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THE CAUSES OF WAGE DIFFERENTIALS BETWEEN IMMIGRANT AND NATIVE PHYSICIANS IN THE UNITED STATES

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Although the immigration of foreign physicians has increased in recent years, their wages are less than the wages of native-born physicians. Considering the mass influx of foreign physicians into the U.S., it is important to examine what factors are responsible for this wage disparity. Studies of this nature, with the focus particularly on physicians, are in short supply. Previous literature regarding the economic performance of immigrants, as well as the sources of wage differentials between them and natives as a whole, however, is rather abundant. My study expands the previous literature by employing a human capital theoretical framework to shed light on why this wage discrepancy between immigrant and native physicians exists. Using a 5% sample of the 2000 IPUMS data set, a regression is run that explores the effects of country of origin and age at immigration on earnings. The findings of this study indicate that early arrival immigrant physicians, as well as immigrants from regions most similar to the U.S., earn wages comparable to those of the natives due to increased U.S.-specific human capital.