Wealth Inequality among Immigrants and Native-Born Americans:

The Roles of Race/Ethnicity and Immigrant Status

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ABSTRACT

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INTRODUCTION

Immigrants move to the United States for a variety of reasons, including the pursuit of opportunities to improve their financial well-being (cites). Scholars have long been interested in this aspect of immigration, which is reflected over XX years ago in some of the seminal texts in the immigration literature (CITES). Recently, a growing body of literature has focused on wealth attainment as an indicator of financial well-being in an effort to broaden scholars' understanding of just how immigrants financially integrate into U.S. society (e.g., Akresh 2011; Hao 2004, 2007; Painter 2013). This focus on wealth attainment is important because wealth signifies a unique set of resources that reflect financial attitudes (e.g., savings motivations, retirement expectations), behaviors (e.g., consumption patterns, portfolio allocation), and priorities, goals, and values (Hao 2007). Together, the various investments within a financial portfolio – and their values – that constitute wealth represent a pool of resources that can be used to meet short- and long-term needs as well as provide a number of additional financial advantages (e.g., return on investment, investment collateral, transferability) (Keister 2000, 2005). How much wealth immigrants possess – especially when compared to the native-born population – provides valuable insight into their financial well-being and into how well they are integrating into U.S. society.

If immigrants possessed characteristics that mirrored those of the U.S. population, we would expect immigration to have little influence on U.S. society and the wealth attainment of immigrants would resemble that of the native born (Hao 2007). Immigrants, however, are a heterogeneous group, with some characteristics facilitating integration into U.S. society while

others serve as barriers. To understand immigrants' differential patterns of incorporation, we draw on new assimilation theory (Alba and Nee 2003). In this reformulation of classical assimilation theory, it is argued that race/ethnicity is a social boundary that is embedded not only in a variety of social, economic, and cultural differences at the individual level but also in social institutions. While other factors, like immigrants' social, financial, and human capital, are certainly important for immigrants' integration into U.S. society, existing racial/ethnic inequalities shape their ability to apply these resources. Thus, our first contribution in this paper is to explore the role of race/ethnicity and highlight how racial/ethnic realities in the United States provide differential opportunities and constraints for immigrants of different racial/ethnic groups, in addition to various forms of capital that immigrants bring with them.

Immigrants' U.S. experiences are likely to play an important role in wealth attainment. Thus, our second contribution is an examination of four dimensions of immigrants' U.S. experience that will affect immigrants' integration into U.S. society and their ability to acquire assets and attain wealth: immigrant status, U.S. education, English language proficiency, and time spent in the United States. Specifically, we discuss naturalization and legal permanent residency and explore how these immigrant statuses would affect immigrants' financial well-being. We then turn to two indicators of immigrants' human capital and assess how acquiring U.S. education and greater English language proficiency eases immigrants' transition into U.S. society while, conversely, a lack of U.S. education and lesser command of the English language serve as barriers to integration. Last, the time immigrants have spent in the United States is an important factor for wealth attainment (Zhang 2003). The longer immigrants live in the United States, the more familiar they become with U.S. customs and, perhaps most important for wealth attainment, financial institutions and savings/investment opportunities. In sum, we highlight how

diverse experiences in the United States, as measured by these four factors, add to the variation in wealth attainment.

For our last contribution, we seek to expand scholars' understanding of immigrant integration by exploring how immigrants' characteristics affect wealth attainment across the entire wealth distribution. To do this, we use quantile regression techniques, which allow us to move beyond a single summary measure and broadly describe immigrant financial well-being. This approach is important, in part, because immigrants are disproportionately concentrated near the bottom of U.S. society (e.g., Lichter, Qian, and Crowley 2005; Smith and Edmonston 1997) and quantile regression will allow us to examine racial/ethnic wealth inequality across the distribution of net worth, giving us a more complete picture of the various percentage points of the distributions.

We examine immigrant wealth attainment by using data from the 2001 and 2004 panels of the Survey of Income and Program Participation (SIPP). These data are nationally representative of the noninstitutionalized U.S. population and are well-suited for the study of immigrant wealth attainment because they contain detailed migration and financial information. Following Hao (2004, 2007), we expand the concept of immigrant financial well-being to include wealth attainment and investment behavior. Specifically, in addition to net worth, we examine two key investments – homes and stock ownership – because portfolio composition strongly affects wealth attainment (e.g., Bertaut and Starr-McCluer 2000; Choudhury 2001; Cobb-Clark and Hildebrand 2006). In sum, the contributions of this paper offer insight into racial/ethnic differences in immigrant wealth attainment and highlight how immigrants' integration in the United States is facilitated or constrained by their racial/ethnic status.

CONCEPTUAL FRAMEWORK

Assimilation, Immigrant Integration, and Racial/Ethnic Realities

Assimilation theory has long been used to understand immigrants' experiences in the United States. It captures the process where minority or immigrant group members adopt cultural patterns of the majority or host population (Gordon 1964). Through this process, the distinctiveness of immigrants' ethnicity gradually diminishes over time, which helps reduce the relative importance of cultural and social differences between established and more newly arrived groups (Alba and Nee 2003). This theory has been used successfully to explain the experiences of European immigrants who arrived to the United States at the turn of the twentieth century, who were highly diverse from an ethnic, racial, cultural, and/or economic standpoint at the time of arrival (Hirschman 2005). For example, Irish immigrants were initially considered to be nonwhite; however, distinctions between this group and other European immigrants faded over time (e.g., Hirschman 2005; Ignatiev 1995). Indeed, Irish descendants and other initially "nonwhite" European immigrants are now grouped – and generally group themselves – into a white racial category (Alba 1990; Perlmann and Waldinger 1997).

Classical assimilation theory has been criticized, however, in a number of ways, including its inability to address the continued salience of race/ethnicity for some groups (for a summary of the criticism, see Alba and Nee 2003:3-5). Contemporary immigrants are mostly nonwhite and the deeply rooted and highly institutionalized racial/ethnic inequality in the United States suggests that immigrants of various racial/ethnic backgrounds are unlikely to follow the path of European immigrants at the turn of the twentieth century. In their reformulation of assimilation theory, Alba and Nee (2003) argue that assimilation must recognize that race/ethnicity is a social boundary, one that creates distinctions between immigrants and affects their ability to integrate into U.S. society. Importantly, racial/ethnic distinction is evident in large

social structures and institutional constraints, but also in numerous social, economic, and cultural differences at the individual level (Alba and Nee 2003; see also Omi and Winant 1994). Thus, immigrants' incorporation in U.S. society undoubtedly depends on the social, financial, and human capital they possess, but also depends on the ways they apply resources within existing racial/ethnic structures and institutions. As a result, subject to similar structural barriers, immigrants' incorporation patterns are likely to hinge on how well their native-born racial/ethnic counterparts fare in U.S. society.

As a group, nonwhite immigrants may experience serious challenges for integration into the white middle class mainstream (Portes and Rumbaut 2001). Indeed, studies on wealth (Hao 2004, 2007; Painter 2013) as well as education, earnings, and residential and intermarriage patterns among immigrants underscore the role of immigrants' race/ethnicity (e.g., Alba et al. 1999; Borjas 1994; Kao and Thompson 2003; Qian and Lichter 2007). These studies show that racial/ethnic minority immigrants lag behind white immigrants, similar to the differences between their native-born counterparts and whites. Thus, whether immigrants encounter obstacles to integration (and if so, how severe) depends on their particular racial/ethnic status. Alba and Nee (2003:132) note that the perception of racial distinctiveness between whites and both more recent Asian immigrants and lighter-skinned Latinos has already shifted. In this way, racial/ethnic status as an indicator of cultural and social distinction for these groups has decreased in importance and serves as less of an impediment (if at all) to their integration into U.S society. At the same time, Alba and Nee (2003:133) call the black-white divide the "most intractable racial boundary," which will continue to limit the incorporation of immigrants with a black racial status (see Portes and Zhou 1993; see also Waters 1999). In sum, the salience of

race/ethnicity – particularly in terms of the black-white divide – in U.S. society shapes immigrants' assimilation patterns and influences their wealth attainment.

Immigrant Experiences in the United States

In this section, we briefly set aside the importance of immigrants' racial/ethnic status and discuss four additional dimensions of immigrants' U.S. experience: immigrant status, U.S. education, English language proficiency, and time spent in the United States. We first describe each dimension and then develop a link to immigrants' financial well-being.

Immigrant Status – Legal Permanent Residency and Naturalization

Immigrants can remain in the United States permanently by applying for legal permanent resident (LPR) status. There are two main ways by which immigrants can be granted LPR status: adjustment or new arrival. Adjusted immigrants have often lived in the United States for a number of years with either an undocumented or nonimmigrant status before they apply for LPR status. New arrival immigrants apply for LPR status in their home country; however, some may actually currently live in the United States but return to their home country to file and then receive their LPR paperwork. LPR immigrants generally have the same rights and responsibilities as citizens with some notable exceptions, including the right to vote and a lack of access to certain jobs that require U.S. citizenship (Massey and Bartley 2005). LPR immigrants also have more restricted access to U.S. social services, have had their due process rights limited in line with the Patriot Act, and must return to the United States at least once a year if they travel extensively and/or live abroad (Massey and Bartley 2005).

Immigrants are eligible to naturalize after living a certain number of years in the United States and satisfying several other requirements.[1] For most immigrants, this time period is 5 years, though spouses of U.S. citizens, military personnel, and minor children of naturalized citizens are eligible for naturalization sooner (U.S. Citizenship and Immigration Services 2013). With naturalization, immigrants have the same rights, privileges, and access to social services as native-born citizens, but they cannot serve as President. Specifically, some advantages of naturalization include the right to vote, the ability to sponsor adult relatives for migration, full Social Security benefits, a U.S. passport, and eligibility for educational programs, certain employment opportunities, and jury duty (e.g., Bratsberg et al. 2002; Jasso and Rosenzweig 1986; Massey and Bartley 2005; Yang 1994). Alongside these benefits of U.S. citizenship, there are a number of costs associated with naturalization which may encourage immigrants to maintain their status as legal permanent residents. For one, unless dual citizenship is permitted, immigrants may lose citizenship in their country of origin, which may result in the forfeiture of access to public benefits (e.g., retirement funds, public health care), restricted travel, and/or constrained home country employment prospects (van Hook et al. 2006; Yang 1994). Additionally, naturalization is a complex, time consuming, and expensive process, one that requires financial resources, the ability to navigate bureaucracy, and satisfactory English language and civics proficiency (Alvarez 1987; Gilbertson and Singer 2003; van Hook et al. 2006; see also North 1987).

For wealth attainment, we expect naturalized citizens to have similar levels of financial well-being as the native born. In part, this is due to lowered educational and occupational barriers. Indeed, research documents that naturalization is associated with higher earnings,

[1] Other requirements for naturalization include immigrants' physical presence in the United States for set time periods (for some paths to naturalization), good moral character, English and civics knowledge, and attachment to the Constitution (U.S. Citizenship and Immigration Services 2013).

mainly because immigrants move into better jobs and experience greater wage growth (Bratsberg et al. 2002; Chiswick and Miller 2002). Beyond the financial benefits associated with upward occupational mobility, naturalization also reflects immigrants' intentions to build a life in the United States. Research on immigrant financial well-being; however, is quite mixed and does not provide consistent empirical guidance for hypothesis development. In support of our expectation, when compared to the native born, naturalized citizens are associated with equivalent home ownership rates, home value, and home equity (Kossoudji 2008; Osili and Paulson 2009). Naturalized citizens are associated with greater wealth (Hao 2004), but a lower likelihood of owning stocks or a mutual fund (Osili and Paulson 2009). For portfolio choices, there is disagreement in the literature for retirement, savings, and checking accounts with some research finding that naturalized citizens are more likely to hold these investments (Fontes 2011), equivalent ownership (Amuedo-Dorantes and Bansak 2006; Osili and Paulson 2009), or a lower likelihood (Osili and Paulson 2009).

In contrast, we expect that LPR immigrants will have lower levels of wealth attainment than citizens (whether native born or naturalized) due to greater educational and occupational obstacles, but also because their status as immigrants – and not citizens – provides a more tenuous tie to U.S. society. This expectation is generally supported in the literature as immigrants are associated with less wealth than naturalized citizens (Hao 2004). When compared to the native born, immigrants are also less likely to own homes (Borjas 2002; Chatterjee and Zahirovic-Herbert 2011; DeSilva and Elmelech 2012; Osili and Paulson 2009), stocks/mutual funds (Osili and Paulson 2009), and savings, checking, and retirement accounts (Osili and Paulson 2004, 2009). Immigrants possess less real estate equity (Cobb-Clark and Hildebrand 2006a), total vehicle value (Cobb-Clark and Hildebrand 2006a), financial wealth (Amuedo-

Dorantes and Pozo 2002; Chatterjee and Zahirovic-Herbert 2012), and net worth than the native born (Amuedo-Dorantes and Pozo 2002; Cobb-Clark and Hildebrand 2006a; Painter 2013). Thus, even when accounting for U.S. education, English language proficiency, and time spent in the United States, we would expect different patterns of wealth attainment and asset acquisition between naturalized citizens and LPR immigrants because of the differing barriers to integration and levels of commitment to living in the United States that each of these immigrant statuses represents.

U.S. Education

Research consistently finds that foreign education is associated with worse financial well-being, either in terms of earnings (Aly and Ragan 2010; Bratsberg and Ragan 2002; Kaushal 2011; Kim and Sakamoto 2010; Schoeni 1997; Tao 2010, 2011; Tong 2010; Zeng and Xie 2004) or wealth (Hao 2007; Painter 2013).[2] Foreign education is devalued in the United States for a number of reasons, including a (perceived or actual) lower quality of education in sources countries (Bratsberg and Ragan 2002; Friedberg 2000; Mattoo et al. 2008; Schoeni 1997; Zeng and Xie 2004), difficulty in transferring certain majors and/or degrees (Basran and Zong 1998; Bratsberg and Ragan 2002; Grant and Nadin 2007; Friedberg 2000), and/or discrimination by U.S. employers or a lack of familiarity with how to assess the quality or level of education (Butcher 1994; Chiswick 1978; Greeley 1976).[3] Lower earnings reduce immigrants' ability to save, invest, and accumulate wealth, but foreign educated immigrants may also expend

[2] There are several exceptions in the literature of which we are aware. Stewart and Hyclak (1984) find no difference in earnings for immigrants' pre- and post-migration schooling. There is also some evidence that higher education is rewarded among Arab immigrants (Aly and Ragan 2010). Nurses educated abroad are associated with higher wages in the United States than U.S.-educated nurses, which reflects the number of nurses with hospital experience and those working in English-speaking countries (Huang 2011).

[3] There is likely important variation by source country in the devaluation of foreign education as immigrants from countries that commit more resources to education and/or have comparable educational systems to the United States likely experience a better transition of their skills and educational credentials (Bratsberg and Ragan 2002; Mattoo et al. 2008; Schoeni 1997).

considerable financial resources and/or take on debt while pursuing additional schooling, training, and/or professional accreditation in the United States.

Obtaining additional education in the United States helps immigrants overcome these barriers. For one, U.S. education may serve to upgrade or authenticate education received in the country of origin (Bratsberg and Ragan 2002). In this way, immigrants can transfer their source-country specific skills, via a U.S. degree, to the U.S. labor market. There is some evidence for this in the literature as additional years of education in the United States increases the return to immigrants' years of non-U.S. schooling (Bratsberg and Ragan 2002). Additionally, beyond the credential itself, colleges and universities provide valuable job search resources, including access to recruitment networks, internships, and job fairs. Further, U.S. education improves immigrants' English language proficiency, increases their contact with U.S. culture, and encourages interactions with U.S. institutions, in particular financial establishments (Chiswick 1978; Hao 2007). This creates opportunities for immigrants to acquire U.S.-specific skills and information (Friedberg 2000; Kaushal 2011).

In sum, we expect U.S. education to be associated with improved financial well-being. This expectation is in line with previous research on immigrant financial well-being as U.S. education is associated with more wealth (Hao 2007; Painter 2013) and a greater likelihood of owning important assets like homes, financial assets, stocks, checking accounts, and retirement investments (Chatterjee and Kim 2011; Kim et al. 2012). While completing a degree in the United States is certainly financially valuable for foreign educated immigrants, additional schooling also allows immigrants to transfer their source-country specific human capital to the United States. Further, attaining additional education in the United States opens up other

opportunities for immigrants to expand their job recruitment networks, improve their English speaking ability, and increase their familiarity with important U.S. institutions.

English Language Proficiency

A number of factors are associated with immigrants' English language proficiency, including characteristics of source countries and immigrants' experience after arrival in the United States. Factors that are associated with greater proficiency in English include the length of time immigrants have spent in U.S. society (Akresh 2007; Carliner 2000; Chiswick 1991; Espenshade and Fu 1997; Espinosa and Massey 1997; Grenier 1984; Hwang and Xi 2008; McConnell and Leclere 2002; Rivera-Batiz 1990, 1992; Stevens 1992; Xi 2013), education (Chiswick 1991; Espenshade and Fu 1997; Grenier 1984; Hwang and Xi 2008; McConnell and Leclere 2002; Stevens 1992; Xi 2013), naturalization (Espenshade and Fu 1997), whether the country of origin is English speaking (Espenshade and Fu 1997; Xi 2013), and characteristics of their community in the United States such as linguistic heterogeneity and inequality (Hwang and Xi 2008; see also Chiswick and Miller 1995). Greater U.S. duration, education, and naturalization all facilitate English proficiency by increasing immigrants' exposure to the language. Similarly, immigrants who migrate from countries where English is either dominant or the official language will be advantaged relative to immigrants from non-English speaking countries. Last, the type of community that immigrants settle into will affect their English language proficiency. Communities where there are more language groups encourage immigrants to communicate with each other in a common (i.e., English) language (Hwang and Xi 2008). Similarly, larger income gaps between immigrants who speak English well and those with less command of the language motivates the less proficient immigrant to adopt English (Hwang and Xi 2008).

In contrast, research has documented several impediments to English language acquisition. For one, immigrants who migrate at older ages are associated with less proficiency (Espenshade and Fu 1997; Grenier 1984; Hwang and Xi 2008; McConnell and Leclere 2002; Xi 2013). The size of an immigrant group within a given area also matters as larger concentrations of individuals speaking the same language facilitate retention of the home language and diminish opportunities to learn and practice English (Hwang and Xi 2008; Stevens 1992). Similarly, greater concentrations of co-ethnics reduce contact with English speakers and limit chances to increase proficiency (Hwang and Xi 2008; Stevens 1992; Xi 2013; see also Chiswick and Miller 2002). Last, the linguistic distance between English and immigrants' home language affects English language acquisition (Hwang and Xi 2008; Snow 1997; Xi 2013). For example, immigrants from Europe have a shorter linguistic distance between their language and English, which should ease the learning of English. In contrast, immigrants that speak an Indoeuropean or non-Indoeuropean language have a greater linguistic distance from English and would experience relatively greater difficulty, all else being equal, in learning English and improving their proficiency.

But how is English language proficiency related to wealth attainment? First, greater command of the English language indirectly affects wealth attainment through income (e.g., Chiswick and Miller 2002; Hall and Farkas 2008; Tainer 1988). It is well documented that greater English language proficiency is associated with better job access and higher wages and earnings. In this way, English proficiency may help immigrants find employment more readily than immigrants with poor English language skills. Second, English language ability can directly affect wealth attainment through participation in formal U.S. financial institutions. Because English is used in U.S. financial institutions, greater command of the language allows for more

familiarity with the customs of these institutions, easier communication with financial personnel (e.g., bank employees, financial advisors, investment brokers), and more comfort within financial settings (Paulson et al. 2006). In this way, English language proficiency aids in immigrants' acquisition of investment knowledge and strategies (Hao 2007).

Our expectation, therefore, is that greater English language proficiency will be associated with higher financial well-being. This expectation is largely reflected in the literature as, when compared to the native born, immigrants who are less proficient in English are associated with lower levels of wealth attainment (Painter 2013).[4] Further, better English language proficiency is associated with a higher likelihood of owning a number of assets (e.g., savings, checking, and retirement accounts; stocks; home; business) (Chatterjee and Kim 2011; Fontes 2011; Kim et al. 2012), though there is some evidence that English language proficiency is not associated with improved financial well-being (Osili and Paulson 2009).

Time in the United States

The length of time immigrants have resided in the United States is an important factor for integration into U.S. society. Longer durations in the United States allow immigrants opportunities to learn local customs and develop knowledge of economic, social, and political institutions (Bass and Casper 2001). Immigrants' familiarity with financial institutions, in particular, would be crucial for improvement of financial well-being. More time in the United States also lets immigrants build social networks, including creating ties with the U.S. native born. Social networks may provide immigrants with a number of resources, which will help improve their financial well-being. These resources could include lowering the cost of searching

[4] The one exception to this pattern is immigrants with either a high school degree or some college experience who speak English "very well." This group is associated with equivalent wealth attainment as native-born speakers.

for and obtaining financial information as well as increasing knowledge about particular types of accounts and/or investments (Chang 2005)

For wealth attainment, assimilation theory predicts that greater time in the United States would be associated with improved financial well-being (Hao 2004). And, indeed, research on immigrant wealth (Akresh 2011; Hao 2004; Painter 2013; Zhang 2003) and asset (Akresh 2011; Amuedo-Dorantes and Pozo 2002; Chatterjee and Kim 2011; Chatterjee and Zahirovic-Herbert 2011; DeSilva and Elmelech 2012; Kim et al. 2012; Osili and Paulson 2009) attainment consistently finds this to be so, though there are some exceptions to the overall pattern (see Akresh 2011; Cobb-Clark and Hildebrand 2006; Osili and Paulson 2009). Therefore, in line with this literature, we expect that immigrants will improve their financial well-being as their time in the United States increases. We also expect that immigrants will follow the investment patterns of their native-born peers the longer they reside in the United States. Yet, the racial/ethnic environment in the United States will prevent racial/ethnic minority immigrants from acquiring the financial resources of U.S.-born non-Latino whites.

Race/Ethnicity, Portfolio Composition, and Immigrant Wealth Attainment

Racial/ethnic wealth inequality likely reflects highly institutionalized racial/ethnic inequality in the United States (Omi and Winant 1994). Because most immigrants are nonwhite, immigrants of various racial/ethnic backgrounds are likely subject to similar structural barriers as their native-born racial/ethnic counterparts. For example, Waters (1999) documents that West Indian immigrants strive to maintain their ethnic identity as a way of distinguishing themselves from black Americans and to help facilitate upward mobility. In the end, however, “race as a master status . . . overwhelms the identities of the immigrants and their children, and they are

seen as black Americans" (Waters 1999:8). Thus, immigrant experiences in the United States are likely to resemble those of their native-born racial/ethnic counterparts because structural forces that affect native-born racial/ethnic groups are likely to affect their immigrant counterparts in a similar way (Hao 2004). In this way, immigrants' race/ethnicity affects their abilities to navigate the social environment and influences their job opportunities, social connections, and, ultimately, asset attainment (Hao 2007; Portes and Rumbaut 2006; Waldinger 1996; Waters 1999).

Additionally, while it is important to examine a broad measure of wealth attainment, net worth may not accurately capture financial resource allocation and investment strategies (Oliver and Shapiro 2006). Therefore, we turn our attention to portfolio composition and examine two key assets – home and stock – that contribute to wealth attainment. But what particular advantage does an analysis of portfolio choices provide over net worth? One advantage is that portfolio choices affect the rate of wealth attainment because returns, risk, and liquidity vary across assets. For example, stocks are liquid investments that carry both relatively high risk and the potential for greater returns, which become more important over time. Indeed, annual contributions of $3,000 over 40 years to a stock fund could result in an investment of over $1 million, while contributing to a government bond fund in the same way would result in less than $210,000 (Yao, Gutter, and Hanna 2005). Notably, immigrants may prefer to invest in assets that are more liquid, conservative, and insured (e.g., savings accounts) and/or provide immediate benefits (e.g., home). These attitudes and preferences may steer immigrants away from more risky investments like stocks. Further, in addition to their racial/ethnic status, immigrants may face additional limitations such as financial resources, investment knowledge, confidence in U.S. financial institutions, credit constraints, and/or risk tolerance, which may affect their portfolio

composition (e.g., Cobb-Clark and Hildebrand 2006; Guiso, Sapienza, and Zingales 2004; Hao 2004; Kossoudji 2007).

In sum, since the racial/ethnic status of both immigrants and the native born is strongly associated with wealth attainment, it is essential to review this literature in order to shed light on how race/ethnicity may affect wealth attainment for both the native born and for immigrants. Furthermore, since asset acquisition and portfolio composition affect net worth (Bertaut and Starr-McCluer 2000), it is important to examine the individual assets that comprise a typical household portfolio. We expect that race/ethnicity will affect immigrants' investment behavior and portfolio choice in much the same way as their U.S.-born co-ethnic peers.

Asians. A growing body of research examines Asian wealth attainment and asset acquisition. Among the native born, there is mixed evidence with Asian Americans having more (Hao 2004; Painter 2013), less (Campbell and Kaufman 2006; Hao 2007), or equivalent (Painter 2013) wealth as native-born whites, though the amount of Asian American's education may explain these discrepancies (Painter 2013). Overall, Asian immigrants are associated with less wealth than native-born whites (Hao 2007), but education matters as those with education below a college degree (but not those with at least a bachelor's degree) are associated with less wealth than native-born whites (Painter 2013). By ethnicity, with the exception of Japanese immigrants, Asian immigrants are associated with less wealth than white immigrants (Hao 2004).

Turning to portfolio choices, Asian Americans are just as likely as native-born whites to own financial assets (Chatterjee and Zahirovic-Herbert 2012) and savings accounts (Fontes 2011) and hold similar levels of equity in financial assets (Chatterjee and Zahirovic-Herbert 2012) and homes (Krivo and Kaufman 2004). There is some evidence that Asian Americans are less likely to have retirement savings (Fontes 2011) and homes (DeSilva and Elmelech 2012)

than native-born whites. For Asian immigrants, there is also evidence of similar portfolio choices as white immigrants (Chatterjee and Kim 2011). When compared to Asian Americans, Asian immigrants are less likely to have checking or retirement accounts (Osili and Paulson 2009), but have equivalent levels of ownership for savings accounts and stocks/mutual funds (Osili and Paulson 2009). Among Asians, there is mixed evidence as to nativity effects with Asian immigrants less likely (DeSilva and Elmelech 2012) or just as likely (Osili and Paulson 2009; Painter et al. 2001) to own homes as Asian Americans.

Blacks. Most of the literature on racial/ethnic wealth inequality has focused on the black-white divide. Research overwhelmingly demonstrates that native-born blacks have less wealth than native-born whites (e.g., Blau and Graham 1990; Conley 1999; Hao 2004, 2007; Keister 2000, 2004; Killewald 2013; Oliver and Shapiro 2006; Smith 1995). There are also stark differences in stock ownership (Gutter and Fontes 2006; Hanna et al. 2010), financial assets (Chatterjee and Zahirovic-Herbert 2012), retirement savings (Fontes 2011), general savings (Fontes 2011), home ownership (e.g., Flippen 2001, 2004; Haan 2007; Keister 2000, 2004), and home equity (Krivo and Kaufman 2004). When compared to white immigrants, black immigrants are associated with less wealth (Hao 2004; Painter 2013) and a lower likelihood of owning important assets such as homes and stock (Chatterjee and Kim 2011; DeSilva and Elmelech 2012; Chatterjee and Zahirovic-Herbert 2011; Flippen 2001). There is some evidence, however, of equity in ownership of other assets like checking and retirement accounts (Chatterjee and Kim 2011). Among blacks, there is also some evidence of a nativity effect in home ownership with immigrants less likely to own homes (Osili and Paulson 2009), but for important aspects of wealth attainment black immigrants and the black native born attain similar levels of financial well-being (Osili and Paulson 2009; Painter et al. 2001).

Latinos. As with Asians, the wealth literature has increasingly focused on Latino financial well-being. For net worth, native-born Latinos are associated with less wealth than native-born whites (Campbell and Kaufman 2006; Cobb-Clark and Hildebrand 2006c; Hao 2004, 2007; Painter 2013; Smith 1995). A similar pattern is evident when comparing Latino immigrants to whites, whether they are fellow immigrants or native born (Hao 2004, 2007; Painter 2013). Among Latinos, there is mixed evidence with some research reporting that there is no nativity effect (Painter 2013) while other research finds that Latino immigrants attain a lower level of wealth than native-born Latinos (Hao 2007).

In terms of portfolio composition, there is a more varied pattern than for the previous racial/ethnic groups. Native-born Latinos are associated with lower likelihoods of holding stock (Hanna et al. 2010), financial assets (Chatterjee and Zahirovic-Herbert 2012), value in their vehicles (Cobb-Clark and Hildebrand 2006c), homes, and home equity (Krivo and Kaufman 2004) than native-born whites. In contrast, there is no racial/ethnic inequality between native-born Latinos and whites for retirement or general savings (Fontes 2011) and native-born Latinos are advantaged over native-born whites in business assets, including real estate (Cobb-Clark and Hildebrand 2006c). When comparing Latino immigrants to whites, there is again substantial variation. Latino immigrants are associated with a lower likelihood of owning key assets like stock and homes (Chatterjee and Kim 2011; Chatterjee and Zahirovic-Herbert 2011; DeSilva and Elmelech 2012; Flippen 2001), but have similar levels of ownership for other assets like checking accounts, retirement accounts, and business ownership (Chatterjee and Kim 2011). Finally, among Latinos, immigrants are consistently associated with a lower likelihood of asset ownership (Osili and Paulson 2009), though there is some disagreement for home ownership (Osili and Paulson 2009; Painter et al. 2001).

Hypotheses. In line with the racial/ethnic inequality evident in the wealth literature, we offer the following hypotheses that capture racial/ethnic stratification in wealth attainment, net of immigrant status, U.S. education, English language proficiency, and time spent in the United States:

Hypothesis 1: Racial/ethnic minorities accumulate less wealth than whites.

Corollary 1a: Wealth inequality is the largest between whites and blacks.

Corollary 1b: Wealth inequality between whites and Latino is less than that between whites and black.

Corollary 1c: Wealth inequality is the smallest between whites and Asians.

Hypothesis 2: Racial/ethnic minorities are less likely to be homeowners than whites.

Corollary 2a: The racial/ethnic hierarchy in homeownership follows the expectations above.

Hypothesis 3: Racial/ethnic minorities are less likely to invest in stocks than whites.

Corollary 3a: The racial/ethnic hierarchy in risky asset ownership follows the expectations above.

DATA AND METHODS

Data

This research uses data from the 2001 and 2004 panels of the Survey of Income and Program Participation (SIPP). SIPP is a continuous series of national multistage-stratified panels of the U.S. civilian noninstitutionalized population that interviews all household members 15 years old and over. Respondents are interviewed every four months over the duration of the panel (3 years for the 2001 panel; 2.5 years for the 2004 panel) with interviews designed around

a core set of questions with rotating topical modules. SIPP data are especially valuable for immigration studies because the large sample size yields a relatively substantial sample of immigrants and, in particular, racial/ethnic minorities. SIPP has also been previously used to analyze immigrant wealth attainment (Cobb-Clark and Hildebrand 2006a, 2006b, 2006c; Hao 2004, 2007; Painter 2013) because of its extensive financial and migration information.

From the larger SIPP data files, we created a cross-sectional dataset by using select waves from each panel.[5] We did this by combining the core files with the Wave 2 (Migration History) and Wave 3 (Assets and Liabilities) topical modules for both the 2001 and 2004 panels. We also used information from a third module in the 2001 panel because English language proficiency questions are located in Wave 8 (Adult Well-Being).[6]

The analytical sample included native-born and immigrant adults who were currently living in the United States. We excluded Native Americans[7] and respondents from U.S. territories[8] due to their small sample sizes. With these restrictions, the analytical sample size is 70,947 and includes 2,098 non-Latino Asians, 9,243 non-Latino blacks, 5,861 Latinos, and 53,745 non-Latino whites.

SIPP used a sequential hot deck procedure to impute missing data. This procedure matched a respondent with missing information to a donor respondent according to multiple categories including sex, race, age, and marital status. The missing information for the respondent were then replaced with the donor's valid data. This resulted in no missing data *within* waves; therefore, the only source of missing data in SIPP arises when respondents enter or

[5] We do not use the longitudinal structure of the SIPP data because the interval between the waves that ask about assets and liabilities are too short (1 year for 2004 panel; 2 years for 2001 panel) to provide meaningful insight into wealth attainment.
[6] These questions are included in the Wave 2 topical file in the 2004 data.
[7] Native Americans included American Indians, Aleutians, and Eskimos.
[8] U.S. Territories included American Samoa, Guam, Puerto Rico, and the Virgin Islands.

exit a panel *between* waves (U.S. Census Bureau 2001:13-15–13-17). Merging multiple waves within a panel thus introduced missing data. For respondents who exit the SIPP sample, but remain in the population represented by the sample, one strategy SIPP recommended was multiple imputation (U.S. Census Bureau 2001:13-20–13-21). We imputed missing data using the multiple imputation, then deletion (MID) procedure (von Hippel 2007).[9]

Measures

Wealth Outcomes. SIPP contains detailed information on asset and debt holdings in the United States. *Net worth* is measured as the US$2004 value of assets less debts. Assets include the value of financial investments, such as checking and savings accounts, bonds, stocks, and Individual Retirement Accounts (IRAs). Also included are the value of non-financial holdings, such as homes, automobiles, real estate, and other valuable possessions. The value of these assets is weighed against total debts, such as those from credit cards, hospital bills, mortgages, and property liens. For specific assets, we analyze two dichotomous variables (1=ownership): *home/personal residence* (e.g., home, condo, apartment, farm, or mobile home), and *stocks*.

Explanatory Variables. We use five sets of explanatory variables. First, race/ethnicity is classified as non-Latino white (reference), non-Latino Asian, non-Latino black, and Latino.[10] Second, we include five variables for immigrant status: native born (reference), naturalized citizen, LPR status at arrival, adjustment to LPR status, and a residual category.[11] Third, U.S. education is measured with a dichotomous variable that indicates their place of education or

[9] Five datasets were imputed for each model using SAS Proc MI and SAS Proc Quantreg. Final results were obtained using SAS Proc MIAnalyze.
[10] For the rest of the paper, we shorten the label for racial/ethnic groups by dropping "non-Latino".
[11] The residual category includes immigrants who did not have LPR status at entry to the United States and have not adjusted to LPR. This category may include students, certain refugees/asylees, and undocumented immigrants, among others.

where they completed their last degree (1=completed last degree in the United States). SIPP includes a number of variables that assess English language proficiency. We identify whether respondents are native English speakers (reference) or, for immigrants, we include their self-report of how well they speak English: "not at all", "not well", "well", or "very well." Last, we include a measure of immigrant's length of residence in the United States (age at survey less age at arrival). We assign a value of zero to native-born respondents.

Control Variables. We used several controls from the life cycle. Continuous variables included age and its square, household size, and income (logged). We accounted for gender with a dichotomous variable (1=female). Educational attainment is measured as: no high school (reference), high school, some college, college degree, and advanced degree. Marital status was captured with dichotomous variables: married (reference category), never married, separated, divorced, and widowed. For place of residence, we included a variable for urban/rural residency (rural is the reference category) and a set of four dichotomous variables that captured the U.S. Census regions: Northeast (reference category), Midwest, South, and West. Last, we also controlled for respondents' participation in a particular panel with a dichotomous variable (1=2004 panel).

Analytical Approach

We use several approaches to model immigrants' wealth attainment. For the dichotomous outcomes, we use logistic regression. For net worth, we use quantile regression analysis. In recent years, the empirical quantile regression literature "makes a persuasive case for the value of going beyond models for the conditional mean" (Koenker and Hallock 2001: 151). Quantile regression provides more robust estimates to outliers than the mean. Wealth variables have many

outliers, especially in the higher tail of the wealth distribution. These outliers affect the results of OLS regression. Median regression, for example, estimates the 50^{th} percentile and minimizes the sum of absolute residuals. This minimization equates the number of positive and negative residuals and assures the same number of observations above and below the median (Koenker and Bassett 1979). Areas of application for quantile regression include earnings and wealth inequality (for example, see Conley and Galenson 1998; Gosling, Machin, and Meghir 2001).

An additional advantage of quantile regression is that it provides a more complete assessment of the effects of covariates across the distribution of net worth (at specified quantiles), which may reveal unique features of the data. Therefore, we also explore other types of quantile regressions by setting the quantile threshold, τ , to deciles in order to explore the relationship between our covariates and wealth attainment at these levels. This allows us to examine racial/ethnic inequality across the distribution of net worth, giving us a more complete picture of the various percentage points of the distributions.

We use a variable-nested modeling approach to explore how race/ethnicity affects immigrant wealth attainment. Four models in Table 2 examine net worth. Model 1 introduces the race/ethnic variables. Model 2 adds the measures of immigrant status. Model 3 includes the variables capturing immigrants' U.S. experience. Model 4 is the full model, with controls. Results for logged wealth are interpreted in terms of percent change (Wooldridge 2009). To provide a sense of effect size, we also generate predicted values with an antilog or exponential transformation. To explore the relationship between race/ethnicity, immigrants' U.S. experience, and wealth attainment over the wealth distribution, Table 3 presents quantile regression results

by decile.[12] Models 5 and 6 in Table 4 present results from logistic regressions for home and stock ownership.

** Table 1 about here **

RESULTS

Descriptive Results

Table 1 presents descriptive statistics for the outcome, explanatory, and control variables. First, for the measures of wealth attainment, median wealth for the full sample is $66,915, slightly more than two-thirds of the sample own their home, and less than one-fifth own stocks. By racial/ethnic group, whites have the highest median wealth ($92,917), followed by Asians ($70,275). Blacks and Latinos have similar median levels of wealth with $8,425 and $9,080, respectively. For homeownership, there is a substantial gap between whites, with 73% ownership, and racial/ethnic minorities all closer to 50% ownership. Investment in stocks is relatively similar between Asians and whites and equivalent between blacks and Latinos. For the latter two groups, this lower level of ownership likely reflects their lack of wealth. Second, most of the full sample is white (76%), followed by blacks (13%), Latinos (8%), and Asians (3%).

Next, for the immigrant composition of the sample, almost 90% are native born and an additional 5% are naturalized citizens. For the remaining categories,, 3% received their LPR status at arrival while 1% adjusted to LPR status later. By race/ethnicity, the vast majority of black and white respondents are native born and relatively few are legal permanent residents. In contrast to these two groups, the majority of Asians are either currently naturalized citizens (46%) or LPR immigrants (23%). Almost half of Latinos in the full sample are native born, with similar proportions of naturalized citizens and immigrants with LPR status at arrival.

[12] To conserve space, Table 2 presents coefficients and significance levels for the explanatory variables. Full results are available from the authors upon request.

Last, Table 1 reports descriptive statistics of the U.S. experience variables for the full sample; however, it is more informative to examine these variables among immigrants only. We underline these statistics to differentiate them from the full sample and racial/ethnic subsamples. A substantial proportion of immigrants complete their education in the United States (39%) and the average duration is almost 14 years. For English language proficiency, half of the immigrants in the sample are either native English speakers (32%) or speak the language "very well" (20%). In contrast, approximately one-third of the immigrants speak English "not well" or "not well at all." By race/ethnicity, there is relatively similarity in the attainment of U.S. education with black immigrants associated with a slightly higher frequency of completion. For U.S duration, Asian immigrants have been in the United States for the least amount of time while Latinos and whites have the longest average residencies. More than half of black immigrants speak English as a native language, but only 20% of Latinos and 25% of Asians are native speakers. Of the racial/ethnic groups, Latinos are associated with less command of the English language than the others.

** Figure 1 about here **

Median Wealth and Portfolio Choices by Race/Ethnicity and Immigrant Status

Figure 1 presents median wealth by racial/ethnic group and immigrant status. Several patterns stand out. First, there is a clear contrast between the wealth of Asians and whites and that of blacks and Latinos. The wealth inequality between Asians/whites and blacks/Latinos is larger for native-born and naturalized citizens while the gap is smallest among immigrants with LPR status at arrival and those with a non-LPR status. Second, with the exception of Asians, there is a wealth divide between citizens – either native born or naturalized – and immigrants. Naturalized citizens are associated with the highest median wealth within each racial/ethnic group, followed

by the native born for every group except for Asians. Last, there are differences in wealth by immigrant status within racial/ethnic groups. Among immigrants, those who attain LPR status via adjustment are associated with a higher median wealth value, followed by immigrants with LPR status at arrival, and then other immigrants. In sum, Figure 1 illustrates substantial variation in net worth by both racial/ethnic and immigrant status.

** Figure 2 about here **

Figure 2 presents two graphs that highlight racial/ethnic and immigrant status variation for home and stock ownership. First, Graph 1 shows that home ownership is quite common in the SIPP data. Native born and naturalized citizens are associated with the highest proportion of home ownership. Among immigrants, there is a clear advantage for those who adjusted to LPR status, which likely reflects their relatively longer durations in the United States. For race/ethnicity, inequality in home ownership is not as evident as for net worth; however, blacks and Latinos are generally disadvantaged relative to Asians and whites with the same immigrant status.

Graph 2 provides key insight into the wealth inequalities in Figure 1. Here, there is a substantial racial/ethnic gap with Asians and whites much more likely to own stocks than blacks and Latinos. By immigrant status, those with LPR status via adjustment have the highest proportion of stock ownership and the highest ownership overall among Asians and blacks. The pattern of ownership for the remainder of the immigrant categories generally reflects that of Figure 1. Notably, no Latino immigrants with a non-LPR status own stock.

In sum, Figure 2 highlights the differential ownership of two key assets by racial/ethnic and immigrant status. These portfolio choices are essential for wealth attainment and represent important dimensions of financial well-being.

** Table 2 about here **

Median Quantile Regression Results

Table 2 contains four variable-nested models estimated with median regression. Together, these models document the persistence of racial/ethnic inequality and the importance of U.S. experience for immigrant wealth attainment. Model 1 introduces the race/ethnicity variables. In comparison to whites, all racial/ethnic minority groups are associated with less wealth. The smallest wealth inequality is between Asians and whites with Asians associated with 1% (=100[exp(0.012) – 1]) less wealth. In real dollars, this wealth inequality is $18,741. The wealth gap between both blacks and Latinos and whites is much larger. These groups are associated with 5% (=100[exp(0.055) – 1]) or approximately $87,000 less wealth than whites.

Model 2 adds the immigrant status variables. With the introduction of these variables, the racial/ethnic coefficients change relatively little. For the immigrant status variables, naturalized citizens are associated with wealth advantage relative to the native born. This wealth premium is 2% or $33,302. In contrast, immigrants are associated with less wealth. In terms of percent change, immigrants are associated with approximately 1% less wealth than the native born; however, the predicted values differ slightly by the immigrant category. In comparison to the native born, wealth inequality is greatest for immigrants with a non-LPR status ($17,223), followed by new arrivals ($13,093) and adjustees ($9,436).

Model 3 introduces the U.S. experience variables and their addition only slightly changes the racial/ethnic and immigrant status results from the previous models. The most notable change is that the coefficient for naturalized citizens is no longer significant, which signals wealth parity between this group and the native born. Immigrants who are not native English language speakers are associated with wealth disadvantage ranging from $6,520 for those who speak

English "very well" to approximately $18,539 for those who speak English "not at all." Time spent in the United States is positively associated with wealth attainment: each additional year is associated with .07% or $1,188 increase in wealth

Model 4 is the full model with controls. With the addition of the control variables, the coefficients for the race/ethnic and immigrant status variables are reduced, though they remain significant. In contrast to Model 3, the coefficients for naturalized citizens and U.S. education are now statistically significant. Beginning with race/ethnicity, the results suggest a three-tiered racial/ethnic hierarchy.[13] Whites have the most wealth and both Asians and Latinos occupy the second tier. These groups are associated with 1% less wealth ($14,896 for Asians; $17,691 for Latinos) than whites. Blacks are at the bottom of the racial/ethnic wealth hierarchy and are associated with 2% (=100[exp(0.024) – 1]) or $38,960 less wealth. For the immigrant status variables, the wealth gap between the native-born and naturalized citizens is the smallest ($22,737) while immigrants are clustered closely together, independent of their LPR or non-LPR status. Immigrants are associated with 2% less wealth and the predicted values reveal that the wealth inequality with the native born is greatest for new arrivals ($35,266) and smallest for immigrants with a non-LPR status ($34,358). Immigrants with a U.S. education are associated with a wealth premium of 1% or $18,657. Speaking English with proficiency below "very well" is associated with less wealth, ranging from 1% ($12,167) less wealth for immigrants who speak English "well" to 2% ($29,018) for immigrants who speak English "not at all." Last, for U.S. duration, each additional year of residency is associated with .03% ($537) more wealth.

Together, the results are largely in line with the expectations and hypotheses. The wealth gaps between whites and both Asians and blacks support Hypothesis 1a and 1c. However, that

[13] We established this hierarchy using t-tests for the equality of coefficients within the same model (Clogg et al. 1995; see also Paternoster et al. 1998).

the wealth inequality between Latinos and whites is similar to the Asian/white contrast is counter to Hypothesis 1b. For the U.S. experience variables, the results generally reflect our expectations: U.S. education and duration are associated with greater wealth while LPR and non-LPR immigrant status and lesser English language proficiency are associated with less wealth.

** Table 3 about here **

Quantile Regression Results by Decile

We now explore whether racial/ethnic inequality persists across the wealth distribution. Model 4 is re-estimated, but the quantile threshold, τ , is set to deciles. We present just the coefficients and significance levels for the explanatory variables in Table 3 to conserve space.[14]

Racial/ethnic wealth inequality is consistent across the wealth distribution. Indeed, the three-tiered hierarchy identified by median regression holds for most of the wealth distribution and it is only after the 70th percentile that a more nuanced pattern emerges. Among the wealthiest individuals, the quantile regression results suggest a pattern of racial/ethnic wealth inequality that aligns with the hypotheses. T-tests for the equality of coefficients confirm that, at the upper-end of the wealth distribution, whites are associated with the most wealth, followed by Asians, Latinos, and then blacks. It is also worth noting that the magnitude of the coefficients, as expected, increases as the wealth percentile increases.

For the immigrant categories, wealth inequality between the native born and naturalized citizens is evident across the entire wealth distribution. Among immigrants, there appears to be little distinction between those with (either at arrival or via adjustment) and without LPR status. Only at the 90th percentile is there substantial divergence among immigrants.

The remaining explanatory variables largely reflect the pattern identified at the median. Immigrants who complete a degree in the United States are associated with a wealth premium, an

[14] Full results are available from the authors upon request.

advantage that grows across the wealth distribution. Immigrants who speak English "very well" are generally associated with a level of wealth attainment that is equivalent to the native born. English proficiency below this level is associated with lower wealth attainment. Last, time spent in the United States is positively associated with wealth attainment over most of the wealth distribution; however, above the 70th percentile there is no relationship between U.S. duration and wealth attainment.

In sum, the benefit of quantile regression is the ability to observe how certain relationships change across the full wealth distribution. Results from an examination of deciles reveal that racial/ethnic inequality is persistent, but more nuances in the racial/ethnic hierarchy develops among the wealthiest individuals. Overall, Table 3 illustrates the pervasiveness of racial/ethnic wealth inequality. For the dimensions of U.S. experiences, the results generally align with our expectations.

** Table 4 about here **

Immigrants' Investment Strategies: Homeownership and Stocks

Having established strong racial/ethnic inequalities in net worth, we turn our attention to investments. Table 4 presents results from logistic regression that focus on two investment strategies: home and stock ownership. Overall, results suggest persistent racial/ethnic and U.S. experience differences in investment. For race/ethnicity, Asians are associated with a lower likelihood of home ownership than whites, but attain an equivalent level of stock ownership. Inequality in both home and stock ownership is largest between blacks and whites. Latinos are again between these two groups: the smallest gap in home ownership is between Latinos and whites, but there is a substantial inequality for stock ownership. Further, equality of coefficients

t-tests indicates that the coefficient for each racial/ethnic category is statistically distinct from the others.

The immigrant status variables also illustrate substantial inequality in financial portfolio composition: all of the immigrant categories are less likely to own both homes and stocks than the native born. The largest contrast with these assets is between the native born and immigrants without LPR status, followed by immigrants with LPR status at entry. Naturalized citizens are associated with the smallest contrast with the native born for home ownership; however, inequality in stock ownership is the least between the native born and immigrants who adjust to LPR status. Last, the other U.S. experience variables present a similar pattern of results as for net worth.

In sum, the results for investments generally reflect the expectations and hypotheses. With the exception of Asians and stock ownership, racial/ethnic minorities are associated with a lower likelihood of ownership of these assets (Hypothesis 2 and 3). The ordering of the racial/ethnic hierarchy, however, does not consistently conform to the hypotheses. Together, the results suggest that racial/ethnic inequality in investments are evident for both home and stock ownership and provide evidence of the importance of asset acquisition for broader wealth attainment.

DISCUSSION AND CONCLUSION

Immigrants move to the United States, in part, to pursue a higher standard of living and improve their financial well-being (Portes and Rumbaut 2006). Social scientists have long been interested in immigrants' economic integration into U.S. society, but much of this research focuses on immigrants' low income and poverty (e.g., Lichter, Qian, and Crowley 2005; Smith and Edmonston 1997). A relatively neglected aspect of immigrant financial well-being is wealth or net worth. Given that economic mobility is often the primary goal for immigrants in the United States, wealth – or the lack thereof – is a strong indication of immigrant integration in U.S. society (Farley 1996; Kritz and Gurak 2004). We use new assimilation theory to overcome limitations of classical assimilation theory and to acknowledge the implications of race/ethnicity for immigrant integration. Immigrants' racial/ethnic status serves as a social boundary, which either facilitates or hinders their ability to integrate into U.S. society. Immigrants' incorporation, therefore, depends not only on larger social structures and institutional constraints, but also on social, economic, and cultural differences that are associated with race/ethnicity at the individual level (Alba and Nee 2003; see also Omi and Winant 1994). In this way, we posited that immigrants' integration into U.S. society would reflect existing racial/ethnic inequalities.

Our first contribution, then, was a focus on race/ethnicity and how immigrants' racial/ethnic status in the United States affected their ability to economically integrate and improve their financial well-being. Because our measure of financial well-being – wealth or net worth – was highly skewed (even when using a logarithmic transformation), we began our exploration of immigrant and native-born racial/ethnic wealth inequality in the middle of the wealth distribution. Here, we found racial/ethnic inequality that corresponded to three tiers: whites, Asians/Latinos, and blacks. Most of the research in racial/ethnic wealth inequality

focuses on the black-white divide and the results reported in this study align with this larger body of research (e.g., Blau and Graham 1990; Conley 1999; Hao 2004, 2007; Keister 2000, 2004; Killewald 2013; Oliver and Shapiro 2006; Smith 1995). Relatively few studies examine contrasts between whites and either Asians and Latinos. Here, our work resembled some prior research that finds Asian and Latino wealth inequalities (Hao 2004, 2007; Painter 2013), but not others (e.g., Campbell and Kaufman 2006). The lack of congruence with this latter literature likely reflected our greater attention on variables that describe immigrants' U.S. experience, different data, and our use of quantile regression techniques that better captures the wealth distributions of various racial/ethnic groups.

Our second contribution was to document the pervasiveness of racial/ethnic inequality over the full wealth distribution. Indeed, across the wealth distribution, blacks were associated with the greatest wealth inequality. In contrast, Asians and Latinos were associated with similar levels of wealth inequality when compared to whites across most of the wealth distribution; however, the financial well-being of these groups clearly separated among the wealthiest respondents. The only point where we did not observe consistent racial/ethnic wealth inequality was at the bottom of the wealth distribution, which likely reflects a relative lack of wealth. Therefore, there appears to be more evidence of racial/ethnic wealth differentiation when we move beyond the median and focus on the top half of the wealth distribution. As far as we are aware, this is the first study to examine the persistence of racial/ethnic wealth inequality across the wealth distribution. These results should encourage scholars to move beyond the mean and explore how the relationships among their concepts and variables of interest (do not) change across the full distribution of their outcome variable.

Our third contribution was to examine two key assets for wealth attainment: home and stock ownership. Portfolio composition provides insight into the mechanisms that contribute to larger racial/ethnic wealth inequality because particular assets represent a trade-off between financial risk and financial reward as well as serve as indicators of immigrant integration. For instance, homeownership is the most common asset within the typical financial portfolio and signals immigrants' ability to convert their socioeconomic progress into residential gain (Alba and Logan 1993). Owning stocks and bonds, which represents greater financial risk in exchange for the potential for higher returns, serves as an indicator of financial stability and economic integration in the United States.

Turning to these assets, we observed a more nuanced racial/ethnic hierarchy for home ownership. Here, there were four tiers of racial/ethnic inequality and, counter to expectation, Latinos were associated with the smallest inequality relative to whites. For stock ownership, Asians attain a similar level of ownership as whites and both Latinos and blacks are associated with a lower likelihood of investment in the stock market. Together, these results help explain racial/ethnic inequality in net worth. Blacks have the least financial resources to save and invest, which is reflected in their lower level of wealth attainment and in ownership of two key assets. Moreover, discriminatory practices are often the reason for low homeownership among native-born blacks (Holloway and Wyly 2001; Massey and Denton 1993; Oliver and Shapiro 2006) and these discriminatory practices may also affect black immigrants. Asians may be privileging investment in stocks and, conversely, de-emphasizing home ownership. The latter investment behavior may reflect Asians' greater likelihood of residing in relatively expensive housing markets (Coulson 1999; Simmons 2001). Overall, greater weight in an investment portfolio on assets with higher risk and corresponding potential for higher returns provides some insight into

why Asians are associated with the least wealth inequality relative to whites among the wealthiest respondents (see Table 3). Last, for Latinos, similar financial constraints as blacks may explain the lower likelihood of stock ownership when compared to whites. That the Latino-white contrast is the smallest for home ownership may reflect – as with Asians – patterns of residential settlement and their associated housing costs. Further, though we control for household size, Latinos may be able to purchase homes and accrue equity at a higher rate because they tend to have multiple generations and extended families living under one roof (Glick 1999).

Immigrants' U.S. experiences are important for their ability to improve their financial well-being and integration into U.S. society. In this study, we focused on four indicators of U.S. experience: immigrant status, place of education, English language proficiency, and time spent in the United States. Thus, our fourth contribution was to describe how U.S. experience matters for wealth attainment. The results were generally consistent both for wealth attainment and asset acquisition. Naturalized immigrants, at least in theory, should have access to the same resources, privileges, and rights as native-born citizens; however, we found that naturalized citizens were associated with less wealth and a lower likelihood of owning key assets. These findings are counter to previous work on wealth (Hao 2004) and home ownership (Amuedo-Dorantes and Bansak 2006; Fontes 2011; Kossoudji 2008; Osili and Paulson 2009), which may reflect differences in data and estimation strategies. Among immigrants, in line with our expectations, those with a non-LPR status were associated with the lowest likelihood of asset ownership, but similar levels of wealth attainment as LPRs. These inequalities are likely due to differing barriers to integration and levels of commitment to living in the United States that each immigrant status represents. For the other factors, when compared to native speakers, lower levels of English

language proficiency were associated with lower levels of financial well-being (Chatterjee and Kim 2011; Fontes 2011; Kim et al. 2012; Painter 2013; but see Osili and Paulson 2009). The exception was for immigrants who spoke English "very well"; this level of proficiency did not harm wealth attainment, but did limit asset acquisition. Greater English language proficiency likely helps immigrants improve their financial well-being by increasing their access to good jobs and higher wages (e.g., Chiswick and Miller 2002; Hall and Farkas 2008; Tainer 1988), but also by facilitating interactions with U.S. financial institutions. Last, U.S. education and time spent in the United States were consistently related to improved financial well-being, though U.S. duration did not lead to greater wealth among the wealthiest respondents. These findings reflect prior research (e.g., Akresh 2011; Chatterjee and Kim 2011; Cobb-Clark and Hildebrand 2006; Kim et al. 2012; Hao 2007; Painter 2013) and illustrate the value of gaining U.S.-specific resources.

Along with the above contributions of this study, we need to acknowledge its limitations. First, we do not have information on immigrants' financial well-being at the time of their arrival. This information would be valuable because it would provide insight into the actual processes underlying wealth attainment, rather than provide insight into levels of wealth attainment at a single – and arbitrary – point in time. Second, there is no information on remittances in the SIPP. Remittances reduce immigrants' investment capacity in the United States, but may represent investment if immigrants send money to purchase and/or maintain assets back in their home country. The overall impact of remittances on wealth attainment in the United States, however, may actually be quite small. For example, recent research examining U.S. wealth attainment among immigrants who recently received LPR status comments that less than 10% of

immigrants report sending more than $500 in the past year to their home country (Painter and Qian WP; Painter, Holmes, and Bateman WP).

To close, immigrants move to the United States for an opportunity to expand their life chances. Upon arrival, immigrants' racial/ethnic status affects their ability to achieve this goal. This paper shows that for some groups; namely, blacks and Latinos, the U.S. social structure serves as a barrier to economic integration and improved financial well-being. Other groups, like Asians, may encounter some obstacles to wealth attainment, but they also are advantaged in key ways (e.g., educational attainment, socioeconomic status, stock ownership) that help facilitate their incorporation into U.S. society. Overall, this study documents persistent racial/ethnic inequality, revealing that even when accounting for key aspects of U.S. experience, wealth parity with whites for racial/ethnic minorities is unattainable. This suggests that the very opportunities that immigrants pursue with their relocation to the United States are stratified and may be for quite some time.

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TABLES AND FIGURES

Table 1. Means and Standard Deviations, SIPP 2001 and 2004, N=70,947

	Total	Asian	Black	Latino	White
Outcome variables					
Net worth[a] - median value	$66.915	$70.275	$8.425	$9.080	$92.917
Home ownership	0.67	0.54	0.48	0.48	0.73
Stock ownership	0.17	0.18	0.05	0.05	0.20
Explanatory variables					
Race/Ethnicity					
Asian	0.03	—	—	—	—
Black	0.13	—	—	—	—
Latino	0.08	—	—	—	—
White	0.76	—	—	—	—
Immigrant status					
Native born	0.89	0.21	0.93	0.49	0.95
Naturalized citizen	0.05	0.46	0.04	0.18	0.03
LPR at arrival	0.03	0.17	0.02	0.16	0.01
Adjusted to LPR status	0.01	0.06	0.01	0.07	0.00
Other immigrant status	0.02	0.10	0.01	0.10	0.00
Place of education					
U.S. degree	0.05	0.36	0.04	0.21	0.02
Immigrants only	0.39	0.40	0.46	0.38	0.40
English language proficiency					
Native speaker	0.90	0.36	0.95	0.37	0.96
Immigrants only	0.32	0.25	0.56	0.20	0.48
Very well	0.05	0.31	0.03	0.26	0.02
Immigrants only	0.20	0.35	0.22	0.14	0.20
Well	0.02	0.18	0.01	0.11	0.01
Immigrants only	0.15	0.20	0.11	0.14	0.13
Not well	0.02	0.10	0.01	0.17	0.01
Immigrants only	0.22	0.16	0.08	0.33	0.13
Not at all	0.01	0.04	0.00	0.09	0.00
Immigrants only	0.11	0.04	0.03	0.19	0.05
U.S. duration	2.03 (7.66)	14.11 (12.61)	1.03 (4.99)	9.05 (12.81)	1.10 (6.30)
Immigrants only	13.79 (10.49)	10.71 (8.25)	12.71 (9.77)	14.94 (9.99)	14.22 (12.47)
Control variables					
Education					
No high school degree	0.13	0.10	0.19	0.38	0.10
High school degree	0.28	0.17	0.31	0.27	0.29
Some college	0.33	0.22	0.35	0.25	0.34
College degree	0.16	0.30	0.09	0.06	0.18
Advanced degree	0.09	0.21	0.05	0.03	0.10
Household characteristics					
Age	49.34 (16.93)	44.66 (14.90)	48.08 (16.26)	41.86 (14.71)	50.55 (17.09)
Female	0.52	0.42	0.64	0.48	0.51
Household size	2.58 (1.49)	3.06 (1.64)	2.62 (1.57)	3.53 (1.86)	2.46 (1.38)
Income[a]	$44,180 ($57,910)	$64,114 ($73,128)	$29,329 ($37,793)	$37,888 ($42,477)	$46,641 ($60,928)
Marital status					
Married	0.52	0.66	0.32	0.58	0.55
Never married	0.17	0.19	0.31	0.20	0.15
Separated	0.03	0.02	0.07	0.06	0.02
Divorced	0.16	0.08	0.17	0.11	0.16
Widowed	0.11	0.05	0.13	0.05	0.12
Residency					
Northeast	0.17	0.22	0.15	0.11	0.18
Midwest	0.25	0.13	0.18	0.10	0.29
South	0.37	0.20	0.59	0.36	0.34
West	0.20	0.46	0.07	0.43	0.19
Urban	0.76	0.93	0.85	0.87	0.73
2004 panel	0.53	0.49	0.53	0.46	0.54

Note : Some columns may not total 1.0 due to rounding. Standard deviation in parentheses.

[a] U.S.$2004 (in thousands).

Table 2. Median Regression Estimates of Race/Ethnicity, Immigrant Status, and U.S. Experience on Logged Net Worth, SIPP 2001 and 2004, N=70,947

	Model 1		Model 2		Model 3		Model 4	
Explanatory Variables								
Race/Ethnicity (ref=white)								
Asian	-0.012	*	-0.018	*	-0.014	***	-0.009	***
	(0.005)		(0.004)		(0.003)		(0.002)	
Black	-0.056	***	-0.052	***	-0.052	***	-0.024	***
	(0.001)		(0.001)		(0.001)		(0.001)	
Latino	-0.055	***	-0.048	***	-0.044	***	-0.011	***
	(0.001)		(0.001)		(0.001)		(0.001)	
Immigrant status (ref=native born)								
Naturalized citizen	—		0.020	***	0.000		-0.014	***
			(0.002)		(0.003)		(0.003)	
LPR at arrival	—		-0.008	***	-0.015	***	-0.022	***
			(0.001)		(0.001)		(0.002)	
Adjusted to LPR status	—		-0.006	***	-0.015	***	-0.021	***
			-0.001		-0.002		(0.003)	
Other immigrant status	—		-0.011	***	-0.016	***	-0.021	***
			(0.001)		(0.001)		(0.003)	
Place of education (ref=foreign degree)								
U.S. degree	—		—		0.002		0.011	***
					(0.001)		(0.002)	
English language proficiency (ref=native speaker)								
Very well	—		—		-0.004	**	-0.001	
					(0.001)		(0.002)	
Well	—		—		-0.006	***	-0.007	**
					(0.001)		(0.003)	
Not well	—		—		-0.008	***	-0.013	***
					(0.001)		(0.002)	
Not at all	—		—		-0.012	***	-0.018	***
					(0.001)		(0.002)	
U.S. duration	—		—		0.001	***	0.000	***
					(0.000)		(0.000)	

Table 2, continued

Control Variables								
Education (ref= no high school)								
High school	—		—		—		0.015	***
							(0.001)	
Some college	—		—		—		0.023	***
							(0.001)	
College degree	—		—		—		0.057	***
							(0.002)	
Advanced degree	—		—		—		0.089	***
							(0.002)	
Household characteristics								
Age	—		—		—		0.003	***
							(0.000)	
Age, squared	—		—		—		0.000	***
							(0.000)	
Female (ref=male)	—		—		—		-0.002	***
							(0.001)	
Household size	—		—		—		0.002	***
							(0.000)	
Income (logged)	—		—		—		0.001	***
							(0.000)	
Marital status (ref=married)								
Never married	—		—		—		-0.024	***
							(0.001)	
Separated	—		—		—		-0.035	***
							(0.001)	
Divorced	—		—		—		-0.041	***
							(0.001)	
Widowed	—		—		—		-0.039	***
							(0.001)	
Residence (ref=northeast)								
Midwest	—		—		—		-0.004	***
							(0.001)	
South	—		—		—		-0.009	***
							(0.001)	
West	—		—		—		0.001	
							(0.001)	
Urban (ref=rural)	—		—		—		0.007	***
							(0.001)	
2004 panel (ref=2001 panel)	—		—		—		0.005	***
							(0.001)	
Intercept	7.401	***	7.397	***	7.397	***	7.258	***

* $p < .05$; ** $p < .01$; *** $p < .001$, two-tailed

Note: Standard errors in parentheses.

Table 3. Coefficients and Significance Levels from Quantile Regression Estimates of Race/Ethnicity, Immigrant Status, and U.S. Experience on Logged Net Worth, SIPP 2001 and 2004, N=70, 947

	Percentiles																	
	10th		20th		30th		40th		50th		60th		70th		80th		90th	
Race/Ethnicity (ref=white)																		
Asian	-0.001		-0.004	***	-0.005	***	-0.010	***	-0.009	***	-0.014	***	-0.016	***	-0.013	***	-0.021	***
Black	-0.003	***	-0.008	***	-0.014	***	-0.019	***	-0.024	***	-0.029	***	-0.036	***	-0.043	***	-0.056	***
Latino	-0.001		-0.002	***	-0.005	***	-0.008	***	-0.011	***	-0.015	***	-0.022	***	-0.028	***	-0.038	***
Immigrant status (ref=native born)																		
Naturalized citizen	-0.002	***	-0.007	***	-0.011	***	-0.013	***	-0.014	***	-0.010	***	-0.011	***	-0.016	***	-0.024	***
LPR at arrival	-0.002	***	-0.008	***	-0.013	***	-0.017	***	-0.022	***	-0.024	***	-0.026	***	-0.029	***	-0.034	***
Adjusted to LPR status	-0.001		-0.008	***	-0.013	***	-0.017	***	-0.021	***	-0.022	***	-0.026	***	-0.031	***	-0.043	***
Other immigrant status	-0.001		-0.009	***	-0.013	***	-0.017	***	-0.021	***	-0.020	***	-0.021	***	-0.025	***	-0.030	***
Place of education (ref=foreign degree)																		
U.S. degree	0.001	***	0.005	***	0.007	***	0.009	***	0.011	***	0.011	***	0.014	***	0.018	***	0.018	***
English language proficiency (ref=native speaker)																		
Very well	-0.001		-0.001		-0.003	***	-0.002	***	-0.001		0.000		0.001		-0.004		-0.001	
Well	-0.003	***	-0.005	***	-0.007	***	-0.008	***	-0.007	***	-0.009	***	-0.010	***	-0.007	***	-0.005	***
Not well	-0.003	***	-0.005	***	-0.009	***	-0.010	***	-0.013	***	-0.014	***	-0.014	***	-0.020	***	-0.022	***
Not at all	-0.004	***	-0.008	***	-0.013	***	-0.015	***	-0.018	***	-0.021	***	-0.023	***	-0.026	***	-0.029	***
U.S. duration	0.000	***	0.000	***	0.000	***	0.000	***	0.000	***	0.000	***	0.000		0.000		0.000	

* $p < .05$; ** $p < .01$; *** $p < .001$, two-tailed

Note: Models control for the control variables described in the text and displayed in Model 4, Table 2.

Table 4. Logistic Regression Estimates of Race/Ethnicity, Immigrant Status, and U.S. Experience on Home and Stock Ownership, SIPP 2001 and 2004, N=70,947

	Model 5			Model 6		
	Coeff.		S.E.	Coeff.		S.E.
Explanatory Variables						
Race/Ethnicity (ref=white)						
Asian	-0.42	***	-0.06	0.06	***	-0.08
Black	-0.83	***	-0.03	-1.24	***	-0.06
Latino	-0.23	***	-0.04	-0.77	***	-0.08
Immigrant status (ref=native born)						
Naturalized citizen	-0.79	***	-0.09	-0.50	***	-0.13
LPR at arrival	-1.24	***	-0.08	-0.94	*	-0.13
Adjusted to LPR status	-1.05	***	-0.12	-0.35	***	-0.17
Other immigrant status	-1.77	***	-0.10	-1.40	**	-0.22
Place of education (ref=foreign degree)						
U.S. degree	0.47	***	-0.06	0.29	***	-0.10
English language proficiency (ref=native speaker)						
Very well	-0.20	***	-0.05	-0.33	***	-0.07
Well	-0.45	***	-0.07	-0.81	***	-0.13
Not well	-0.62	***	-0.07	-1.22	***	-0.21
Not at all	-1.12	***	-0.11	-1.60	*	-0.43
U.S. duration	0.02	***	0.00	0.01	***	0.00
Control Variables						
High school degree	0.32	***	-0.03	0.94	***	-0.07
Some college	0.50	***	-0.03	1.49	***	-0.06
College degree	0.91	***	-0.04	2.29	***	-0.07
Advanced degree	0.99	***	-0.05	2.46	***	-0.07
Household characteristics						
Age	0.16	***	0.00	0.06	***	-0.01
Age, squared	0.00	***	0.00	0.00		0.00
Female (ref=male)	-0.04		-0.02	-0.01	***	-0.02
Household size	0.12	***	-0.01	-0.04	***	-0.01
Income (logged)	0.07	***	0.00	0.03	***	0.00
Marital status (ref=married)						
Never married	-1.34	***	-0.03	-1.16	***	-0.05
Separated	-1.63	***	-0.05	-1.35	***	-0.11
Divorced	-1.29	***	-0.03	-1.46	***	-0.04
Widowed	-0.74	***	-0.04	-1.17	*	-0.05
Residence (ref=northeast)						
Midwest	0.39	***	-0.03	0.07	***	-0.04
South	0.47	***	-0.03	-0.25		-0.03
West	0.01		-0.03	-0.04	***	-0.04
Urban (ref=rural)	-0.10	***	-0.02	0.36	***	-0.03
2004 panel (ref=2001 panel)	0.08	***	-0.02	-1.05	***	-0.02
Intercept	-4.79	***		-4.33		

* $p < .05$; ** $p < .01$; *** $p < .001$, two-tailed

Figure 1. Median Net Worth by Race/Ethnicity and Immigrant Status

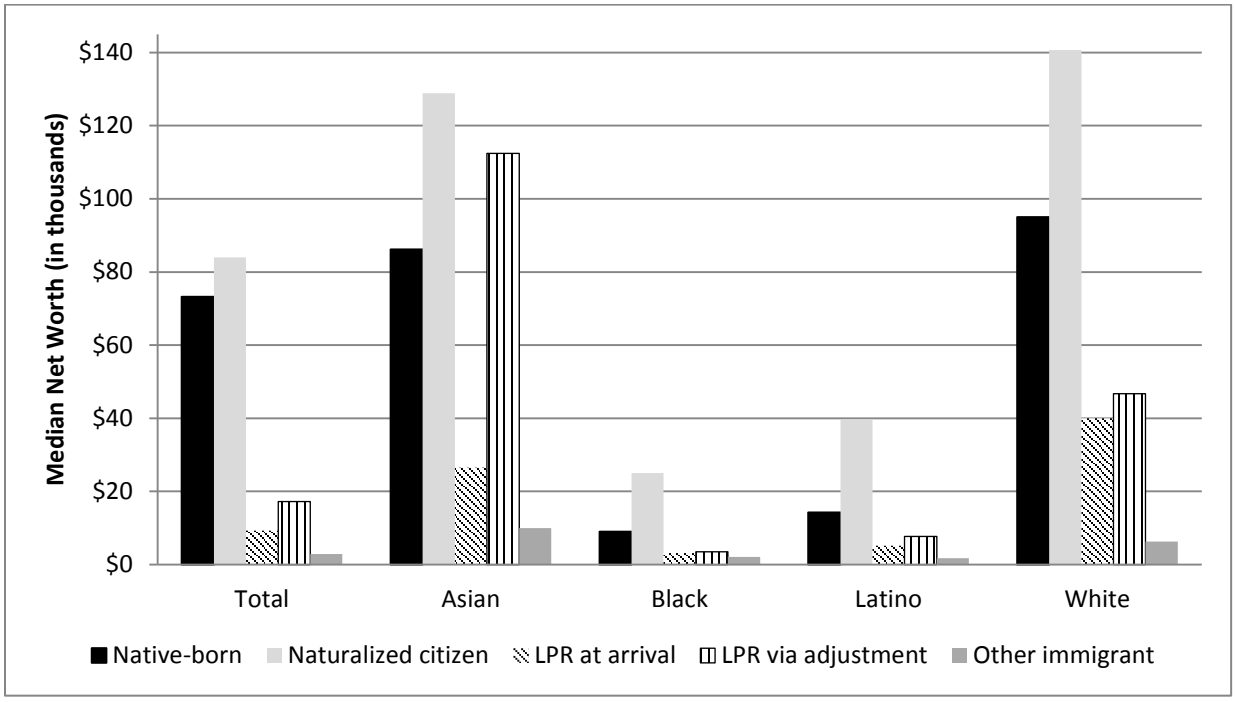

Figure 2. Portfolio Composition by Race/Ethnicity and Immigrant Status