



Economic Mobility of Orange County Immigrants 1980-2000: Progress Over Time

INTRODUCTION

Volume 8, Number 4 of the *Orange County Profiles* released in December 2003 presented information on several key social and economic characteristics of Orange County's foreign-born population. In addition, this population segment was compared to the native-born population on several of these characteristics. This report utilized data primarily from the 2000 Census, thus providing a one-time snapshot. Although the information from one census provides many valuable insights into the current condition of immigrants in Orange County, it cannot provide insights into the dynamic social and economic changes that occur to many of the foreign-born over time.

This current volume of the *Orange County Profiles* will focus on the county's foreign-born population utilizing data from the 1980, 1990 and 2000 U.S. Censuses. By doing so, we can focus on the changes that have occurred within this population over several decades. Like the December 2003 volume of the *Orange County Profiles*, data from the Public Use Microdata Samples (PUMS) will be used for this report. The target population includes foreign-born persons who are both naturalized citizens or not citizens of the United States, as well as those who may or may not have arrived through legal processes.

Orange County's foreign-born population has grown larger in both absolute and relative size over the past 20 years. The 1980 Census reported 257,243 foreign-born persons, which account for

13% of the county's population. This number has grown each successive year reaching 849,899 by the time of the 2000 Census, accounting for nearly 30% of the county's population (Table 1).

Table 1
Orange County Total Population and Foreign-Born Population, 1980-2000 Censuses

Population	1980	1990	2000
County Total	1,932,709	2,410,556	2,846,289
Foreign-born	257,243	575,108	849,899
Percent	13.3%	23.9%	29.9%

Source: U.S. Census, Summary File 3, 1980, 1990, 2000.

ECONOMIC MOBILITY

With the surge in immigration nationwide during a period marked by fiscal limits, questions were raised about the economic "costs" and "benefits" of immigration. Numerous studies and assessments have been conducted to determine the fiscal impacts of immigration. Findings have both supported the argument that immigration is a "net cost" and supported the argument that immigration is a "net benefit." Most of these studies assumed either implicitly or explicitly a static view of immigrants. That is to say, immigrants would more or less remain at the same economic position over their lifetime. Any gains in economic position would be left to their children and their children's

children. What do we find as we look at their economic status over time? Various measures of income and wealth suggest that overall the economic position of immigrants improves over time.

Poverty

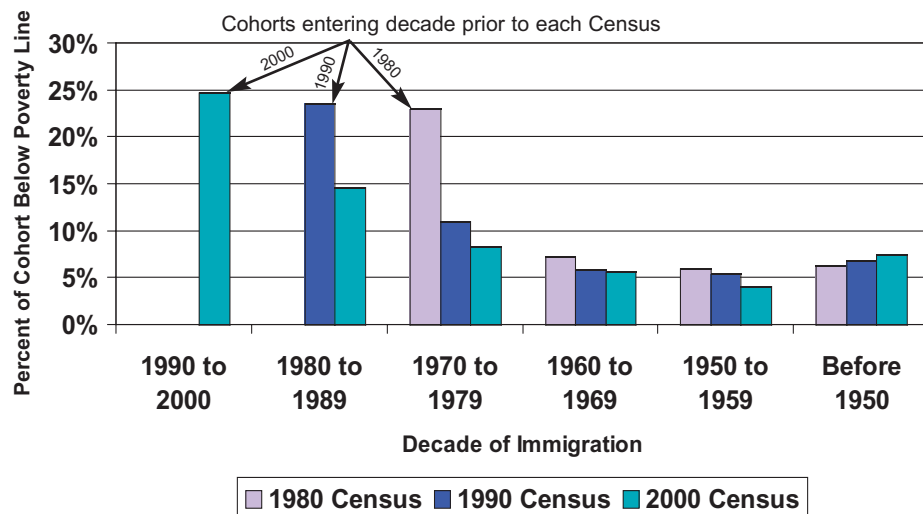
Graph 1 displays the percent of the foreign-born population living below the federal poverty line by the decade of immigration at the time of the 1980 Census, 1990 Census and 2000 Census. A very striking pattern emerges. Between 20% and 25% of those that immigrated in the decade prior to each Census were below the poverty level at the time of the Census. Approximately 23% of those immigrating during the 1970s were below poverty in 1979, 24% of those immigrating during the 1980s in 1989, and 25% of those immigrating during the 1990s in 1999. Within one decade of residing in the United States, the poverty rate drops by one-half or more. The percent of the population living below the poverty level for those who immigrated during the 1970s dropped from 23% to 7% by the time of the 1990 Census. Similarly, for those immigrating during the 1980s, their poverty rate dropped from 24% to 11% by the time of the 2000 Census. Within 20 years of residency in this country, the poverty levels are slightly lower than the overall county levels. At the time of the 1980 Census, those who immigrated to the United States before 1960 had poverty levels around 6% while the countywide rate was 7%. At the time of the 1990 Census those immigrating before 1970 had an average rate again around 6% which was the same as the countywide

rate. Finally, while the overall county rate was 10% for the 2000 Census, the rates for those immigrating at least 20 years prior were averaging slightly over 7%.

Median Household Income

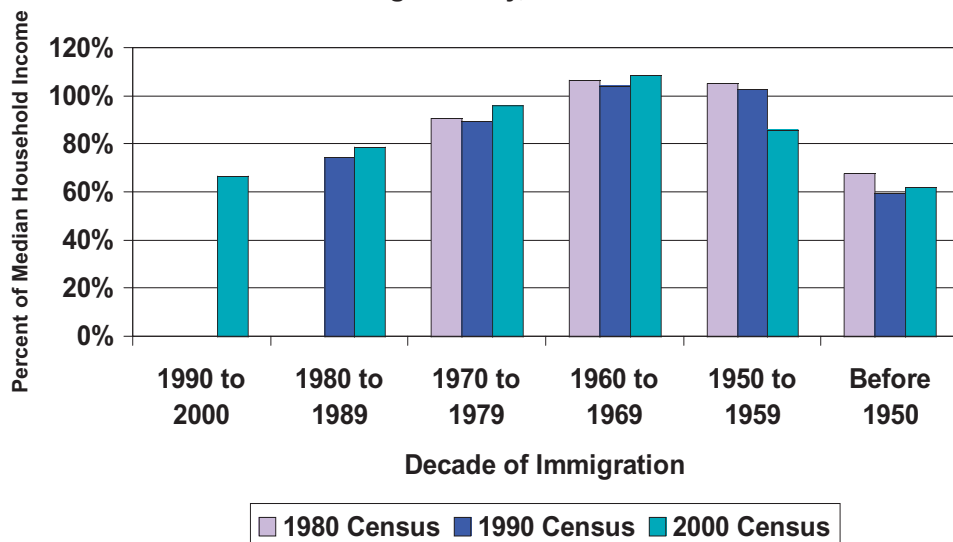
The median household income of households with a foreign-born householder was taken as a percent of the county's median. For example, if the county median was \$20,000 and the median for the foreign-born household was \$15,000 then the percent would be 75%. This provides an indication of the relative value of the household income for the households with a foreign-born householder. As can be seen with Graph 2, there is a similar pattern between Median Household Income and Poverty. Household incomes for those households with a foreign-born householder are well below the county average during the first decade of residence in this country. There are significant gains in the second decade, and by the third decade the median household income is actually slightly higher than the county level. There is a decline with the foreign-born households who have resided in the country for at least four decades, but one would expect that much of this can be attributed to the aging of this population and the declining incomes associated with retirement.

Graph 1
Persons Below Poverty Line by Decade of Immigration
Orange County, 1950-2000



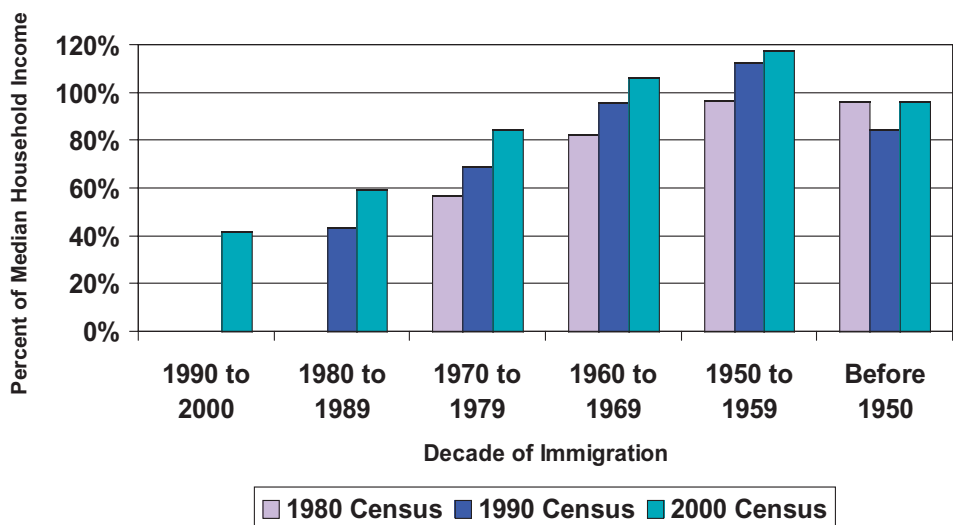
Source: 1980, 1990, 2000 U.S. Census, Public Use Microdata Samples.

Graph 2
Median Household Income for the Immigrant Population as a Percent of County Median by Decade of Immigration
Orange County, 1950-2000



Source: 1980, 1990, 2000 U.S. Census, Public Use Microdata Samples.

Graph 3
Median Earnings for Immigrant Population Aged 18 and Over as a Percent of County Median by Decade of Immigration
Orange County, 1950-2000



Source: 1980, 1990, 2000 U.S. Census, Public Use Microdata Samples.

Individual Earnings

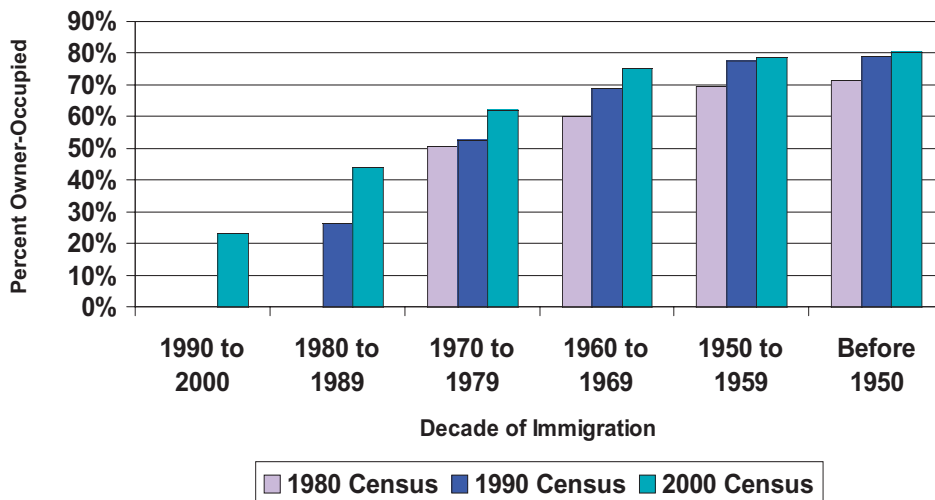
Perhaps the rise in income and the fact that the median household income for households with a foreign-born householder is above the countywide median can be attributed to the number of wage earners in each household. For this part of the analysis, earnings is defined as the sum of wage & salary and self employment income for the adult population (persons 18 years of age and older). The earnings of the foreign-born population over 18 were taken as a percent of the earnings of all persons over 18. Looking at individuals we see a steady increase in income over time (Graph 3). During the first decade, the income levels are well below the county level. For the cohort coming to the county in the 1970s their earnings were 57% of the county median. This grew to 69% of the county median by the second decade and reached 84% by the third decade. For those arriving in the 1980s, the first decade was lower than that of those arriving in the 1970s at 44% of the county median. However, it had grown to 60% by the second decade. For those long-term foreign-born residents, their earnings are generally at or above the countywide median earnings.

Homeownership

Owning ones home is often looked at as a measure of economic success. It is an investment in a long-term asset and it is also indicative of ones ability to consume goods and services. Like the other economic indicators, foreign-born households increasingly become homeowners over time. As a rule, these households are likely to be renter households during the first decade of residence in the country (see Graph 4). By the second decade of residence, more than half are homeowners, and then by the third decade over 70% are homeowners. This rate is considerably higher than the overall countywide rate as measured by each Census. In 1980, 57% of all foreign-born households lived in owner-occupied units and in both 1990 and 2000 50% lived in owner-occupied units.

rising 7 percentage points ten years later to 18%. In the 1980 Census, the cohort with the largest percent of college graduates was that which entered the United States between 1950 and 1959 (23%). Over the next 20 years, the rate increased slightly rising only 6 percentage points to 29%. Other cohorts displayed larger increases throughout the same two decades with percentage point increases ranging from 10% to 16%.

Graph 4
Owner-Occupied Households by Decade of Immigration
Orange County, 1950-2000



Source: 1980, 1990, 2000 U.S. Census, Public Use Microdata Samples.

Age and Country of Origin

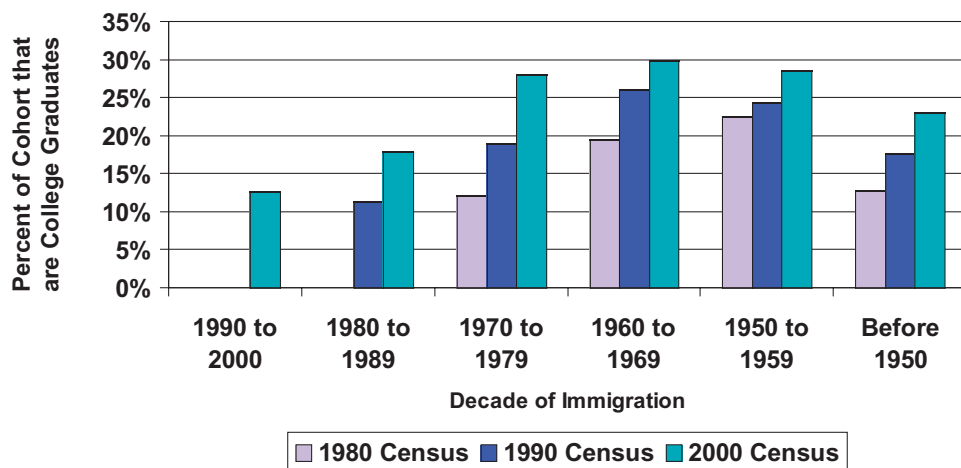
One could argue that the economic mobility experienced by the foreign-born population is very different given the country of origin. Specifically, it has been noted that most of the upward mobility experienced by the foreign-born population can be attributed to Asian immigrants, while those from Central America, mostly Mexico, do not show the same rate of upward economic mobility. Also according to this perspective, immigrants from North America and Europe come to this country and start their new lives in an economic position similar to the native-born population.

Educational Attainment

Higher educational attainment has been repeatedly tied to higher income and economic mobility can be partially attributed to a growing number of immigrants obtaining higher educational degrees over time. For immigrants who entered during the decade prior to each Census, the rate of those who had obtained a college degree (for the population 25 years and older) hovers at around 12% (Graph 5). For all groups, this rate increases as each cohort's tenure lengthens. At the time of the 1980 Census, the 1970-79 cohort reported 12% with a college degree. After at least 20 years in the United States, this group had more than doubled their percent of college graduates to 28%. In 1990, the most recent cohort (entering 1980-89) showed a similar pattern starting with 11% having a college degree and

The poverty levels of those born in Asian and Central American countries were looked at to explore this explanation. These percentages are presented in Table 2. The data suggest that

Graph 5
Percent College Graduates for Those Over Age 25 by
Decade of Immigration
Orange County, 1950-2000



Source: 1980, 1990, 2000 U.S. Census, Public Use Microdata Samples.

a "Country of Origin" explanation does account for some of the reduction in the poverty levels. For example, persons born in Asian and Central American countries and entering the United States between 1970 and 1979 had similar poverty rates at the time of the 1980 Census. The poverty rate for those born in Asian countries had dropped to 9% by the time of the 1990 Census and 7% at the time of the 2000 Census. In comparison, by the time of the 1990 Census, the poverty rate for those born in a Central American

country was 15% and then 12% by the time of the 2000 Census. However, there is strong evidence that the "Country of Origin" does not account for all of the reductions. The data indicate that those from Central American countries also experience substantial drops in poverty. The decline over the 20-year period from 1980 to 2000 more than halved the poverty level. Looking at the very long term, as evidenced by the 2000 Census data, the poverty rates for those from Central American countries do continue to decline over time and thus also experience upward economic mobility.

It has also been suggested in this Profile that part of the upward mobility of immigrants is due to their taking advantage of educational opportunities. A competing explanation attributes the increases in the percentage of college graduates to the young foreign-born. Many of the foreign-born are children who would have progressed through the United States' educational system over time. Thus, since the Census measures the educational level of the population 25 years of age and older, the increases in the percent college graduates may be the result

Table 2
Percent Population Living below the Poverty Line by
Country of Birth and Decade of Immigration
Orange County, 1950-2000

Place of Birth	1990 to 2000	1980 to 1989	1970 to 1979	1960 to 1969	1950 to 1959	Before 1950
1980 Census						
Asia			24.4%	5.0%	7.3%	1.5%
Central America			23.0%	13.2%	11.3%	13.4%
1990 Census						
Asia		18.2%	8.6%	2.9%	0.0%	1.6%
Central America		28.7%	14.5%	11.1%	10.9%	8.8%
2000 Census						
Asia	17.5%	9.6%	6.6%	3.0%	1.6%	1.0%
Central America	30.2%	21.6%	11.5%	9.0%	6.8%	8.4%

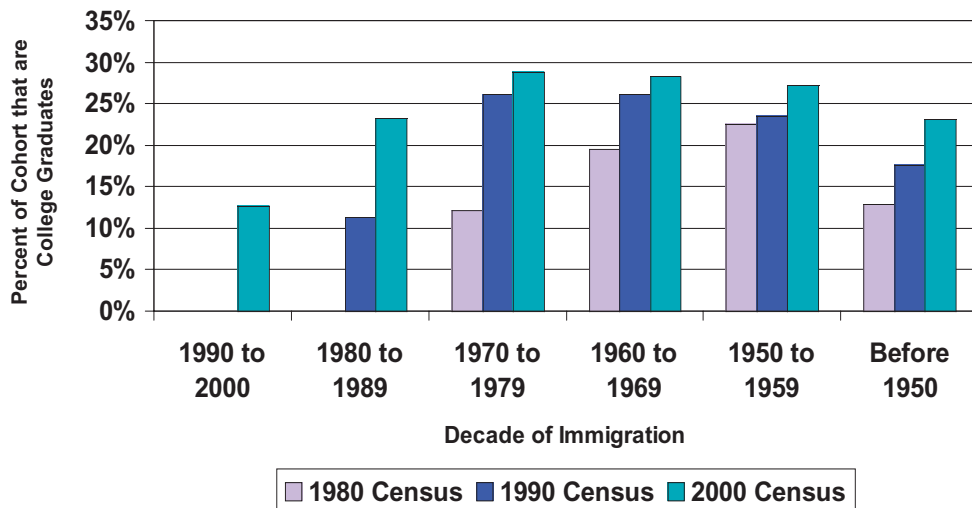
Source: 1980, 1990, 2000 U.S. Census, Public Use Microdata Samples.

of the younger immigrants who have passed through the educational system and are 25 years of age and older at the time of subsequent Censuses. To explore this, the cohort that was 25 years of age at the time of the 1980 census was isolated in the 1990 and 2000 Census data. This factors out any increases in the percentages of college graduates attributable to the foreign-born children of adult immigrants.

These results are presented in Graph 6. The percentage of college graduates increases over time while adjusting for the age of the cohort. Thus, these increases are not attributable to persons who were under the age of 25 at the time of the Census. This can be illustrated by taking those who immigrated between 1970 and 1980 as an example. In 1980, approximately 12% of this cohort 25 years of age and older had college degrees. By 1990, nearly 26% of the population 35 years of age and older who immigrated

Graph 6
Percent College Graduates for Those Over Age 25 by
Age and Decade of Immigration
Orange County, 1950-2000

(Age increased 10 years for each Census)



Source: 1980, 1990, 2000 U.S. Census, Public Use Microdata Samples.

between 1970 and 1980 had college degrees. When we look at these rates for those who were 45 years of age and older at the time of the 2000 Census, the percent of college graduates increased to almost 29%. This strongly suggests that many adult immigrants are taking advantage of educational opportunities.

The Center for Demographic Research (CDR) is a non-profit research center dedicated to the development and support of demographic research. Our mission is to provide accurate and timely information regarding population, housing and employment characteristics in an efficient and cost-effective manner. Our work focuses mainly on, but is not limited to, demographics in Orange County, California. For more information, visit our newly redesigned website at www.fullerton.edu/cdr/

PROFILES IS PRODUCED BY THE CENTER FOR DEMOGRAPHIC RESEARCH, CALIFORNIA STATE UNIVERSITY, FULLERTON.
 PROFILES IS A QUARTERLY PUBLICATION THAT FOCUSES ON DEMOGRAPHIC ISSUES IN ORANGE COUNTY.
 THIS ISSUE WAS AUTHORED BY DR. WILLIAM F. GAYK AND DEBORAH STICKLEY DIEP.
 WE WELCOME COMMENTS & SUGGESTIONS AND CAN BE REACHED AT (714)278-3009. [HTTP://WWW.FULLERTON.EDU/CDR](http://www.fullerton.edu/cdr)

