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SECOND GENERATION IMMIGRANTS: THE EFFECT OF PARENTAL NATIVITY STATUS ON EARNINGS

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There has been a significant amount of debate in recent years about the economic performance of immigrants. Understanding the economic contribution of the second generation is important in order to provide a more comprehensive picture of the total impact of immigrants in the United States. There is strong evidence to suggest that second generation immigrants have experienced upward income mobility, and human capital theory hypothesizes that the economic performance of the second generation will match that of natives. It also predicts that having one immigrant parent and one native parent as opposed to having two immigrant parents will lead to a difference in earnings. The purpose of this research is to determine if second generation immigrants have reached income parity with natives as a whole and on a country specific basis, and how the parental nativity status of the second generation affects those earnings. Data from the 2010-2015 IPUMS Current Population Survey allows the nativity and birthplace status of the respondents’ parents to be related to their income. An analysis of those data indicates that second generation immigrants as a whole have reached income parity with natives. Furthermore, second generation immigrants with an immigrant mother and native father experience a slight edge in their earnings over natives and their cohorts. This pattern follows when analyzing the second generation of Mexican immigrants, but not Asian immigrants.