Wage Differentials for Immigrant Women in the United States: The Heightened Effect of Gender and Ethnic Interaction

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The United States is one of only a handful of nations in which immigrant women outnumber immigrant men. These women come from increasingly diverse regions, thereby bringing considerably different skills to the U.S. workforce. However, the question of how gender and ethnicity interact with each other to affect the economic performance of female immigrants remains especially understudied. Thus, this paper aims at providing some insight into this formerly neglected dimension of female immigrant performance. It examines the sources of wage differentials between immigrant females, and other groups in the U.S. labor force, paying particular attention to earnings inequalities created by the interaction of gender and ethnicity. OLS regressions are used to carry out the analysis. A random sample of 100,000 immigrants and 50,000 natives is drawn from the 5% 2000 IPUMS data set. Their salary and wage income is regressed on several variables accounting for differences in human capital, gender and nationality, including interactions between gender and ethnicity. The results show that females and immigrants have relatively low wages because of their sex and country of birth. In addition, interactions between gender and ethnicity are found to be significant determinants of wages.