

**Dynamics of Immigrant Settlement in Los Angeles:
Upward Mobility, Arrival, and Exodus**

by

Dowell Myers, Principal Investigator
Julie Park
Sung Ho Ryu

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Population Dynamics Research Group
School of Policy, Planning, and Development
University of Southern California

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INTRODUCTION

The progress of immigrants in the Los Angeles region¹ is a concern of widespread significance. Much of the population growth since 1970 has been spurred by foreign born arrivals and their children born here. These changes were especially dramatic in the 1980s and many may have assumed that they continued apace through the 1990s. In Los Angeles County alone, the foreign born stock rose from 22.1% of the population in 1980 to 33.7% by 1990. In fact, the share of immigrants continued to grow, but more slowly, to 36.2% in 2000. Waves of immigrants from successive decades have now settled in Los Angeles. The fate of this population has broad implications for service dependence and tax paying ability. It also holds substantial implications for the skill level of the emerging labor force, as well as for housing demand and other market impacts.

How did the Los Angeles immigrant population fare during the 1990s? A deep and prolonged recession in the first half of the decade was followed by economic boom leading into 2000 and continuing into 2005. In this context, new immigrants arrived to make their homes, while others left Los Angeles for other locales with cheaper housing and better job opportunities. For those that remained, how great was their upward mobility? Relative to the native-born, did immigrants fare as well, or better, in the 1990s than in the 1980s?

This final report of the project, **Dynamics of Immigrant Settlement in Los Angeles: Upward Mobility, Arrival, and Exodus**, summarizes the findings from three project reports that address the questions posed above. Four key dynamics are used to unpack the overall trajectory of progress of the region's immigrant population. First, newcomers in the decade prior to 2000 may be better or worse off than newcomers prior to the 1990 census. Second, the declining volume of newcomers relative to the number of all foreign born may shift the overall attainment level of the foreign born toward the higher status of longer-settled immigrants. Third, a growing outflow of immigrants from Los Angeles seeking better opportunities elsewhere may shift the status of those left behind, depending on whether the out-migrants are more or less advantaged than those remaining in Los Angeles. The final dimension is the upward mobility of immigrants who remain in Los Angeles over a decade's time. As they settle in, growing older and further integrating into the society and economy, how much does their socioeconomic status advance? Are immigrants advancing more rapidly now than in the 1980s?

Report 1 examined the overall population and socioeconomic trends from 1970 to 2000 in Los Angeles County as compared with the Southern California region and the state of California as a whole. Overall, many trends in socioeconomic status for recent immigrants illustrate some encouraging progress. Although some of the signs are decidedly mixed, an examination of multiple indicators, such as educational attainment, poverty and homeownership levels, reveal that the foreign born are increasingly better off than in past decades. Such a trend could indicate a maturing of the immigrants in the region. While the foreign born have traditionally been associated more closely with the newest arrivals, they

¹ The Los Angeles region includes the six counties of Los Angeles, Orange, Riverside, Imperial, San Bernardino, and Ventura.

may now be weighted more heavily towards the longer-term residents who are more assimilated and exhibit qualities closer to those of native born residents.

Report 2 looked in more detail at the changes in the inflow and outflow of immigrants through the 1980s and 1990s. One key question was to understand whether the new immigrants were settling down in Los Angeles or just passing through, a question of considerable political significance. Second, in order to better understand the underlying population changes that may have affected the findings of Report 1, we inquired how much the dynamics of demographic change in the Los Angeles immigrant population helped to explain the findings of Report 1. Some of the reported changes were quite dramatic and have important implications for the future. Despite considerable impact, the compositional shifts in the immigrant population certainly do not fully explain the progress of immigrants in Los Angeles.

The upward mobility of immigrants as they increase their length of U.S. residence was the focus of Report 3. For the immigrants who have stayed in Los Angeles, how great was their upward mobility in the 1990s? We tracked the progress of immigrants in different decades to determine if immigrants at similar stages of settlement made as strong an upward socioeconomic advancement (namely in movement out of poverty and into homeownership) in the 1990s as found previously for the 1980s. This was accomplished by three different approaches: (1) examining the socioeconomic levels of newcomers and longer-settled immigrants by arrival cohort, (2) a components of change methodology to address whether progress was most due to compositional shifts in the immigrant population or to advancements made by previous arrivals, and (3) lastly, multivariate logistic regression models that compare upward mobility trends of the 1990s to those of the 1980s, controlling these findings for out-migration effects.

In this Final Report, we summarize all of the accumulated findings of the project. We aim to provide a comprehensible overview of immigrant progress in Los Angeles. This dynamic process is complex but entirely understandable.

DATA AND SCOPE

The research is based entirely on the decennial census, the best source of data for providing depiction of immigrant numbers and status across multiple decades. We used Summary File and Public Use Microdata Samples (PUMS) data from 1970, 1980, 1990 and 2000² in the

² In census 2000, the race variable differs from those of previous censuses because it allows for each respondent to check one or more race categories. This has caused some difficulty in comparing race groups over time because, in the 2000 data, “racial groups were now recorded in ranges from minimum sizes—those who said they were a single race alone—to more inclusive, maximum sizes, based on those who said they were not only that race but also of other extraction as well” (Myers and James 2002). In the report, *Overlap: A Guide to Race and Hispanic Origin in Census 2000* by Dowell Myers and Angela James (2002), it is suggested that an average of the minimum and maximum counts be taken for each of the race groups when making comparisons of 2000 and 1990 census data. Therefore, the 2000 data in this report are averaged between the minimum and maximum counts for each race group.

following studies to analyze the socioeconomic well-being of the residents of the Los Angeles region.

Immigrants, also referred to as the foreign born, are defined somewhat differently in census data for different decades. However, we have constructed a consistent definition for use in this report: immigrants include persons born outside the United States and its outlying U.S. territories, such as Puerto Rico and Guam, and who arrived in the United States as non-citizens (i.e., persons not born abroad of American citizens). “Recent” immigrants are those who arrived in the ten years prior to the census year. Although these foreign-born residents become more settled with time, for the purposes of this study a “settled” immigrant is one who has been in the country since at least the previous census, i.e., for more than 10 years.

The following outcome variables were used for each of the four census years (1970-2000) in order to measure the key socioeconomic characteristics mentioned in the previous section:

- **Total Population** is measured for both native-born and foreign-born residents. Additionally, nativity was also considered among the four ethnic/racial groups to determine the percent of the population of each group that is foreign-born. The foreign born are also classified by decade of arrival in the U.S. (arrival cohorts).
- **Educational Attainment** is determined by measuring the percent of the population that has completed a high school degree or higher, and a bachelor’s degree or higher. These attainment measures are determined for each of the four ethnic/racial groups by nativity and arrival cohort. The universe for educational attainment is adults 25 and older since many people under age 25 may still be pursuing their education.
- **Poverty** is measured by the percentage of persons who fall below the federally determined poverty level. In Census 2000, the poverty level for a family of four was \$17,029. For detailed description of how the census measures poverty, see <http://www.census.gov/hhes/poverty/povdef.html>). Additionally, the percentage of people who live at 200% or higher than the poverty level is considered (i.e. \$34,058 for a family of four). This is also further broken out by each of the four ethnic/racial groups, nativity and arrival cohorts. The universe used is total persons.
- **Homeownership** is measured by the percentage of householders who live in homes that are owner-occupied. Again, this is further broken out by each of the four ethnic/racial groups, nativity and arrival cohorts. Householders (household heads) are the universe most commonly used to measure homeownership.

OVERALL PROGRESS

We begin with an overview of some summary indicators of socioeconomic status in the immigrant population from 1970 to 2000 (Exhibit 1). From 1970, the percent of the foreign born population in the region that has at least a high school level education has been steadily increasing from 45.3% to 52.6% by 2000. The more remarkable increase in educational attainment has been in the almost doubling of those with a bachelors degree (9.5% in 1970 to 18.8% in 2000). This is certainly a positive sign that a larger share of the foreign born population is better equipped for higher skilled jobs in the region. However, it bears recognition that the proportion of the native born population with these educational levels has increased even more rapidly over the decades: high school completion rising from 65.1% to 86.3%, and college completion rising from 13.2% to 28.0%. Accordingly, these data by themselves do not indicate sufficient progress by the immigrant population.

Exhibit 1: Some Summary Indicators of Socioeconomic Progress for Immigrants in the Los Angeles Region

	1970	1980	1990	2000
Percent w/ High School Degree or Higher	45.3	51.0	51.0	52.6
Percent w/ Bachelors Degree or Higher	9.5	14.8	16.9	18.8
Percent Below the Poverty Level	14.0	18.7	20.5	20.4
Percent Homeowners	45.4	43.3	43.1	45.3

Even with the gradual increase in the educational attainment of the immigrant population of the Los Angeles region, immigrant poverty was steadily increasing from 1970 to 1990 (rising from 14.0% to 20.4%). Furthermore, the gap between the native-born and the foreign-born was widening as the poverty rate for the native-born remained around 10% throughout the 1970s and 1980s. However, the 1990s finally saw a slowdown of the steady increase in immigrant poverty.

Coupled with the slowdown in poverty increase, we also observe an increase in immigrant homeownership for the first time in decades (reaching 45.3% in 2000). This achievement level is remarkable in light of the high costs of housing in the Los Angeles region.

It is not clear what component of the immigrant population may have contributed to the observed trends in these summary indicators. How much of this is due to the changing characteristics of new immigrant arrivals? Or, how much is due to the changing weight of the new arrivals within the total foreign born population? Alternatively, how much of the

status trend is due to the upward mobility of previously arrived immigrants who are now established?

IMMIGRANT GROWTH AND CHANGE

The population of the Los Angeles region jumped by 13.1% from 1990 to 2000, to a new total of 16,517,899 residents (Exhibit 2). This represents an increase of 1,915,893 persons during the decade. However, as relentless as the region’s continued population growth is, it slowed down during the 1990s from its 25.6% increase (2,979,826 persons) during the 1980s.

Further, the region’s total population increase was achieved primarily through increases of the foreign born (+29.7%) versus the native born (+7.0%). Again, the percentage increase in the foreign born has also decreased significantly from previous decades. For example, the total foreign born population increased 115.6% between 1970 and 1980, and then by 84.8% from 1980 to 1990. See Exhibit 2 for a summary of population changes.

Exhibit 2: Change in Population for the Los Angeles Region

	1970	1980	1990	2000
Total Population	9,969,406	11,622,180	14,602,006	16,517,899
Total Change from previous decade (%)	--	16.6	25.6	13.1
Native Born (% change)	--	5.6	12.3	7.0
Foreign Born (% change)	--	115.6	84.8	29.7
Foreign Born as % of Total Population	9.9	18.4	27.0	31.0

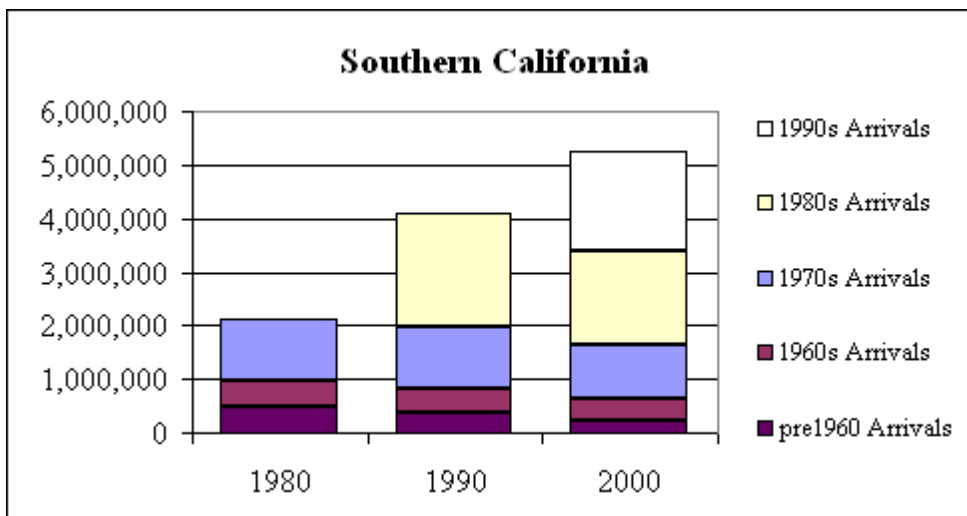
The increase in foreign born share was driven by an inflow of new immigrant arrivals (Exhibit 3). During the 1970s and 80s, this inflow increased markedly, by 177% and 80% respectively, but in the 1990s the inflow subsided by 12 %. A little recognized consequence of this pace of immigration is that the majority of all immigrants were newcomers in 1980 and 1990, but that fell to little more than a third by 2000. This compositional shift away from a dominating presence of the newest arrivals creates an opportunity for socioeconomic progress to be revealed for the immigrant population as a whole. This is demonstrated in a later section.

Exhibit 3: New Immigrants in the Los Angeles Region, 1970-2000

	1970	1980	1990	2000
1. Volume of Newcomers in Preceding 10 Years	422,973	1,172,840	2,105,394	1,851,668
2. Change in Volume		177.3%	79.5%	-12.1%
3. Newcomers' Share of All Foreign Born	42.7%	54.9%	53.3%	36.2%

Another way of viewing the growth of the foreign born population is as the accumulation of successive waves of new arrivals (Exhibit 4). Each wave creates a new layer of population added on top of its predecessors. The new arrivals of the 1980s and 90s dwarf in number those who came in the 1970s or before. Observe also that the arrival cohorts shrink gradually over time, whether through out-migration or death (for the earliest arrivals).

Exhibit 4: Layers of Successive Immigrant Arrivals in Southern California



One of the best ways of assessing the overall settlement of the immigrant population is whether the new arrivals are retained in successive decades or whether they are lost through out-migration to other regions in the U.S. or by return migration home. This cohort retention is summarized in Exhibit 5. Whereas it appears that the 1970s arrivals were held in the region during the 1980s, during the most recent decade both the 1970s and 80s arrivals exited at an accelerated pace. Even these estimates of loss are likely underestimates, because

the 2000 census had a much reduced rate of undercount and should have even produced an increase in cohort size. Nonetheless, it is interesting that Los Angeles’s reduced inflow of new arrivals and its loss of previous immigrants were of a comparable proportion—around 15%.

Exhibit 5: The Retention of Immigrants who Arrived in the 1970s and 1980s

	1980	1990	2000
1980s Arrivals		2,105,394	1,755,836
Change from Previous Decade			-16.6%
1970s Arrivals	1,172,840	1,166,834	1,018,986
Change from Previous Decade		-0.5%	-12.7%

A major question often raised about the attraction and loss of immigrants is whether Los Angeles is losing its most educated or its least educated immigrants. To suffer a brain drain would leave the region at a greater disadvantage. Shedding light on this question is Exhibit 6 which tracks the education levels over time of different arrival cohorts. We find evidence of no appreciable change for the 1980s arrivals. Even though 17% of the cohort was lost over the decade, its high school completion and BA degree status remained virtually constant.

Exhibit 6: Educational Attainment of 1970s and 1980s Immigrant Arrivals (Age 25 and older)

	High School Completion			Bachelors Degree		
	1980	1990	2000	1980	1990	2000
1980s Arrivals		50.0%	49.7%		17.8%	17.2%
1970s Arrivals	46.1%	46.4%	52.6%	16.7%	16.6%	19.2%
1970s Arrivals (age 35+ in 2000)			47.8%			18.1%

Among the 1970s arrivals, however, we find that education levels increased markedly in the 1990s. This could indicate that the least skilled immigrants were lost from the region. However, an alternate interpretation is that educational levels increased because immigrant children in this cohort, who were educated in the U.S., came of age and boosted their arrival group’s skill level. To offset that potential effect, educational attainment can be recalculated to exclude these young adults. Among the group age 35 and above, we find mixed evidence that education increased over the decade. At the high school level, there is a slight increase

(+1.4%) for those age 35+ in 2000, the cohort that was 25+ in 1990. This is only about one-quarter of the increase when younger immigrants are included in the sample in 2000. At the college level, we observe the same increase once age is controlled to 35+ (+1.5%). This increase is literally the same people who were counted in the increase of high school graduates (because the college graduates are also high school graduates). This suggests a real growth in education level among the region's 1970s arrivals, one concentrated at the college level, and one attributable to selective in-migration to the region of better educated immigrants who previously lived elsewhere in the nation.³

Despite the small shift observed among the 1970s arrivals, the evidence here indicates that cohort retention in the region has been generally unbiased with respect to education level. That would suggest that our evidence of upward progress of the region's immigrants should not be attributed to out-migration of the less skilled. More detailed analysis in Report 3 tested the effect of education level on our outcome indicators and we control for those effects in a later section of the present report.

REDUCTION IN POVERTY

Poverty is a condition describing many immigrants when they are new arrivals. Much of the debate over immigration has revolved around the feared inability of immigrants to advance themselves out of poverty. We can observe this process directly in the Los Angeles region by tracing immigrant cohorts over time. We also can assess whether the pace of poverty reduction has been more rapid in Los Angeles in the 1990s than in the 1980s. In this section we also consider how much of the overall change in the foreign born poverty rate may be due to upward mobility of previous immigrants and how much is due to changes involving new immigrants. For this purpose we use three methods: a) plotting of cohort trajectories; b) calculation of components of change in poverty reduction; and c) multivariate logistic regressions that compare the pace of poverty reduction for cohorts in the 1990s with otherwise similar cohorts in the 1980s.

The immigrant population in California experienced an overall increase in its poverty rate each decade from 1970 to 1990. However, after 1990, for the first time since the Post-1965 immigration wave, the poverty rate for immigrants decreased from 19.4% in 1990 to 18.8% in 2000. Patterns observed for California are much more definitive than those for the Los Angeles region (see Report 3). Although the poverty rate of the region did not actually decline from 1990 to 2000 (it still increased by only 1/10 of a percentage point), it has certainly ceased to deteriorate in the same way it did from 1980 to 1990 (worsening from 18.7% to 20.1% poverty). Details of poverty rates over time for each arrival cohort, showing the improvement with lengthening residence, are provided in Exhibits 6 and 7. Although a

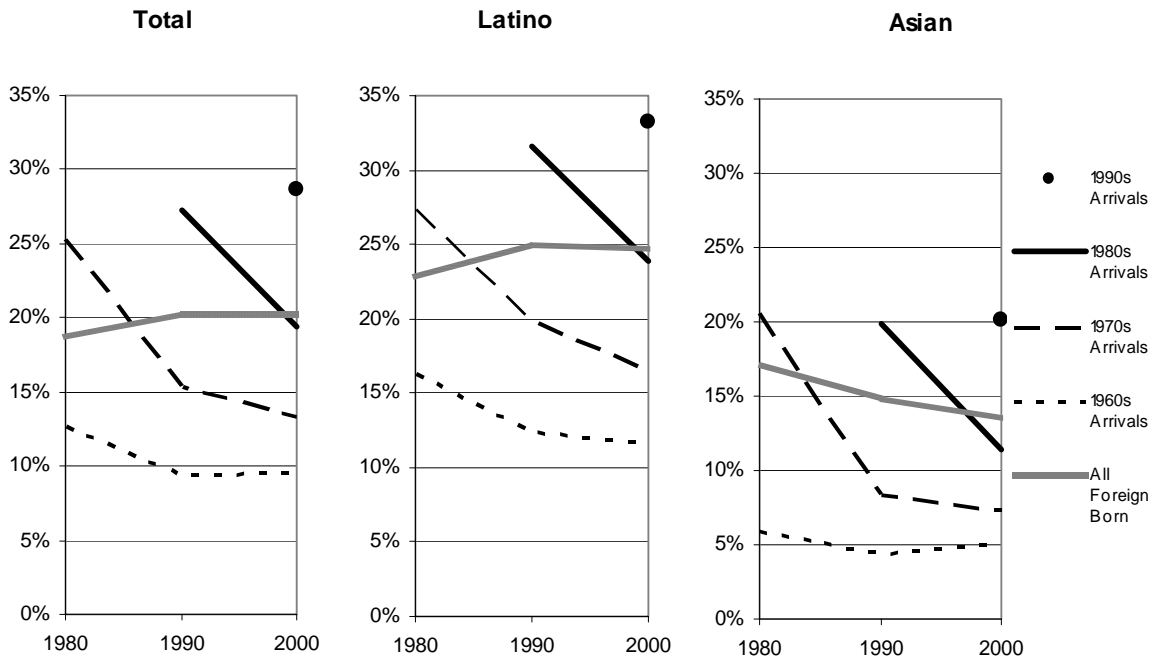
³ This is reflected in more detailed data presented in Report 2.

sharp turnaround in poverty is not observed for the total immigrant population, that can be seen once it is broken out separately for Latino and Asian immigrants.⁴

Exhibit 6: Poverty Rates of Immigrants By Arrival Cohort in the Los Angeles Region

Year of Arrival	1980	1990	2000
1990-2000			28.6%
1980-89		27.3%	19.4%
1970-79	25.2%	15.4%	13.3%
1960-69	12.6%	9.4%	9.5%
1950-59	8.5%	6.5%	7.7%
pre1950	8.8%	8.0%	9.5%
Total	18.7%	20.1%	20.2%

Exhibit 7: Immigrant Cohort Trajectories out of Poverty



⁴ The reason that the two major subgroups both showed improvement while the total did not may be attributed to the growing weight of Latinos among the total, which weighted their higher poverty rates more heavily in the 2000 total than in 1990. Also, white and black immigrants (about 15% of all foreign born in California) are also included in the total and could affect the overall trend.

A number of key dynamics can be observed in these poverty trajectories. Observe the starting points of each arrival group’s poverty trajectory. Newcomers to the region in 2000 arrived with higher poverty (28.6%) than the newcomers of previous decades (25.2% in 1980 and 27.3% in 1990). This is also true for Latino and Asian immigrants. However, the dominant factor in the data is the steep decline in poverty over time as the immigrant cohorts lengthened their stay in the U.S. That decline is steepest in the first decade of residence.

Components of the Overall Poverty Change

Although poverty did not actually decline in the 1990s for the total immigrant population, it did cease its upward climb. The overall change in immigrant poverty is a product of the specific changes we have discussed—the difference in the poverty rate of newcomers in the 1990s from that of newcomers in the 1980s, the improvement in poverty status over the decades for established immigrants, and the changing relative size of different arrival cohorts in the immigrant population. Putting all of these factors together, how does each factor contribute to the overall changes observed in immigrant poverty (Exhibit 8)?

Exhibit 8: Components of Poverty Rate Change, Los Angeles Region

	Total Immigrants	
	1980s (80-90)	1990s (90-00)
Total Change in Rate	1.46%	0.08%
New Immigrants	1.07%	0.47%
Settled Immigrants	-3.31%	-3.02%
Composition Change	3.71%	2.63%

	Latino Immigrants	
	1980s (80-90)	1990s (90-00)
Total Change in Rate	2.14%	-0.27%
New Immigrants	2.29%	0.58%
Settled Immigrants	-2.81%	-3.32%
Composition Change	2.65%	2.47%

	Asian Immigrants	
	1980s (80-90)	1990s (90-00)
Total Change in Rate	-2.24%	-1.35%
New Immigrants	-0.38%	0.09%
Settled Immigrants	-3.92%	-3.23%
Composition Change	2.05%	1.78%

This components of change analysis helps us compare the relative importance of key dynamics of poverty change. Certainly we see the power of upward mobility among immigrants: the effect in the 1990s was even greater for Latino than Asian immigrants. And we can weight the importance of that factor against the smaller changes observed for newcomer immigrants. The composition change factor reflects the mounting numbers of immigrants who have live less than 20 years in the U.S. (and whose poverty rates are above average). The weakening effect of this factor in the 1990s reflects the relative slowdown in growth of the newest arrivals. Yet, this analysis still does not account for age effects or the changing education level of immigrants.

Regression Analysis of the Pace of Poverty Change by Established Immigrants

From the preceding analysis it appears that Latinos achieved a greater reduction in poverty among the settled immigrants in the 1990s than in the 1980s. Meanwhile, Asians achieved less progress in the 1990s than in the 1980s. This finding is not controlled for age or education level, and we do not have a direct statistical test of changes between the decades. For this purpose, we turn to multivariate logistic regressions, as conducted in great detail for Report 3.⁵ Here we extract only the highlights from these very detailed findings (Exhibit 9).

Exhibit 9: Relative Odds Ratios of Progress Out of Poverty in Two Decades (1990 to 2000 compared to 1980 to 1990)

				Total		Latino		Asians
	ymc0	Beginning of decade*Native-born	Ref.					
Y*MC	ymc1	End of decade*(1-10yr)		0.864	***	0.957		0.431
(1980s)	ymc2	End of decade*(11-20yr)		1.056	*	0.977		0.819
	ymc3	End of decade*(20+yr)		0.961		0.920		0.796
<hr/>								
	pymc0	(1990-2000)*Beginning of decade*Native-born	Ref.					
P*Y*MC	pymc1	(1990-2000)*End of decade*(1-10yr)		0.729	***	0.812	***	0.946
(1990s vs. 80s)	pymc2	(1990-2000)*End of decade*(11-20yr)		0.737	***	0.904	*	0.884
	pymc3	(1990-2000)*End of decade*(20+yr)		0.918		1.002		1.081
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P*Y*MC	pymc0	(1990-2000)*Beginning of decade*Native-born	Ref.					
(Education controlled)	pymc1	(1990-2000)*End of decade*(1-10yr)		0.736	***	0.804	***	0.904
	pymc2	(1990-2000)*End of decade*(11-20yr)		0.741	***	0.893	**	0.856
	pymc3	(1990-2000)*End of decade*(20+yr)		0.908	*	0.985		1.092
<hr/>								
Statistical significance:								
		*** p<0.01	** p<0.05			*p<0.1		

⁵ The “double cohort” methodology developed in an earlier study supported by the Haynes Foundation (Myers and Lee 1998) is extended here to a two-decade model that compares progress of cohorts in different periods.

In Exhibit 9, poverty progress is estimated in the 1980s and again in the 1990s compared to the 1980s (a direct test of change between decades). The term $Y*MC$ is the interaction of year of observation and immigration cohort, signifying growing duration of residence in the U.S. net of aging effects and other changes experienced by native borns who are the reference group. In this exhibit, the $Y*MC$ effect pertains to the 1980s only. The difference in duration effect in the 1990s is represented by $P*Y*MC$, the effect of Period (1990 compared to the 1980s) on top of the effect of $Y*MC$ (with odds ratios the two effects are multiplicative). In Exhibit 9, an odds ratio below 1.00 signifies reduction in poverty for immigrants or, in the case of $P*Y*MC$, a reduction that was steeper in the 1990s than in the 1980s.

According to our estimations, the most recent immigrants (MC1) experienced progress out of poverty in each decade. And the progress out of poverty of recent immigrants (MC1) and settled immigrants (MC2) in the decade of 1990s was greater than that for cohorts in the 1980s. In other words, the odds for recent immigrants (MC1) to be below poverty at the end of the decade are estimated to be 0.864 times as high as at the beginning. During the 1990s ($P*Y*MC$), recent immigrants experienced a much steeper decline than in the 1980s relative to the native-borns (odds are 0.729 times as great in the 1990s as in the 1980s). Adjustment for education differences between the decades yields virtually the same result (0.736), showing that a changing education mix of immigrants that remained in the region is not the cause of this declining poverty rate.

The story for Latinos and Asians is very different. Among Latinos, little progress out of poverty was made during the 1980s, but poverty reduction in the 1990s was substantially steeper (e.g. for the most recent arrivals, the odds of poverty were 0.957 as great in 1990 as in 1980, but the odds were 0.812 as great in 2000 as in 1990). In contrast, Asians enjoyed extremely sharp reductions in poverty during the 1980s (odds of 0.431) but during the 1990s, they experienced little additional improvement (odds of 0.946).⁶ Differences in educational attainment apparently have little effect on the differences in poverty reduction between the two decades because the education-adjusted changes are so similar to what we have described.

ADVANCEMENT INTO HOMEOWNERSHIP

Homeownership is widely regarded as an important indicator of immigrant progress (Logan and Alba 1992; Myers and Lee 1998; Clark 2003). Commonly referred to as the American Dream, attainment of homeownership indicates arrival in the middle class. This makes it a useful complement to poverty analysis which measures status at a lower economic level.

⁶ The slower rate of poverty decline for Asian 1980s arrivals is partially explained by the growing presence of Southeast Asians in the total Asian immigrant population who have much higher poverty rates (see Park 2005).

Immigrant homeownership in the Los Angeles region remained stagnant from 1980 to 1990 at 43.3% but by 2000, it increased to 45.5%, as seen in Exhibit 10. This is a positive sign that the immigrant population in California is doing better overall. Latino immigrants saw a larger increase in homeownership from 32.5% in 1990 to 39.5% in 2000 (see Exhibit 11). However, Asian immigrants actually experienced a decrease in their overall homeownership from 53.3% in 1990 to 52.7% in 2000.

Exhibit 10: Homeownership Rate of Immigrants By Arrival Cohort

Year of Arrival	1980	1990	2000
1990-00			19.7%
1980-89		21.3%	39.6%
1970-79	23.0%	44.5%	56.2%
1960-69	49.7%	60.5%	68.0%
1950-59	61.1%	71.9%	73.6%
pre1950	61.9%	70.1%	77.5%
Total	43.3%	43.3%	45.5%

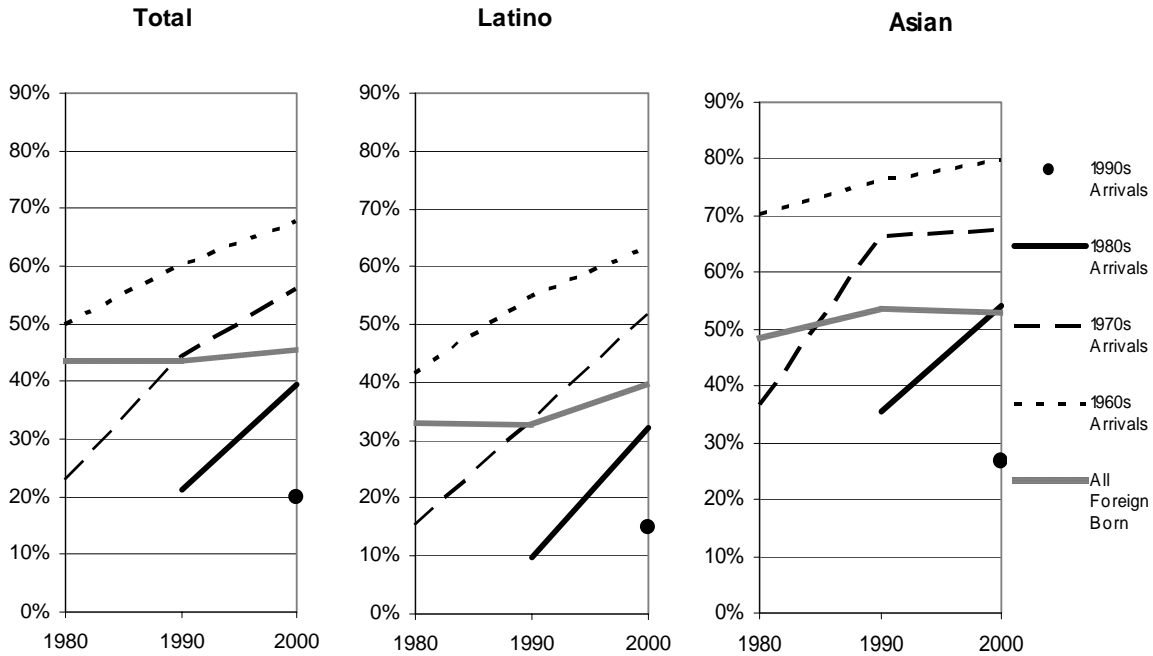
Newcomers in each decade have arrived with progressively lower homeownership rates. (The newcomers in 2000 had a homeownership rate of 19.7%, while the newcomers in 1990 had a 21.3% homeownership rate, and the newcomers in 1980 had an even higher rate of 23.0%.) This pattern holds true for new Asian immigrants, but for new Latino immigrants, those newcomers in 1990 had an unusually low rate of homeownership (9.7%) which is unlike the newcomers before or after. The pattern of declining homeownership for successive waves of newcomers reflects the higher cost of housing facing newcomers in recent decades, although lack of affordability was less acute in 2000 than 1990 (Myers and Gao 2004).

The increase in overall homeownership may be more due to the fact that longer settled immigrant arrival cohorts are increasing their homeownership rates considerably through the decades. For example, the 1970s arrivals began with a 23.0% homeownership rate in 1980 (Exhibit 10). By 1990, their homeownership rose by more than 20 percentage points to 44.5%, and it rose again to 56.2%. By 2000, the earlier immigrant arrival cohorts were reaching homeownership rates of well over 70.0%. These trajectories of rapid upward mobility are an encouraging sign of immigrant settlement in Los Angeles.

Latinos fared much better in the 1990s than the 1980s (Exhibit 11). Not only was the initial homeownership rate of newcomers higher, but the upward trajectories of settled cohorts of

Latinos were steeper in the 1990s than the 1980s. In contrast, Asians fared worse in the 1990s than the 1980s, with much lower initial homeownership rates and much flatter trajectories of improvement.

Exhibit 11: Immigrant Cohort Trajectories into Homeownership



Components of the Overall Homeownership Change

With a better understanding of the net changes in homeownership rates and the changes in the number of immigrant households, we can begin to explore and unpack which aspects of change contributed to the rise in homeownership and by how much. Exhibit 12 begins with the observed decline in homeownership in the 1980s (−0.02 percentage points) followed by an increase in the 1990s (2.15 percentage points). For all immigrant households, the composition change from 1980 to 1990 had the largest negative effect on homeownership (−9.83%). The largest positive contributor was the advancement of longer settled immigrant households into homeownership (10.39%). The effect of new immigrants was relatively modest but negative on homeownership.

From 1990 to 2000, the effect of the compositional shift was not as negative as it was for the 1980s (−8.21%), because the most recent arrivals did not grow in number as rapidly and they became a smaller share of all foreign born. Meanwhile, the settled immigrants made similar strides in the 1990s as in the 1980s to increase homeownership rates (10.68%). These positive trends coupled with an even smaller effect of new immigrant households, created an overall increase in homeownership for the 1990s.

Latinos in Los Angeles made even stronger strides into homeownership during the 1990s while homeownership actually fell for Asian immigrants. Latino immigrant households saw very similar patterns in the 1980s but they made considerable progress in their homeownership rates during the 1990s (an increase of 7.00 percentage points). The biggest contributing and striking factor to this increase was the longer settled immigrant households that contributed 15.00 percentage points to the overall change in homeownership. This finding is a positive one and a clear sign of progress, however, it should also be noted that these Latino householders began with much lower homeownership.

Exhibit 12: Components of Change for Homeownership

	Total Immigrants	
	1980s (80-90)	1990s (90-00)
Total Change in Rate	-0.02%	2.15%
New Immigrants	-0.57%	-0.32%
Settled Immigrants	10.39%	10.68%
Composition Change	-9.83%	-8.21%

	Latino Immigrants	
	1980s (80-90)	1990s (90-00)
Total Change in Rate	-0.26%	7.00%
New Immigrants	-1.86%	0.90%
Settled Immigrants	10.36%	15.00%
Composition Change	-8.76%	-8.91%

	Asian Immigrants	
	1980s (80-90)	1990s (90-00)
Total Change in Rate	5.18%	-0.59%
New Immigrants	-0.54%	-2.34%
Settled Immigrants	11.90%	7.60%
Composition Change	-6.19%	-5.84%

Asian immigrant households did not experience a decline in homeownership in the 1980s and, in fact, they saw a large increase in the 1980s (5.18 percentage points) while their homeownership actually declined in the 1990s (-0.59 percentage points). Much of the components of change are similar to that of the total immigrant households with the exception of the longer settled immigrant households. It seems that the longer settled

immigrants experienced a larger increase in the 1980s (11.90%) than they did in the 1990s (7.60%).

Many might be surprised that Asian homeownership exhibited less favorable change than was true among Latinos. That could reflect the higher prices in locations favored by Asians, or it might result from the lower socioeconomic status of Asian immigrants in the 1990s compared to the 1980s. More immigrants arrived from Southeast Asia in the 1990s, and the 1980s arrivals also drew a higher proportion of better educated immigrants. To explore some of these issues more fully, in the next section we develop a multivariate statistical analysis.

Regression Analysis of the Pace of Homeownership Change by Established Immigrants

We now turn to multivariate estimations of advancement into homeownership, again employing the newly developed two-decade extension of the “double cohort” methodology for estimating immigrant progress (Myers and Lee 1998). Exhibit 13 shows the results of homeownership progress comparing two decades. In general, the evidence of upward mobility resembles that for poverty (with the understanding that odds greater than 1.00 signify advancement into homeownership). In the 1980s, only among the newest immigrants is there progress into homeownership that is dramatically greater than for native-borns (Y*MC). In the 1990s, among total immigrants, there is no appreciable change in this pattern relative to the 1980s.

Exhibit 13: Relative Odds Ratios of Progress into Homeownership in Two Decades (1990 to 2000 compared to 1980 to 1990)

		Odds Ratio	Total	Latino	Asians
Y*MC	ymc0	Beginning of decade*Native-born	Ref.		
	ymc1	End of decade*(1-10yr)	1.668 ***	1.757 ***	1.583 ***
	ymc2	End of decade*(11-20yr)	1.062 **	1.196 ***	0.757 **
	ymc3	End of decade*(20+yr)	1.043	1.129 **	1.144
P*Y*MC	pymc0	(1980-1990)*Beginning of decade*Native-born	Ref.		
	pymc1	(1990-2000)*End of decade*(1-10yr)	0.953	1.444 ***	0.904
	pymc2	(1990-2000)*End of decade*(11-20yr)	1.040	1.156 ***	1.052
	pymc3	(1990-2000)*End of decade*(20+yr)	0.923 *	0.912	0.811
P*Y*MC (Education Controlled)	pymc0	(1980-1990)*Beginning of decade*Native-born	Ref.		
	pymc1	(1990-2000)*End of decade*(1-10yr)	0.951	1.423 ***	0.871
	pymc2	(1990-2000)*End of decade*(11-20yr)	1.016	1.117 **	1.022
	pymc3	(1990-2000)*End of decade*(20+yr)	0.910 **	0.884 *	0.773

Statistical significance:

*** p<0.01

** p<0.05

*p<0.1

As with poverty, this overall pattern differs for Latinos and Asians. Among Asians, there is the same sharp degree of progress among the most recent immigrants but for the longer settled immigrants (MC2), progress is substantially slower than for native-borns. This pattern is no different in the 1990s than in 1980s. Among Latinos, however, progress relative to the native-borns is even more dramatic among the newest arrivals and it continues to be substantially greater for longer settled cohorts (MC2 and MC3). In the 1990s, Latino immigrant progress escalated still further relative to the native-born for both the new arrivals and the settled immigrants. Again, the effect of adjusting for education differences between decades has minimal impact. Latino immigrants are simply more upwardly mobile in the 1990s than in the 1980s.

SUMMARY AND CONCLUSION

Our overall conclusion is that immigrants in the Los Angeles region generally fared better in the 1990s than in the 1980s. In answer to the question of whether immigrants were passing through or settling down, the evidence is clear. Each wave of immigrant arrivals since 1960 has settled in place, although a portion (approximately 15%) were lost during the 1990s. New arrivals that decade also were reduced in number from the previous decade, most likely due to fewer economic opportunities during the deep recession.

Despite economic hardship imposed by the recession of the early 1990s, we find that immigrants in 2000 were generally better off than those in 1990 or earlier decades. Small increases in educational attainment were achieved, the upsurge in poverty was stemmed, and homeownership increased. Some amount of these improvements was due to the fact that a smaller fraction of the immigrant population was newly arrived in 2000 compared to previous decades. Yet, the evidence is clear that upward mobility by the settled immigrants was the largest contributing factor.

Latino immigrants fared especially well in the 1990s. They reduced their poverty rate by 0.3 percentage points (compared to a 2.1 percentage point increase in the 1980s), and they increased their homeownership rate by 7.0 percentage points (compared to a 0.3 percentage point decline in the 1980s). Most of these improvements stemmed from the progress of settled immigrants; however, some is due to the improved circumstances of new arrivals in 2000 compared to 1990.

The progress of Asian immigrants is more surprising. Although their poverty and homeownership are much better than for Latino immigrants, some of their advantage was lost in the 1990s. Whereas Asians enjoyed sharp improvements in the 1980s, gains in the 1990s were more modest and even tapered off. Nonetheless, Asian immigrants continue to

fare well in Los Angeles, and the good news is that Latinos are beginning to make substantial strides.

On the whole, the Los Angeles immigrant population is becoming much more established and is enjoying gains in economic status. Continued progress is expected in the current decade, but close monitoring is warranted through the 2000s.

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Questions on technical details should be directed to Dr. Julie Park juliepar@usc.edu
