controlling for the household composition and work effort variables in Model 1, Southeast Asian and other Asian immigrants had far *lower* odds than U.S.-born whites of experiencing a time in the past year when the family was without enough money to buy food (40 and 70 percent lower respectively). African/West Indian, and Mexican and Central American immigrants had substantially higher odds of facing food hardship than native whites (60 and 90 percent higher odds). Among the native minorities, Asians and Hispanics had higher odds of experiencing hardship in the past year than U.S.-born whites. There was no statistical difference in the levels of hardship between U.S.-born blacks and whites.

As in the poverty models, educational attainment had a much stronger association with food hardship than race/ethnicity or immigrant origin. Respondents without a 4-year college education faced odds of food hardship 2.1 to 2.8 times as high as respondents with a college degree. Also similar to the poverty model, respondents who did not have both a license and access to a reliable car had 80 percent higher odds of experiencing food hardship.

Even after controlling for educational attainment and transportation access, however, many of the race/ethnicity and immigrant origin variables remained significantly associated with food hardship. After controlling for these general risk factors, Southeast Asian and other Asian immigrants had 50 and 80 percent lower odds of experiencing hardship than native whites, respectively. The odds of experiencing hardship also fell substantially for Mexican and Central American immigrants, and U.S.-born Hispanics – although their odds still remained much higher than for native whites. Again, this is likely due to the fact that these groups had among the lowest levels of educational attainment and also had relatively low access to driver's license and reliable cars. After controlling for educational attainment and car accessibility, being an African/West Indian immigrant or Asian native no longer had a significant association with food hardship.

Difficulty affording food shows a strong *negative* association with limited English proficiency, the opposite of what would be expected considering the strong *positive* association between LEP and poverty. In Model 3, LEP respondents were only half as likely to experience food hardship as English proficient respondents, all else equal. While this finding seems counterintuitive on its surface, we saw from the earlier analysis that two of the groups with high limited English proficiency also had the lowest levels of food hardship (Southeast Asian and other Asian immigrants). Citizenship status had no statistically significant relationship with difficulty affording food.

After controlling for these immigrant-specific risk factors in Model 3, Southeast Asian immigrants no longer had significantly lower odds of food hardship. Other Asian immigrants had slightly reduced odds of experiencing food hardship (down to 60 from 80 percent lower odds in Model 2). This is likely due to the high citizenship and LEP rates among both Southeast and other Asian immigrants. Mexican and Central American immigrants had slightly higher odds in Model 3 than Model 2 (from 40 up to 60 percent higher odds) of experiencing hardship than U.S.-born whites after controlling for LEP and citizenship. This is most likely because Mexican and Central American immigrants have relatively *low* citizenship rates.

When general and immigrant-specific risk factors were included in our models, there were few remaining statistically significant differences in food hardship among race/ethnic and immigrant groups. After controlling for these factors, only Mexican and Central American immigrants and U.S.-born Hispanics still had higher odds of food hardship.

**Table 6: Factors Affecting Odds of Food Hardship†**

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| | Origin, Race, Ethnicity, and Controls | Model 1 plus General Risk Factors | Model 1 plus General and Immigrant Risk Factors |
| Characteristic | Odds Ratio | Odds Ratio | Odds Ratio |
| **Origin and Race/Ethnicity** | | | |
| *Immigrants (by region of birth)* | | | |
| Europe and Other | 0.9 | 1.0 | 0.9 |
| Southeast Asia | 0.6 * | 0.5 ** | 0.6 |
| Other Asia | 0.3 ** | 0.2 ** | 0.4 * |
| Africa and West Indies | 1.6 ** | 1.4 | 1.1 |
| Mexico and Central America | 1.9 *** | 1.4 * | 1.6 ** |
| South America | 1.5 | 1.5 | 1.6 |
| *U.S.-Born Residents (by race/ethnicity)* | | | |
| Non-Hispanic Black | 1.2 | 1.1 | 1.0 |
| Asian and Other Race (Non-Hispanic) | 1.6 * | 1.4 | 1.3 |
| Hispanic | 1.8 *** | 1.4 * | 1.4 * |
| Non-Hispanic White (reference) | | | |
| **General Risk Factors** | | | |
| *Educational Attainment* | | | |
| Eighth Grade or Less | | 2.3 *** | 2.3 *** |
| Ninth through Eleventh Grade | | 2.8 *** | 2.6 *** |
| Twelfth Grade, High School Diploma or Equivalent | | 2.1 *** | 2.1 *** |
| Some College | | 2.3 *** | 2.1 *** |
| Four-Year College Degree or More (reference) | | | |
| No License and/or No Reliable Car | | 1.8 *** | 1.9 *** |
| **Immigrant Risk Factors** | | | |
| Poor English | | | 0.5 *** |
| Not a Citizen | | | 1.2 |
| **Work Effort** | | | |
| Respondent+Spouse Hours Worked/Week (per 10 hours) | 0.9 *** | 0.9 *** | 0.9 *** |
| **Household Composition** | | | |
| Household with Child | 1.8 *** | 1.7 *** | 1.7 *** |
| Number of Adults | 1.0 | 1.0 | 1.0 |

* p <= 0.10
** p <= 0.05
*** p <= 0.01

NOTES:

†Household lacked enough money to buy food at some point in the previous year.

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

### *Summary – Basic Sustenance Measures*

What we can conclude from examining these very basic measures of economic well-being is that overall, immigrants and native minorities in the *Making Connections* neighborhoods face similar types of difficulties. Among the different groups, Mexican and Central American immigrants and black and Hispanic natives fared the worst. While Southeast Asian immigrants were among the worst off on employment and poverty, they were among the groups least likely to experience food hardship. This suggests that the refugee benefits and services they receive help decrease their vulnerability.

In many cases after we control for general and immigrant-specific risk factors, the gaps between immigrant groups and native minorities and whites either disappear or are substantially reduced. These findings also highlight the particular vulnerability of families with children in those neighborhoods. Households with children experience much greater odds of poverty and hardship. Greater household work effort is consistently associated with lower odds of poverty and hardship, but considerable differences remain among race/ethnic and immigrant groups after controlling for work effort. This suggests that increasing work hours alone is not enough. Educational attainment and having access to a license and a reliable car are consistently associated with odds of economic hardship. These findings underscore how vital proper work preparation and reliable transportation are to maintaining employment and economic well-being. For immigrants with limited English proficiency, language training appears to be an important tool to increase well-being. Citizenship status was not a significant factor at this basic level of economic well-being.

## JOB QUALITY AND ECONOMIC ADVANCEMENT

### *Income Level*

Differences in income levels between the *Making Connections* target neighborhoods and their surrounding counties are quite stark. Sixty-nine percent of households in the surrounding counties had incomes above $30,000, while only 28 percent of households in the target neighborhoods attained this income level in 2002-04. Twenty-six percent of immigrant households in the target neighborhoods had annual incomes over $30,000, and 29 percent of native households attained this moderate-income level. Like most of the other measures of economic well-being, income levels varied considerably among the different racial, ethnic and immigrant groups in the target neighborhoods. Of all of the groups in this analysis, white natives and European immigrants were most likely to have annual incomes over $30,000 (44 and 42 percent respectively). U.S.-born blacks and Hispanics, and Mexican and Central America immigrants were the groups least likely to have attained moderate-income levels. Only about one-fifth of the households in these groups had annual incomes over $30,000 (Figure 11).

Many factors beyond race/ethnicity and immigrant origin affect whether a household can attain a higher income. We control for some of these factors in the regression analysis in Table 7.

In Model 1, which controls for household composition and work effort, households with children had 40 percent lower odds of having incomes over $30,000. Each additional adult in the household increased the odds of having a moderate income by 30 percent, not surprising considering that additional adults could be additional workers in the household. Households with more household hours worked had higher odds of having incomes over $30,000 (i.e., a moderate income). Every additional 10 hours worked in the household was associated with 20 percent higher odds of earning a moderate income.

**Figure 11: Households with Annual Incomes over $30,000,**
*Making Connections* **Target Neighborhoods, 2002-04 (Percent)**
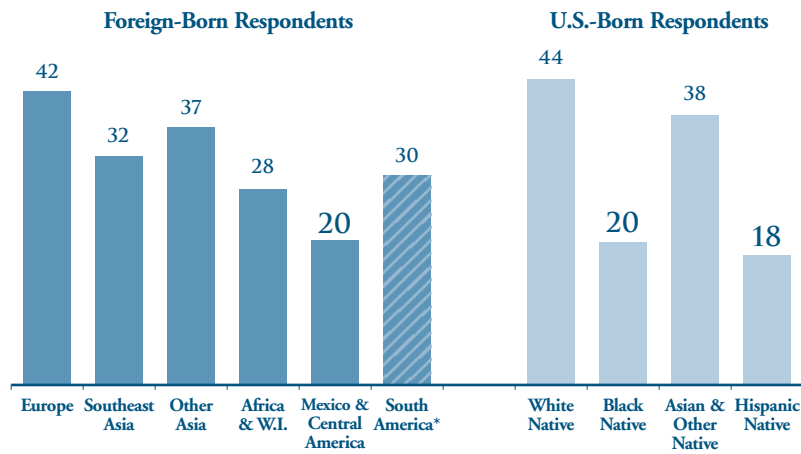


NOTES:

*The sample size for South American immigrants was very small (N=24). Results for this group should be interpreted with caution.

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

After controlling for these factors, all of the race/ethnicity and immigrant origin groups, except Europeans had lower odds of having income over $30,000 than U.S.-born whites. Mexicans and Central Americans appeared to be the worst off, with 80 percent lower odds of having income over $30,000 (Table 7). Of the other immigrant groups, Southeast Asian, African/West Indian, and South American immigrants had 70 percent lower odds of having moderate incomes. Of the U.S.-born groups, Hispanics had 70 percent lower odds of achieving incomes over $30,000.

When we controlled for general risk factors in Model 2, we found that educational attainment and car accessibility both had a strong association with household income level. Respondents with a only a high school education, for example, had 80 percent lower odds of having incomes above $30,000 than respondents with a college degree. Respondents who did not have both a license and access to a reliable car had 60 percent lower odds of having incomes above $30,000. After controlling for educational attainment and access to a license and a car, the income levels of South American immigrants and Asian natives were no longer significantly different from those of white natives. After controlling for these general risk factors, the odds of having a moderate income also improved somewhat for Southeast Asian and Mexican and Central American immigrants, as well as U.S.-born blacks and Hispanics. While their odds of earning moderate incomes remain much lower than that of native whites, the gaps are somewhat smaller after taking education and car access into account.

**Table 7: Factors Affecting Odds of Household Income above $30,000**

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| | Origin, Race, Ethnicity, and Controls | Model 1 plus General Risk Factors | Model 1 plus General and Immigrant Risk Factors |
| Characteristic | Odds Ratio | Odds Ratio | Odds Ratio |
| **Origin and Race/Ethnicity** | | | |
| *Immigrants (by region of birth)* | | | |
| Europe and Other | 0.7 | 0.6 | 1.0 |
| Southeast Asia | 0.3 *** | 0.5 *** | 0.7 |
| Other Asia | 0.4 *** | 0.4 *** | 0.8 |
| Africa and West Indies | 0.3 *** | 0.3 *** | 0.5 ** |
| Mexico and Central America | 0.2 *** | 0.4 *** | 0.8 |
| South America | 0.3 ** | 0.4 | 0.8 |
| *U.S.-Born Residents (by race/ethnicity)* | | | |
| Non-Hispanic Black | 0.6 *** | 0.7 *** | 0.7 *** |
| Asian and Other Race (Non-Hispanic) | 0.6 ** | 0.8 | 0.8 |
| Hispanic | 0.3 *** | 0.4 *** | 0.5 *** |
| Non-Hispanic White (reference) | | | |
| **General Risk Factors** | | | |
| *Educational Attainment* | | | |
| Eighth Grade or Less | | 0.2 *** | 0.2 *** |
| Ninth through Eleventh Grade | | 0.2 *** | 0.2 *** |
| Twelfth Grade, High School Diploma or Equivalent | | 0.2 *** | 0.2 *** |
| Some College | | 0.4 *** | 0.4 *** |
| Four-Year College Degree or More (reference) | | | |
| No License and/or No Reliable Car | | 0.4 *** | 0.4 *** |
| **Immigrant Risk Factors** | | | |
| Poor English | | | 0.7 ** |
| Not a Citizen | | | 0.5 *** |
| **Work Effort** | | | |
| Respondent+Spouse Hours Worked/Week (per 10 hours) | 1.2 *** | 1.2 *** | 1.1 *** |
| **Household Composition** | | | |
| Household with Child | 0.6 *** | 0.6 *** | 0.6 *** |
| Number of Adults | 1.3 *** | 1.4 *** | 1.4 *** |

\* p <= 0.10
\*\* p <= 0.05
\*\*\* p <= 0.01

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

The immigrant-specific risk factors examined in Model 3 both had strong associations with household income. Respondents with limited English proficiency had 30 percent lower odds of having incomes above $30,000. Respondents who were not US citizens had 50 percent lower odds of having income above $30,000. When controlling for LEP and citizenship, income levels for Southeast Asian, other Asian, and Mexican and Central American immigrants were no longer significantly different from those for white natives. This is likely due to the fact that these groups had the highest levels of limited English proficiency. Of all the immigrant groups, only Africa/West Indians still had lower odds of earning moderate incomes than white natives after controlling for the immigrant risk factors.

### Employer-Provided Family Health Insurance

The difference in family health insurance coverage between the *Making Connections* target neighborhoods and their surrounding counties was stark. In the surrounding counties, 58 percent of households had employer provided health insurance coverage for their families compared with only 34 percent in the target neighborhoods. Again, these total figures conceal interesting subgroup patterns within the target neighborhoods.

On average, native and immigrant households had similar rates of employer-provided family health insurance within the *Making Connections* target neighborhoods in 2002-04 (34 and 33 respectively). However, the proportion of households receiving employee health benefits for the family varied substantially among the different race/ethnic and immigrant origin subgroups. Of all groups, European and Southeast Asian immigrants were most likely (46 percent) to have employer provided health coverage for their families (Figure 12). Mexican and Central American immigrants were least likely to have this form of health insurance (25 percent).

**Figure 12: Working Households with Employer-Provided Family Health Insurance[†],**
***Making Connections* Target Neighborhoods, 2002-04 (Percent)**
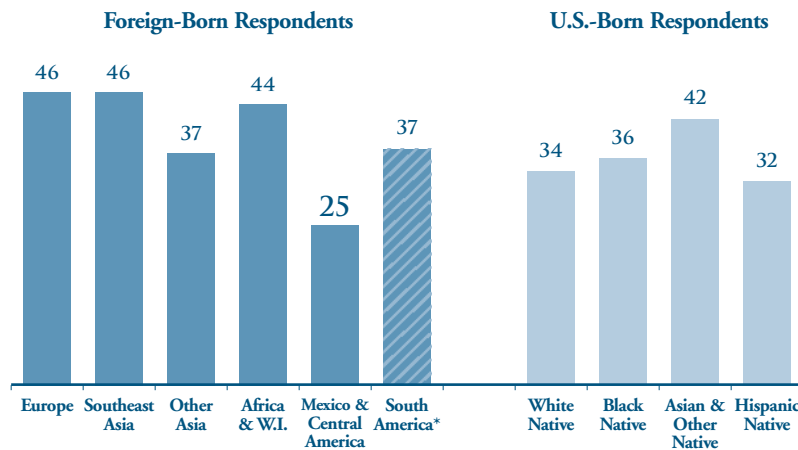


NOTES:
[†]Either respondent or spouse had family health insurance provided by employer.
*The sample size for South American immigrants was very small (N=21). Results for this group should be interpreted with caution.

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

In Model 1 (Table 8) we found that households with children were 3.5 times more likely to receive employer-provided family health insurance. Higher family coverage for households with children is likely a function of parental choices: parents may seek jobs that carry health coverage for their children, and are probably more likely to opt for such coverage if it is offered.[23] Each additional adult in the household increased the odds of receiving family health insurance by 40 percent; here higher odds of coverage are likely associated with more workers in the household. Not surprisingly, households with more work hours also had higher odds of receiving employer-provided family health insurance. Each additional 10 hours worked in the household increased the odds of receiving employer provided health care for the family by 40 percent.

After controlling for these demographic and work effort variables, the differences in employer-provided coverage among the various race/ ethnic and origin groups had mostly disappeared. Mexican and Central American immigrants and Hispanic natives still had lower odds of receiving family health insurance than U.S.-born whites (60 and 20 percent lower, respectively). But there were no significant differences for any of the other race/ethnicity and immigrant origin groups.

In Model 2, educational attainment and car accessibility both had strong associations with employer-provided health insurance. A respondent with a high school education, for example, had 20 percent lower odds of receiving employer-provided family health insurance than a respondent with a college degree. A respondent without both a license and access to a reliable car had 40 percent lower odds of having insurance. After controlling for educational attainment and car accessibility in Model 2, Hispanic natives no longer showed a significant association with health insurance. Mexican and Central American immigrants, however, still had lower odds of receiving employer provided health insurance after controlling for education, licenses and cars.

The immigrant risk factors both had strong associations with having family health coverage through employers. In Model 3, respondents with limited English proficiency and respondents who were not US citizens both had 40 percent lower odds of receiving employer provided family health insurance. After controlling for these immigrant risk factors, Mexican and Central American immigrants and Hispanic natives no longer showed significant associations with insurance coverage, but Southeast Asian, African/West Indian immigrants, and Asian natives actually had higher odds of having employer provided health insurance than native-born whites. Of these three, Southeast Asians had the highest odds — they were 2.2 times as likely as white natives to have family health insurance.

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[23] The survey did not differentiate between whether employers offered family health insurance coverage or respondents chose to accept such coverage if offered.

**Table 8: Factors Affecting Odds of Employer-Provided Family Health Insurance†**

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| | Origin, Race, Ethnicity, and Controls | Model 1 plus General Risk Factors | Model 1 plus General and Immigrant Risk Factors |
| Characteristic | Odds Ratio | Odds Ratio | Odds Ratio |
| **Origin and Race/Ethnicity** | | | |
| *Immigrants (by region of birth)* | | | |
| Europe and Other | 1.5 | 1.4 | 1.7 |
| Southeast Asia | 1.0 | 1.4 | 2.2 *** |
| Other Asia | 0.7 | 0.9 | 1.3 |
| Africa and West Indies | 1.0 | 1.2 | 1.7 * |
| Mexico and Central America | 0.4 *** | 0.6 *** | 1.1 |
| South America | 0.9 | 1.1 | 2.0 |
| *U.S.-Born Residents (by race/ethnicity)* | | | |
| Non-Hispanic Black | 1.0 | 1.1 | 1.1 |
| Asian and Other Race (Non-Hispanic) | 1.2 | 1.6 | 1.6 * |
| Hispanic | 0.8 * | 0.9 | 1.0 |
| Non-Hispanic White (reference) | | | |
| **General Risk Factors** | | | |
| *Educational Attainment* | | | |
| Eighth Grade or Less | | 0.3 *** | 0.4 *** |
| Ninth through Eleventh Grade | | 0.5 *** | 0.5 *** |
| Twelfth Grade, High School Diploma or Equivalent | | 0.8 ** | 0.8 * |
| Some College | | 0.8 ** | 0.7 *** |
| Four-Year College Degree or More (reference) | | | |
| No License and/or No Reliable Car | | 0.6 *** | 0.6 *** |
| **Immigrant Risk Factors** | | | |
| Poor English | | | 0.6 *** |
| Not a Citizen | | | 0.6 *** |
| **Work Effort** | | | |
| Respondent+Spouse Hours Worked/Week (per 10 hours) | 1.4 *** | 1.4 *** | 1.4 *** |
| **Household Composition** | | | |
| Household with Child | 3.5 *** | 3.8 *** | 3.7 *** |
| Number of Adults | 1.4 *** | 1.4 *** | 1.5 *** |

* p <= 0.10
** p <= 0.05
*** p <= 0.01

NOTES:
†Either respondent or spouse had family health insurance provided by employer.

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

### *Summary – Job Quality and Economic Advancement*

There are substantial differences in job quality across race/ethnic and immigrant groups in the *Making Connections* neighborhoods. Overall, Mexican and Central American immigrants, and Hispanic natives are the groups with the lowest levels of job quality as measured by shares with moderate incomes and employer-provided family health coverage. Southeast Asian immigrants are the most likely of any group — immigrant or native — to have employer-provided health insurance for their families, despite their relatively low incomes. This point further illustrates the protective effect of federally-funded refugee services, as employer-provided coverage is a performance indicator for refugee employment service providers. After taking into account education, license, and car access, gaps in job quality among race/ethnic and origin groups either disappeared or were greatly reduced. For immigrants, both English proficiency and citizenship status strongly increased the odds of high job quality.

Gaps in income levels remained for U.S.-born blacks and Hispanics and African/West Indian immigrants compared with white natives despite all of the controls. But once risk factors such as education, English proficiency and citizenship were included in the models, Mexican and Central Americans were just as likely as U.S.-born whites to have moderate incomes and health insurance benefits through their employers.

## SAVINGS, ASSETS, AND ECONOMIC INTEGRATION

### *Savings Accounts*

Residents of the *Making Connections* target neighborhoods were far less likely to have a savings account than those in the surrounding counties. Seventy-six percent of residents of the surrounding counties had savings accounts, while only 52 percent of residents in the target neighborhoods had accounts.

On average, about half of both immigrant and native-born respondents in the *Making Connections* target neighborhoods had savings accounts in 2002-04. Again, the proportion of respondents with savings accounts varied substantially among the different origin and race/ethnic groups. Of all groups in the target neighborhoods, European immigrants were most the likely (72 percent) to have a savings account (Figure 13). Two-thirds of African/West Indian and other Asian immigrants had savings accounts, also higher than the rate for white natives (58 percent). The race/ethnic and immigrant origin groups with the lowest incomes and highest poverty rates were also the least likely to have savings accounts. South American and Mexican and Central American immigrants were the least likely groups (42 and 45 percent respectively) to have a savings account. U.S.-born blacks and Hispanics, and Southeast Asian immigrants also had very low levels of savings account coverage (48-49 percent).

**Figure 13: Respondents with Savings Accounts,**
*Making Connections* **Target Neighborhoods, 2002-04 (Percent)**
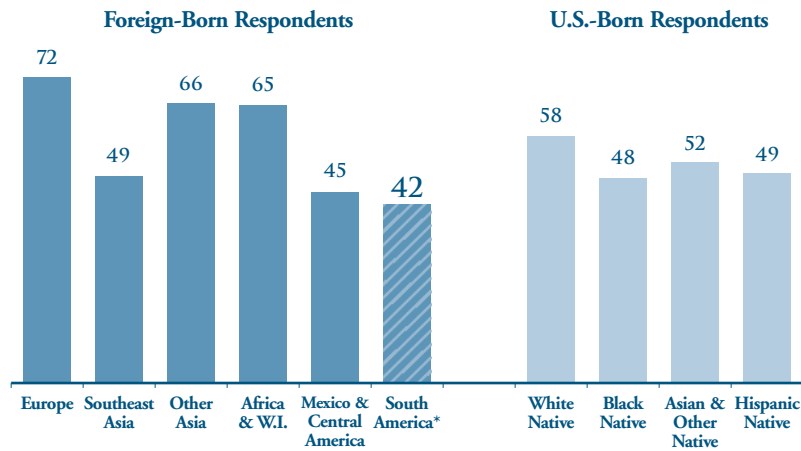


NOTES:

*The sample size for South American immigrants was very small (N=27). Results for this group should be interpreted with caution.

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

After controlling for household demographics and work effort variables in Model 1, respondents in households with children had 30 percent lower odds of having a savings account (Table 9). Having more adults in the household also slightly decreased the odds of the respondent having a savings account. Each additional 10 hours worked in the household increased the odds of having a savings account by 20 percent.

Other Asian immigrants and black natives had *higher* odds of having a savings account than native whites — 70 and 20 percent respectively. Hispanic and Asian natives were less likely than U.S.-born whites to have a savings account (30 and 40 percent odds respectively). Mexican and Central American and South American immigrants, on the other hand, had 50-60 percent lower odds of having a savings account.

Model 2 demonstrates that educational attainment and car accessibility both have a strong association with having a savings account. Respondents with a high school education, for example, had 50 percent lower odds of having a savings account than respondents with a college degree, while those with some college or post secondary education had 20 percent lower odds of having a savings account. A respondent without both a license and access to a reliable car had 60 percent lower odds of having a savings account. After controlling for these general risk factors, we found no statistically significant relationship between being Mexican and Central American, Asian or Hispanic and having a savings account. However, after controlling for education and car access, other Asian immigrants and Black natives had even higher odds of having a savings account than did native whites.

In Model 3, respondents with limited English proficiency had 30 percent lower odds of having a savings account. However, being a U.S. citizen did not have a significant association with the likelihood of having a savings account. The outcome for only one group changed after controlling for these immigrant risk factors: African/West Indian immigrants also had strong and significantly *higher* odds of having a savings account than U.S.-born whites (70 percent).

**Table 9: Factors Affecting Odds of Having a Savings Account**

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| | Origin, Race, Ethnicity, and Controls | Model 1 plus General Risk Factors | Model 1 plus General and Immigrant Risk Factors |
| Characteristic | Odds Ratio | Odds Ratio | Odds Ratio |
| **Origin and Race/Ethnicity** | | | |
| *Immigrants (by region of birth)* | | | |
|     Europe and Other | 1.5 | 1.3 | 1.5 |
|     Southeast Asia | 0.8 | 1.0 | 1.2 |
|     Other Asia | 1.7 * | 2.2 *** | 2.2 ** |
|     Africa and West Indies | 1.2 | 1.4 | 1.7 ** |
|     Mexico and Central America | 0.5 *** | 0.9 | 1.3 |
|     South America | 0.4 * | 0.4 ** | 0.4 |
| *U.S.-Born Residents (by race/ethnicity)* | | | |
|     Non-Hispanic Black | 1.2 ** | 1.5 *** | 1.5 *** |
|     Asian and Other Race (Non-Hispanic) | 0.6 ** | 0.7 | 0.7 |
|     Hispanic | 0.7 *** | 1.1 | 1.1 |
|     Non-Hispanic White (reference) | | | |
| **General Risk Factors** | | | |
| *Educational Attainment* | | | |
|     Eighth Grade or Less | | 0.4 *** | 0.5 *** |
|     Ninth through Eleventh Grade | | 0.3 *** | 0.3 *** |
|     Twelfth Grade, High School Diploma or Equivalent | | 0.5 *** | 0.5 *** |
|     Some College | | 0.8 * | 0.8 * |
|     Four-Year College Degree or More (reference) | | | |
| No License and/or No Reliable Car | | 0.4 *** | 0.4 *** |
| **Immigrant Risk Factors** | | | |
|     Poor English | | | 0.7 *** |
|     Not a Citizen | | | 0.8 |
| **Work Effort** | | | |
|     Respondent+Spouse Hours Worked/Week (per 10 hours) | 1.2 *** | 1.1 *** | 1.1 *** |
| **Household Composition** | | | |
|     Household with Child | 0.7 *** | 0.8 *** | 0.8 *** |
|     Number of Adults | 0.9 * | 1.0 | 1.0 |

\* p <= 0.10
\*\* p <= 0.05
\*\*\* p <= 0.01

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

## *Credit Cards*

Residents of the *Making Connections* target neighborhoods were far less likely to have credit cards than those in the surrounding counties. Nearly 80 percent of the residents in the surrounding counties reported having a credit card while only 45 percent did in the target neighborhoods. Overall, immigrant respondents in the *Making Connections* target neighborhoods were slightly less likely to have a credit card than respondents in native-born households (43 versus 46 percent). European and other Asian immigrants had the highest proportion of credit card ownership (both 65 percent). White natives also had a very high rate of credit card ownership (62 percent). Black natives and Mexican and Central American immigrants had the lowest proportions (35 and 36 percent respectively) of credit card holders (Figure 14).

**Figure 14: Households with Credit Cards[†],**
***Making Connections* Target Neighborhoods, 2002-04 (Percent)**
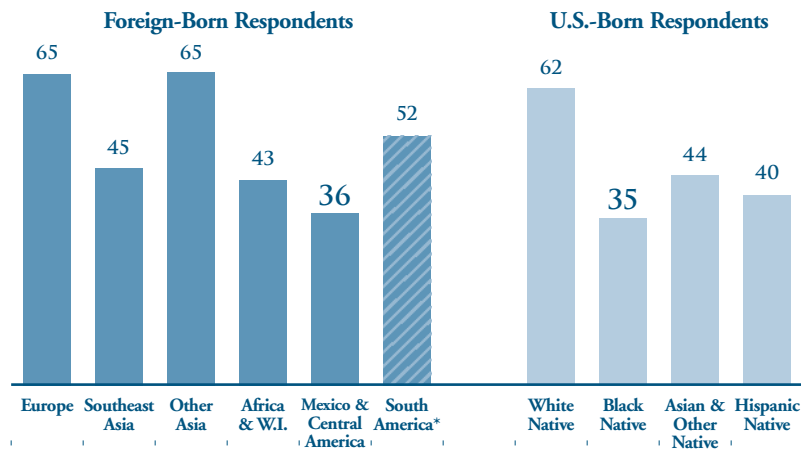


NOTES:
[†] Either respondent or spouse had a credit card.
*The sample size for South American immigrants was very small (N=27). Results for this group should be interpreted with caution.
SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

When we controlled for demographic and economic variables in Model 1, we found that households with children had 30 percent lower odds of having a credit card (Table 10). Having more adults in the household also decreased the likelihood of the respondent having a credit card – but only by 10 percent for each additional adult. Households with more work effort were more likely to hold a credit card. For each additional 10 hours worked outside of the home, the odds of having a credit card rose by 20 percent.

Of the race/ethnic and immigrant origin groups that had significant associations with having a credit card, all had lower odds of having a credit card than white natives. Mexican and Central American immigrants were the least likely to hold a credit card, with 80 percent lower odds of having a credit card than white natives. Among the other immigrant groups, African/West Indian and Southeast Asians also had lower odds of having a credit card than white natives (60 and 40 percent lower respectively). U.S.-born minorities had lower odds (50-60 percent) of having credit cards than native whites.

In Model 2, we found that educational attainment and car accessibility both had strong associations with holding a credit card. Respondents with a high school education, for example, had 80 percent lower odds of holding a credit card than respondents with a college degree. Respondents without both a license and access to a reliable car also had 80 percent lower odds of holding a credit card. After controlling for these general risk factors, we found that the gap between most of the race/ethnicity and immigrant groups and native whites declined. Moreover, other Asian immigrants had twice the odds of holding a credit card than native whites. After controlling for education and car access, the gap with white natives for Mexican and Central America immigrants, and black and Hispanic natives dropped. The drop was particularly steep for Mexican and Central Americans, falling from 80 percent lower odds to 50 percent lower odds.

The immigrant risk factors added in Model 3 both had strong associations with holding a credit card. Respondents with limited English proficiency had 20 percent lower odds of holding a credit card, and those who were not U.S. citizens had 50 percent lower odds of holding a credit card. After controlling for these immigrant risk factors, European, African/West Indian, and Mexican and Central American immigrants no longer had lower odds of having a credit card than native whites. After controlling for these factors, other Asian immigrants had even greater odds of holding a credit card: almost 4 times as high as native whites.

**Table 10: Factors Affecting Odds of Having a Credit Card**

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| | Origin, Race, Ethnicity, and Controls | Model 1 plus General Risk Factors | Model 1 plus General and Immigrant Risk Factors |
| Characteristic | Odds Ratio | Odds Ratio | Odds Ratio |
| **Origin and Race/Ethnicity** | | | |
| *Immigrants (by region of birth)* | | | |
| Europe and Other | 0.8 | 0.5 * | 0.7 |
| Southeast Asia | 0.6 *** | 0.9 | 1.2 |
| Other Asia | 1.5 | 2.0 ** | 3.7 *** |
| Africa and West Indies | 0.4 *** | 0.4 *** | 0.7 |
| Mexico and Central America | 0.2 *** | 0.5 *** | 0.8 |
| South America | 0.8 | 0.9 | 1.5 |
| *U.S.-Born Residents (by race/ethnicity)* | | | |
| Non-Hispanic Black | 0.5 *** | 0.6 *** | 0.6 *** |
| Asian and Other Race (Non-Hispanic) | 0.4 *** | 0.4 *** | 0.4 *** |
| Hispanic | 0.4 *** | 0.6 *** | 0.6 *** |
| Non-Hispanic White (reference) | | | |
| **General Risk Factors** | | | |
| *Educational Attainment* | | | |
| Eighth Grade or Less | | 0.2 *** | 0.2 *** |
| Ninth through Eleventh Grade | | 0.2 *** | 0.2 *** |
| Twelfth Grade, High School Diploma or Equivalent | | 0.2 *** | 0.2 *** |
| Some College | | 0.4 *** | 0.4 *** |
| Four-Year College Degree or More (reference) | | | |
| No License and/or No Reliable Car | | 0.2 *** | 0.3 *** |
| **Immigrant Risk Factors** | | | |
| Poor English | | | 0.8 * |
| Not a Citizen | | | 0.5 *** |
| **Work Effort** | | | |
| Respondent+Spouse Hours Worked/Week (per 10 hours) | 1.2 *** | 1.1 *** | 1.1 *** |
| **Household Composition** | | | |
| Household with Child | 0.7 *** | 0.2 *** | 0.7 *** |
| Number of Adults | 0.9 * | 0.4 *** | 1.0 |

\* p <= 0.10
\*\* p <= 0.05
\*\*\* p <= 0.01

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

*Homeownership*

Residents of the *Making Connections* target neighborhoods were far less likely to own their own homes than those in the surrounding counties. Sixty-two percent of the residents in the surrounding counties owned their own homes compared with only 35 percent in the target neighborhoods.[24] Respondents in immigrant households in the *Making Connections* target neighborhoods were less likely to be homeowners than respondents in native-born households in 2002-04 (30 versus 36 percent). Not surprisingly, homeownership rates varied widely across the different racial, ethnic and immigrant origin groups. White natives had the highest proportion (50 percent) of homeowners (Figure 15). Forty-five percent of European immigrants were homeowners. In stark contrast, less than one-quarter of South American immigrants and black native households in the target neighborhoods owned their own homes. Only 26 percent of African/West Indian immigrant households and 27 percent of Mexican and Central American immigrant households owned their homes. Both Asian immigrant groups and U.S.-born Asians and Hispanics had relatively low rates of homeownership (35-37 percent).

**Figure 15: Households Owning Their Homes,**
***Making Connections* Target Neighborhoods, 2002-04 (Percent)**
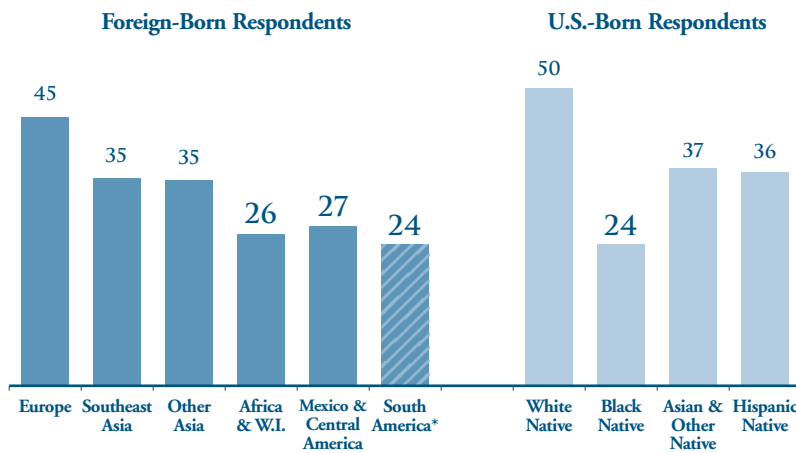


NOTES:
*The sample size for South American immigrants was very small (N=28). Results for this group should be interpreted with caution.
SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

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[24] The national homeownership rate for the United States overall was 68 percent in 2002.

When controlling for the demographic and economic variables in Model 1 (Table 11), households with children had 20 percent lower odds of being homeowners. Each additional adult in the household increased the odds of homeownership by 20 percent. Households with higher work effort were more likely to be homeowners. Every additional 10 hours worked in the household were associated with 20 percent higher odds of owning a home.

The race/ethnic and immigrant groups that had an association with homeownership all had much lower odds of being homeowners than white natives. Mexican and Central American immigrants and black natives both had 60 percent lower odds of owning their homes than white natives. Hispanic natives had 50 percent lower odds, and African/West Indian immigrants and Asian natives had 40 percent lower odds of owning their homes than white natives. Homeownership rates for European, Asian and South American immigrants were not significantly different than the rate for native-born whites.

In Model 2, educational attainment and car accessibility were both very strongly associated with homeownership. Respondents with a high school education, for example, had 40 percent lower odds of owning their home than respondents with a college degree. Respondents without both a license and access to a reliable car had 60 percent lower odds of owning their home. After controlling for educational attainment and car access, there was no longer a statistically significant difference in homeownership rates between Asian natives and white natives. However, the gaps in homeownership rates with natives for Mexican and Central American immigrants and black and Hispanic natives dropped only slightly.

In Model 3, both immigrant risk factors had strong associations with homeownership. Respondents with limited English proficiency had 20 percent lower odds of owning their home. Respondents who were not U.S. citizens had 80 percent lower odds of owning their home. After additionally controlling for these immigrant risk factors, both Asian immigrant groups went from not having a statistically significant relationship to having *twice* the odds of owning their home as white natives. Mexicans and Central American immigrants went from having lower odds of homeownership to having 80 percent *higher* odds of owning a home than white natives.

### *Summary – Savings, Assets, and Economic Integration*

Even though residents of the *Making Connections* target neighborhoods were disadvantaged overall compared with residents of the surrounding counties, there were substantial subgroup differences in measures of economic integration. Mexican and Central American immigrants, and black and Hispanic natives were the groups with by far the lowest levels of economic integration as measured by having a savings account, having a credit card, and owning a home. When controlling for education, car ownership, a license, English proficiency and citizenship, immigrant groups generally fared better than native groups on all of these asset and integration measures. Even Mexican and Central American immigrants were as likely as native-born whites to have savings accounts and credit cards, and they were more likely than native-born whites to own their own homes, once all controls were included in the models. Native-born blacks and Hispanics, however, were less likely to have credit cards and own their own homes when controlling for these factors.

**Table 11: Factors Affecting Odds of Home Ownership**

| | Model 1 | Model 2 | Model 3 |
|---|---|---|---|
| | Origin, Race, Ethnicity, and Controls | Model 1 plus General Risk Factors | Model 1 plus General and Immigrant Risk Factors |
| Characteristic | Odds Ratio | Odds Ratio | Odds Ratio |
| **Origin and Race/Ethnicity** | | | |
| *Immigrants (by region of birth)* | | | |
| Europe and Other | 0.8 | 0.8 | 1.5 |
| Southeast Asia | 0.9 | 1.0 | 1.9 *** |
| Other Asia | 1.0 | 1.2 | 2.2 *** |
| Africa and West Indies | 0.6 *** | 0.6 ** | 1.5 |
| Mexico and Central America | 0.4 *** | 0.5 *** | 1.8 *** |
| South America | 0.4 | 0.6 | 1.8 |
| *U.S. Born Residents (by race/ethnicity)* | | | |
| Non-Hispanic Black | 0.4 *** | 0.5 *** | 0.5 *** |
| Asian and Other Race (Non-Hispanic) | 0.6 ** | 0.7 | 0.8 |
| Hispanic | 0.5 *** | 0.6 *** | 0.7 *** |
| Non-Hispanic White (reference) | | | |
| **General Risk Factors** | | | |
| *Educational Attainment* | | | |
| Eighth Grade or Less | | 0.7 ** | 0.8 |
| Ninth through Eleventh Grade | | 0.4 *** | 0.4 *** |
| Twelfth Grade, High School Diploma or Equivalent | | 0.6 *** | 0.5 *** |
| Some College | | 0.8 *** | 0.7 *** |
| Four-Year College Degree or More (reference) | | | |
| No License and/or No Reliable Car | | 0.4 *** | 0.4 *** |
| **Immigrant Risk Factors** | | | |
| Poor English | | | 0.8 * |
| Not a Citizen | | | 0.2 *** |
| **Work Effort** | | | |
| Respondent+Spouse Hours Worked/Week (per 10 hours) | 1.2 *** | 1.1 *** | 1.1 *** |
| **Household Composition** | | | |
| Household with Child | 0.8 *** | 0.8 ** | 0.8 *** |
| Number of Adults | 1.2 *** | 1.3 *** | 1.3 *** |

* p <= 0.10
** p <= 0.05
*** p <= 0.01

SOURCE: Urban Institute analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

## CONCLUSIONS AND POLICY RECOMMENDATIONS

Our analysis of economic well-being, advancement and integration of immigrants in the *Making Connections* target neighborhoods shows great variation among immigrant groups based on their origins. To begin with, immigrants from Europe, Africa, the West Indies, and Asian countries except for Southeast Asia are generally among the most economically prosperous residents in the target neighborhoods. Although small in number — together these four groups comprise only about a quarter of all immigrants and less than 10 percent of all neighborhood residents — they contribute significantly to these neighborhoods through their high levels of human capital, potential for entrepreneurship, and high levels of home ownership and other assets. On almost all measures in this analysis they show higher levels of economic integration than either black or Hispanic natives.

The two largest groups of immigrants in the target neighborhoods — Mexican/Central Americans and Southeast Asians — have relatively high rates of poverty and economic hardship, along with generally low levels of advancement and integration on most but not all measures. While both groups have relatively low levels of education and English proficiency, the context of their reception in the United States is very different. Southeast Asian immigrants mostly came into the country as refugees, received substantial integration services after entry, and have a high rate of citizenship. They fare far better on measures of economic advancement and integration than comparable groups given their very low levels of educational attainment and English proficiency. By contrast, most Mexican and Central American immigrants are not citizens and many are likely to be unauthorized — although we could not measure this directly in the survey data. They are generally barred from public benefits, ineligible for citizenship, and subject potentially to arrest and deportation.

Our analyses find that families with children in the target neighborhoods are especially vulnerable — they face higher poverty and food hardship, along with lower levels of economic integration regardless of whether they are immigrants and natives. Having additional adults in the household helps to improve the economic circumstances of families, but it does not close gaps among the different race/ethnic and origin groups we analyzed. This suggests that policies should pay particular attention to the needs of children in both immigrant and native families.

Our analyses also indicate that differences in economic outcomes by race/ethnicity and immigrant origin are affected in part by the risk factors we explore: educational attainment, a driver's license and a dependable car, English proficiency, and U.S. citizenship. In many cases, including these risk factors in regression models reduces or eliminates much of the variation in poverty, economic hardship and other outcomes for most groups of immigrants, in comparison with native-born whites. In fact, in many cases immigrants perform better on economic advancement measures than native-born whites when controlling for these factors. Even among Mexican and Central Americans — the poorest and most disadvantaged immigrant group — differences versus native-born whites disappear for moderate income level, health insurance coverage, savings accounts and credit card holding when controlling for the risk factors. In fact, Mexican and Central Americans are actually more likely to own their own homes than native-born whites when controlling for these factors. But on other measures of economic well-being (e.g. poverty and food hardship), differences between Mexican and Central Americans versus native-born whites persist, suggesting that other factors such as labor market discrimination, legal status, cultural differences or other unmeasured factors are very likely important influences.

The general risk factors we analyze — educational attainment, a license and a car — drive outcomes for the native-born population just as much as (and in some cases more than) they do for immigrants. In fact, native-born black and Hispanic residents of the target neighborhoods have college completion rates just as low as those for the least educated immigrants. Their economic outcomes suffer just as substantially, and on many measures native-born blacks and Hispanics fare worse than most immigrant groups. For instance, native-born black and Hispanic residents have among the lowest rates of income over $30,000, car and license access, and homeownership — below those for any immigrant group. In addition, native blacks and Hispanics have the highest poverty rates. Moreover, on several measures differences persist between white versus black and Hispanic natives, even when risk factors are included as controls in the regression models.

Immigrants and native minorities in the *Making Connections* target neighborhoods face similar types of difficulties when it comes to their economic well-being and advancement. After controlling for general and immigrant risk factors, many of the economic disadvantages disappear for immigrant groups, but not for native-born minorities. These findings suggest that even in these tough neighborhoods, the potential for economic integration of immigrants is strong. On the other hand, native minorities face more persistent difficulties, suggesting that they may have more difficulty escaping poverty and its consequences. The data discussed here, however, are inconclusive on this point.[25] That said, it is clear that from the analyses described in this report that low educational attainment, limited English proficiency and lack of citizenship are important factors impeding the integration of immigrant groups. Fortunately, these factors are amenable to policy interventions.

Based on these findings, our recommendations primarily center around the types of services and other community interventions that would aid the economic advancement and integration of *both* immigrants and natives:

- First and foremost is education — for children in the school system so that they will be geared toward college completion, and for adults to obtain significant advanced education (beyond simply a high school degree or GED). Education is the most important determinant of economic advancement regardless of race, ethnicity, nativity, citizenship or origin.

- Assistance in obtaining driver's licenses and purchasing reliable automobiles is also important, because transportation appears to be a major barrier to economic advancement in these communities.

- Another important service for immigrants is English language instruction. Our findings that limited English proficiency is associated with immigrants' income, poverty, and asset building suggest that English instruction is critical for immigrant economic integration. However, the immigrants with the lowest levels of English proficiency—those from Mexico, Central America and Southeast Asia—also have the lowest levels of educational attainment. These immigrants will most likely need both English instruction and further formal education to achieve family economic success.

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[25] The cross-site survey we analyzed here includes a longitudinal component — a follow up survey four years later with many of the same respondents. This follow up will, among other things, obtain information on where these respondents moved. This longitudinal component may allow us to test our hypothesis that some immigrants are able to advance economically despite starting with large disadvantages in terms of educational attainment, English language ability and the like.

- It is important to make services available to all community residents, not only immigrants. While targeting services to immigrant groups may help improve their access, it could also cause unnecessary tensions between them and native-born residents in need of such services. Refugees have a strong claim on U.S. government assistance because of their persecution abroad, and as a result they are eligible for a broad range of critical services — including adult education, driver's education, and English language training — that are not available to other immigrants or U.S.-born residents. Given the success of the type of holistic service delivery system for Southeast Asian refugees in increasing well being despite low education and limited English skills, this model could be applied to other disadvantaged groups.

- Many Mexican and Central Americans, on the other hand, are entirely ineligible for public services due to their unauthorized status. Finding resources to help immigrants in this group may be difficult, and services may need to be supported by sources other than the federal and state governments.

Finally, our analysis suggests that communities should be careful about targeting services too narrowly to specific immigrant groups without offering alternatives for other groups undergoing similar economic circumstances. Instead, community interventions should be designed that build on the strengths of existing provider networks — including those for refugees, other immigrant populations, and native-born populations — to extend services to all needy neighborhood residents. In other words, *Making Connections* neighborhood services might better support economic advancement and community cohesion if they were place-based rather than targeted to specific groups of residents.

# TECHNICAL APPENDIX

In order to better plan its *Making Connections* initiatives, Casey commissioned a survey of several hundred households in each of the 10 sites. The Urban Institute designed the survey in consultation with the Casey Foundation and its partner organizations. NORC conducted the survey. The ten survey sites are Denver, CO; Des Moines, IA; Hartford, CT; Indianapolis, IN; Louisville, KY; Milwaukee, WI; Oakland, CA; Providence, RI; San Antonio, TX; and Seattle, WA. Of these sites, four are in the West, three in the Midwest, two in the Northeast, and one in the Southeast.

***Data collection.*** The survey included two data collection components, the first of which was a representative telephone-based sample of households across the major urban county in which each city is located (e.g., Denver County, CO; Jefferson County for Louisville, KY). The second was a representative in-person sample of households in the neighborhoods cluster included in the *Making Connections* initiative target areas (i.e., "target neighborhoods"). Respondents in both components were adults ages 18 and over, selected using the Kish method. Response rates ranged across the sites from a high of 78 percent in Louisville to a low of 63 percent in Hartford.

The data described in this paper primarily focus on the second component—the data collected in person from the target neighborhoods. As these areas were chosen based on socioeconomic characteristics—they by and large include the poorest neighborhoods in each urban area—the sample consists primarily of very low-income inner-city neighborhoods.

The baseline survey, on which this report is based, was conducted in 2002-04. At the time this report was written, in Spring 2007, a second wave of the survey—including re-interviews with a large majority of the baseline sample—was in the field, and a third wave was in the planning stages.

***Measures used in this study.*** The baseline survey collected important information about immigrants—including their countries of origin, period of entry, citizenship, and English proficiency. The survey also included standard indicators of household well-being such as income, poverty and home ownership, as well as some more unique measures such as employer-provided health insurance, ownership of dependable automobiles, possession of drivers' licenses, savings accounts, credit card balances and other forms of debt.

We define "immigrants" as foreign-born naturalized U.S. citizens and non-citizens. Everyone born inside the United States, in U.S. territories (such as Puerto Rico and Guam), and born in foreign countries to U.S. citizen parents is considered a U.S.-born citizen, or "native." "Immigrant households" are those in which the survey respondent was foreign-born.

We chose our immigrant origin groups—Mexico/Central America, Southeast Asia, other Asia, Africa/Caribbean, and other—based on the sample sizes available in the cross-site survey (using a threshold of 60 respondents)[26] and on origin groups that have similar immigration histories and socioeconomic characteristics. We also chose the four major racial/ethnic groups most commonly disaggregated by the Census Bureau and described in the literature: Hispanics (or Latinos), non-Hispanic whites, non-Hispanic blacks (or African Americans), and non-Hispanic Asians (along with people of other races).[27]

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[26] All immigrant origin groups have at least 60 respondents with the exception of Southeast Asia in the county survey, and South America in the cross-site and county surveys, which have fewer respondents.

[27] We use the terms "Hispanic" and "black" instead of "Latino" or "African American" because these are the ethnic and race categories that respondents chose in both the Census and the cross-site survey.

Many of the measures we analyze in the report are similar—and in some cases worded exactly the same—in the cross-site survey and the Census. Where we make comparisons, such is the case. One measure in particular—English language proficiency—is measured very differently between the cross-site survey and the Census, and so we do not provide comparisons with Census data here. There are, however, several measures described in the findings in the report that derive from questions in the cross-site survey that are not available at all in the Census.

***Comparability with nationally-representative data.*** The cross-site survey was not a true national sample of urban neighborhoods, because the 10 survey sites were chosen by Casey for poverty interventions and not by researchers to create a nationally representative sample. However, comparisons with Census data suggest that the cross-site survey baseline sample comes reasonably close to a nationally representative comparison groups on many important indicators.

We draw our national-level comparison data from the 2000 Census, 5 percent Public Use Microdata Sample (PUMS). The 2000 Census 5-percent PUMS is the largest publicly available data file released by the Census Bureau during this decade. This file includes geographic detail down to the level of "Public Use Microdata Areas" (PUMAs), consisting of 100,000 or more people. These PUMAs are in most cases geographically larger than the *Making Connections* target areas, and their boundaries are not coterminous. Because we could not directly compare PUMAs with the *Making Connections* target areas, we chose a comparison sample based on all PUMAs that include central city areas.[28] Then we selected only low-income households—those with incomes below twice the federal poverty level[29]—within these PUMAs. Thus our national-level comparison group consists of all low-income households in central city or mixed central city/suburban areas in 2000.[30]

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[28] The 2000 Census 5-percent PUMAs includes an "area type" variable which allows the user to select PUMAs that consist entirely of central-city census tracts, as well as those that consist of a mixture of central city and suburban/other urban tracts. We selected the entire subset of both of these types of PUMAs across the country for our national comparison sample.

[29] The federal poverty level designation is based on annual income in the year before the Census was taken. In 1999, the federal poverty level was $17,029 for a family of four, slightly higher for larger families and lower for smaller families.

[30] The cross-site survey was conducted in 2002-04, a few years after the 2000 Census, so the data sources were not collected at exactly the same time. However, the Census Bureau has not released data below the metropolitan level for 2002 through 2004, and so it was not possible to find comparison data for U.S. central cities collected at the same time as the MC cross-site survey.

| APPENDIX TABLE 1: Nativity and Region of Birth for Population in *Making Connections* Target Neighborhoods* | | | | |
|---|---|---|---|---|
| | **All Sites** | **Denver** | **Des Moines** | **Indianapolis** |
| **Total households*** | **119,600** | **6,300** | **9,300** | **10,900** |
| **U.S.-born** | **92,000** | **5,200** | **8,100** | **10,000** |
| % of respondents | 77% | 83% | 86% | 92% |
| **Immigrants** | **27,600** | **1,100** | **1,300** | **900** |
| % of respondents | 23% | 17% | 14% | 8% |
| **Region of birth of households*** | | | | |
| Europe | 1,300 | 100 | 100 | < 100 |
| % of immigrants | 5% | 7% | 11% | 5% |
| Southeast Asia | 3,900 | 100 | 300 | 0 |
| % of immigrants | 14% | 10% | 25% | 0% |
| Other Asia | 1,900 | 100 | 100 | < 100 |
| % of immigrants | 7% | 6% | 6% | 4% |
| Africa and West Indies | 3,500 | < 100 | 100 | < 100 |
| % of immigrants | 13% | 3% | 8% | 3% |
| Mexico and Central America | 16,600 | 800 | 600 | 800 |
| % of immigrants | 60% | 74% | 48% | 88% |
| South America | 500 | 0 | < 100 | 0 |
| % of immigrants | 2% | 0% | 2% | 0% |

NOTES:

* Population based on survey respondents (mostly adults) weighted to match total household population of target neighborhoods in 2000.

** See Appendix Table 3 for a full list of countries in each origin region.

Numbers are rounded to the nearest hundred. Percentages are based on numbers prior to rounding. Some numbers may not add up due to rounding.

SOURCE: Urban Institute Analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

| San Antonio | Seattle | Hartford | Louisville | Milwaukee | Oakland | Providence |
|---|---|---|---|---|---|---|
| 34,200 | 9,900 | 16,700 | 5,400 | 7,200 | 8,700 | 10,900 |
| 27,700 81% | 6,800 69% | 13,500 81% | 5,300 98% | 6,600 92% | 3,700 42% | 5,200 47% |
| 6,500 19% | 3,100 31% | 3,200 19% | 100 2% | 600 8% | 5,100 58% | 5,700 53% |
| | | | | | | |
| 100 1% | 400 14% | 100 4% | < 100 42% | < 100 3% | 100 2% | 200 4% |
| 0 0% | 1,100 35% | 0 0% | 0 0% | 500 74% | 1,500 30% | 400 8% |
| < 100 1% | 300 10% | 100 4% | < 100 8% | < 100 4% | 1,100 22% | < 100 1% |
| 0 0% | 300 11% | 2,100 66% | < 100 41% | < 100 4% | 100 2% | 700 12% |
| 6,400 98% | 900 29% | 600 18% | < 100 8% | 100 11% | 2,200 44% | 4,200 73% |
| 0 0% | < 100 1% | 200 7% | 0 0% | < 100 3% | < 100 1% | 100 3% |

**APPENDIX TABLE 2:**
Nativity and Region of Birth for Population in *Making Connections* Urban Counties*

| | All Sites | Denver | Des Moines | Indianapolis |
|---|---|---|---|---|
| **Total households*** | 3,550,600 | 404,500 | 145,700 | 411,500 |
| **U.S.-born** | 3,067,800 | 340,600 | 136,700 | 395,500 |
| % of respondents | 86% | 84% | 94% | 96% |
| **Immigrants** | 482,700 | 63,900 | 8,900 | 16,000 |
| % of respondents | 14% | 16% | 6% | 4% |
| **Region of birth of households**** | | | | |
| Europe | 119,000 | 14,600 | 2,100 | 8,400 |
| % of immigrants | 25% | 23% | 23% | 52% |
| Southeast Asia | 16,800 | 2,100 | 0 | 0 |
| % of immigrants | 3% | 3% | 0% | 0% |
| Other Asia | 108,800 | 2,100 | 3,200 | 1,300 |
| % of immigrants | 23% | 3% | 36% | 8% |
| Africa and West Indies | 30,300 | 2,100 | 900 | 1,400 |
| % of immigrants | 6% | 3% | 10% | 9% |
| Mexico and Central America | 188,200 | 41,500 | 2,700 | 3,900 |
| % of immigrants | 39% | 65% | 30% | 25% |
| South America | 19,600 | 1,600 | 0 | 900 |
| % of immigrants | 4% | 2% | 0% | 6% |

NOTES:
* Population based on survey respondents (mostly adults) weighted to match total household population of counties in 2000.
** See Appendix Table 3 for a full list of countries in each origin region.
    Numbers are rounded to the nearest hundred. Percentages are based on numbers prior to rounding. Some numbers may not add up due to rounding.

SOURCE:  Urban Institute Analysis of data from *Making Connections* Cross-Site Survey, 2002-04.

| San Antonio | Seattle | Hartford | Louisville | Milwaukee | Oakland | Providence |
|---|---|---|---|---|---|---|
| 477,400 | 663,500 | 250,600 | 243,100 | 323,700 | 376,400 | 254,200 |
| 400,900 84% | 557,500 84% | 221,300 88% | 235,300 97% | 298,900 92% | 257,400 68% | 223,700 88% |
| 76,400 16% | 106,000 16% | 29,300 12% | 7,900 3% | 24,800 8% | 119,000 32% | 30,400 12% |
| | | | | | | |
| 13,600 18% | 37,500 35% | 9,000 31% | 2,300 29% | 6,000 24% | 17,100 14% | 8,500 28% |
| 0 0% | 5,100 5% | 400 1% | 400 5% | 2,400 10% | 5,600 5% | 800 3% |
| 5,200 7% | 31,300 30% | 4,200 14% | 3,400 43% | 3,600 14% | 52,100 44% | 2,400 8% |
| 1,500 2% | 5,100 5% | 10,000 34% | 400 5% | 1,900 8% | 3,700 3% | 3,400 11% |
| 52,800 69% | 26,100 25% | 2,500 9% | 800 10% | 10,400 42% | 36,400 31% | 11,000 36% |
| 3,300 4% | 1,000 1% | 3,100 11% | 800 10% | 500 2% | 4,100 3% | 4,400 14% |

## APPENDIX TABLE 3:
Region and Country of Birth of Respondents, *Making Connections* Cross-Site Survey, 2002-04

**Africa and West Indies**
Cape Verde
Congo
Egypt
Eritrea
Ethiopia
Ghana
Kenya
Liberia
Morocco
Niger
Nigeria
Senegal
Sierra Leone
Somalia
South Africa
Sudan
Tanzania
Togo
Uganda

Antigua
Bahamas
Barbados
Haiti
Jamaica
Saint Lucia
Trinidad and Tobago

**Europe**
Austria
Azerbaijan
Belarus
Belgium
Bosnia and Herzegovina
Bulgaria
Croatia
Czech Republic
Denmark
France
Germany
Greece
Hungary
Iceland

Ireland
Italy
Kosovo
Latvia
Lithuania
Moldova
Netherlands
Poland
Portugal
Romania
Russia\USSR
Slovakia
Spain
Sweden
Switzerland
Ukraine
United Kingdom
Yugoslavia

Canada
Bermuda

Australia
Fiji
Marshall Islands
Micronesia
New Zealand
Samoa
Tonga

**Mexico, Central American,
and Spanish Caribbean**
Mexico
Belize
Costa Rica
El Salvador
Guatemala
Honduras
Nicaragua
Panama

Cuba
Dominican Republic

**South America**
Argentina
Bolivia
Brazil
Chile
Colombia
Ecuador
Peru
Uruguay
Venezuela

**Southeast Asia**
Myanmar
Cambodia
Laos
Thailand
Vietnam

**Other Asia**
Bahrain
China
    Hong Kong
    Taiwan
India
Indonesia
Iran
Iraq
Israel
Japan
Jordan
Korea
Kuwait
Lebanon
Malaysia
Mongolia
Nepal
Pakistan
Philippines
Singapore
Sri Lanka
Turkey
Yemen

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