

A Comparative Analysis of Immigrant Integration in Low-Income Urban Neighborhoods:

Results from Analysis of Baseline *Making* Connections Cross Site Survey Data

Draft Report

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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 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 National Opinion Research Center for the Annie E. Casey Foundation (AECF). These 10 neighborhoods are target sites for anti-poverty and community development initiatives under AECF's *Making Connections* program.

This paper compares several key indicators of economic risk factors, income and economic hardship, economic advancement, and integration across six different immigrant groups (disaggregated by region of birth) and four race/ethnic groups of natives. 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 surrounding counties (14 percent) and about double the national average (12 percent).
- The most vulnerable groups of immigrants—those from Mexico, Central American and Southeast Asians—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 and 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 a 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 Asians also had a high rate of limited English skills (55 percent) despite high 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 immigrant groups had much higher naturalization rates ranging from 46 percent for African and West Indian immigrants to 65 percent for European immigrants.

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 and lack of 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 consistently reduced poverty and economic hardship, but did not eliminate gaps due to race/ethnicity, immigrant origin and risk factors. 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 powerful in increasing the 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 preparation 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 go a long way toward explaining race/ethnicity and immigrant origin variations on the economic outcomes we analyzed. But on some measures of economic well-being and advancement, these factors do not explain all of the variation, suggesting that factors such as 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. Thus these neighborhoods may function as a springboard or gateway for immigrants, but more of a poverty trap for native-born minority groups.