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## THE LOW WAGES OF BLACK IMMIGRANTS

### Wage penalties for U.S.-born and foreign-born black workers

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The popular discussion of black immigrants often exaggerates their achievements and denigrates U.S.-born blacks. One regularly hears asked, “Why do black immigrants do better than native blacks?” (Coates 2009). In these discussions, black immigrants usually are presented as hard working, valuing education, entrepreneurial, and family-oriented. U.S.-born blacks are often presented as lacking all of these characteristics, and sometimes even described as carrying “victimhood baggage” (Coates 2009; Marshall 2006). Many such discussions are driven by anecdotes, and even when these issues are explored using actual data, rarely are comparisons based on more than one measure; rarer still is there a comparison of how black immigrants fare in comparison with native whites.

This report aims to deepen the public discussion by conducting a broader, more careful examination of the socio-economic standing of black immigrants relative to U.S.-born blacks and whites. Its main findings are:

- After taking into account the effect of 15 wage-related characteristics, all black male populations are found to earn less than similar U.S.-born non-Hispanic white men. U.S.-born black men earn 19.1% less. West Indian men, that is, black immigrants from English-speaking Caribbean countries, do slightly worse, earning 20.7% less. Haitian men and African men do substantially worse than U.S.-born black men. Haitian men earn 33.8% less, and African men earn 34.7% less than similar native white men.
- All groups of black women have lower weekly wages than similar U.S.-born non-Hispanic white women, but the size of the wage gaps is smaller for women than it is for men. West Indian women do somewhat better than U.S.-born black women. West Indian

#### TABLE OF CONTENTS

<b>A broader look at the socioeconomic conditions of black immigrants</b> .....	2
<b>Comparing the wages of selected black populations to U.S.-born whites</b> .....	8
<b>Conclusion</b> .....	10
<b>Appendix</b> .....	11

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women earn 8.3% less than U.S.-born white women. U.S.-born black women earn 10.1% less than U.S.-born white women. African women also earn 10.1% less. Haitian women are the worst off, earning 18.6% less.

- Analyses of unemployment and poverty rates show that U.S.-born and foreign-born black populations are also worse off than U.S.-born whites on these measures.
- Economically, U.S.-born and foreign-born blacks have common problems that need to be addressed.

## A broader look at the socioeconomic conditions of black immigrants

This report first examines the population growth and geographic distribution of the foreign-born black population, and then compares the U.S.- and foreign-born groups by educational attainment, marriage rates, unemployment rates, and poverty rates.

These comparisons are followed by a more sophisticated analysis of the groups' weekly wages. Multivariate statistical analyses are used to compare the groups while taking into account 15 additional characteristics (see the appendix for all variables). These characteristics are all useful in predicting weekly wages and could explain differences in the weekly wages among groups. The reference group for these analyses will be U.S.-born non-Hispanic whites.

U.S.-born blacks typically are found to earn less than U.S.-born whites in these types of analyses.

### Population growth and concentrations

The black immigrant population has grown significantly over recent decades. In 2008, immigrants who identified as black alone or black in combination with some other race totaled 3.2 million and made up 8.1% of black America

TABLE 1

#### U.S.-born and foreign-born black population, 1990, 2000, 2008

	Black alone			Black alone or in combination		
	1990	2000	2008	1990	2000	2008
<i>U.S.-born</i>	28,374,465	32,241,624	34,578,300	na	33,781,206	37,022,074
<i>Foreign-born</i>	1,447,507	2,116,212	3,068,598	na	2,435,001	3,241,895
<b>Total</b>	29,821,972	34,357,836	37,646,898	na	36,216,207	40,263,969
<i>U.S.-born</i>	95.1%	93.8%	91.8%	na	93.3%	91.9%
<i>Foreign-born</i>	4.9	6.2	8.2	na	6.7	8.1
<b>Total</b>	100.0	100.0	100.0	na	100.0	100.0

NOTE: Counts include Hispanics.

SOURCE: Authors' analysis of Census and American Community Survey data.

(see **Table 1**). The number of foreign-born people who identify as black alone or black in combination increased by approximately 800,000 from 2000 to 2008 (see **Table 2**).

As with the immigrant population generally (Dockterman and Velasco 2010), the black immigrant population is growing at a faster rate than the U.S.-born black population. From 2000 to 2008, the foreign-born black-alone-or-in-combination population increased 33.1%, but the U.S.-born black-alone-or-in-combination population increased 9.6% (see **Table 2**). The difference in the growth rates is even larger for the black-alone population.

**TABLE 2**

**Increase in U.S.-born and foreign-born black population, 1990-2000, 2000-08**

	Black alone		Percent	
	1990-2000	2000-08	1990-2000	2000-08
<i>U.S.-born</i>	3,867,159	2,336,676	13.6%	7.2%
<i>Foreign-born</i>	668,705	952,386	46.2	45.0
<i>Total</i>	4,535,864	3,289,062	15.2	9.6

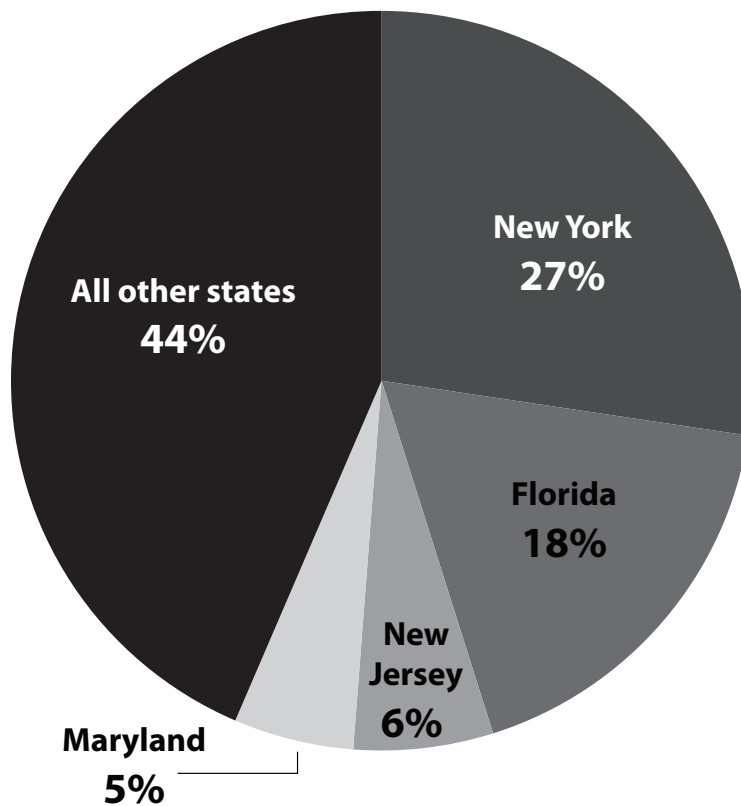
	Black alone or in combination		Percent	
	1990-2000	2000-08	1990-2000	2000-08
<i>U.S.-born</i>	na	3,240,868	na	9.6%
<i>Foreign-born</i>	na	806,894	na	33.1
<i>Total</i>	na	4,047,762	na	11.2

**NOTE:** Counts include Hispanics.

**SOURCE:** Authors' analysis of Census and American Community Survey data.

**FIGURE A**

**Share of total black foreign-born population by state, 2008**



**NOTE:** "Black" refers to the black-alone-or-in-combination population and includes Hispanics.

**SOURCE:** Authors' analysis of American Community Survey data.

The black foreign-born population is highly concentrated in a few states. More than one-in-four (27.4%) black immigrants live in New York state (see **Figure A**). Nearly one-in-five (17.8%) live in Florida. More than half (51.2%) of the black foreign-born population reside in just three states—New York, Florida, and New Jersey.

This high concentration of black immigrants in these states means that when individuals interact with blacks in these states they are often interacting with immigrants. While for the nation as a whole 8.1% of blacks are immigrants, in New York state 26.9% of blacks are immigrants. In Florida, 19.3% of blacks are immigrants, and in New Jersey, 15.5% (see **Table 3**). Within particular cities in these states the proportion of immigrants is likely even higher.

One does not have to live in a state with a large share of the total black immigrant population to feel the impact of black immigrants. In some states that have relatively few blacks, immigrants nonetheless make up a large share of the small black population. Nearly one-in-three blacks in Massachusetts are foreign-born. In North Dakota, Rhode Island,

**TABLE 3**

**Share of foreign-born blacks in black population by state, 2008**

State	Percent of blacks who are foreign-born	State	Percent of blacks who are foreign-born
Alabama	0.6%	Montana	6.9%
Alaska	8.7	Nebraska	13.1
Arizona	8.0	Nevada	7.0
Arkansas	0.6	New Hampshire	15.2
California	6.1	New Jersey	15.5
Colorado	9.8	New Mexico	6.3
Connecticut	17.8	New York	26.9
Delaware	7.5	North Carolina	2.4
District of Columbia	7.0	North Dakota	27.0
Florida	19.3	Ohio	3.2
Georgia	5.0	Oklahoma	2.6
Hawaii	8.4	Oregon	7.6
Idaho	16.8	Pennsylvania	4.9
Illinois	2.7	Rhode Island	26.2
Indiana	2.3	South Carolina	1.0
Iowa	7.6	South Dakota	14.7
Kansas	4.5	Tennessee	2.4
Kentucky	2.0	Texas	5.0
Louisiana	0.6	Utah	21.4
Maine	25.0	Vermont	23.7
Maryland	10.0	Virginia	5.4
Massachusetts	31.8	Washington	13.7
Michigan	1.6	West Virginia	2.4
Minnesota	23.7	Wisconsin	2.8
Mississippi	0.2	Wyoming	4.7
Missouri	2.4		

**NOTE:** "Black" refers to the black-alone-or-in-combination population and includes Hispanics.

**SOURCE:** Authors' analysis of American Community Survey data.

Maine, Vermont, and Minnesota, approximately one-in-four blacks are foreign-born. Although there are small numbers of blacks in these states, a large share of the blacks are foreign-born.

### **Comparing selected black populations and U.S.-born whites**

The analysis below focuses on the U.S.-born, the English-speaking Caribbean or West Indian,<sup>1</sup> Haitian, and African black populations. Black refers inclusively to individuals who only identify as black and to individuals with biracial or multiracial black identities. The black populations will be compared to each other and to U.S.-born non-Hispanic whites. We start by comparing the groups by educational attainment, marriage rates, unemployment rates, and poverty rates.

### **Educational attainment**

In the 25-years-and-older population, African immigrants had the highest attainment rate for bachelor's or higher degrees. More than one-third (36.6%) of African immigrants have a bachelor's or higher degree (see **Table 4**). U.S.-born non-Hispanic whites attained these degrees at 29.5%. About one-in-five (20.6%) of West Indians have college degrees. U.S.-born blacks and Haitian immigrants have basically equivalent rates of attaining college degrees, 16.4% and 16.1%, respectively.

**TABLE 4**

**Educational attainment of U.S.-born non-Hispanic white and selected black populations, 2008 (25 years old and older)**

	<b>U.S.-born non-Hispanic white</b>	<b>U.S.-born black</b>	<b>West Indian</b>	<b>Haitian</b>	<b>African</b>
<i>Less than high school</i>	9.8%	19.1%	19.3%	26.2%	12.9%
<i>High school or GED</i>	30.0	32.0	30.6	29.1	19.8
<i>Some college or associate's degree</i>	30.7	32.5	29.5	28.7	30.7
<i>Bachelor's or higher degree</i>	29.5	16.4	20.6	16.1	36.6
<b>Total</b>	130,920,829	20,682,531	995,930	449,132	763,926

**NOTE:** "Black" refers to the black-alone-or-in-combination population and includes Hispanics.

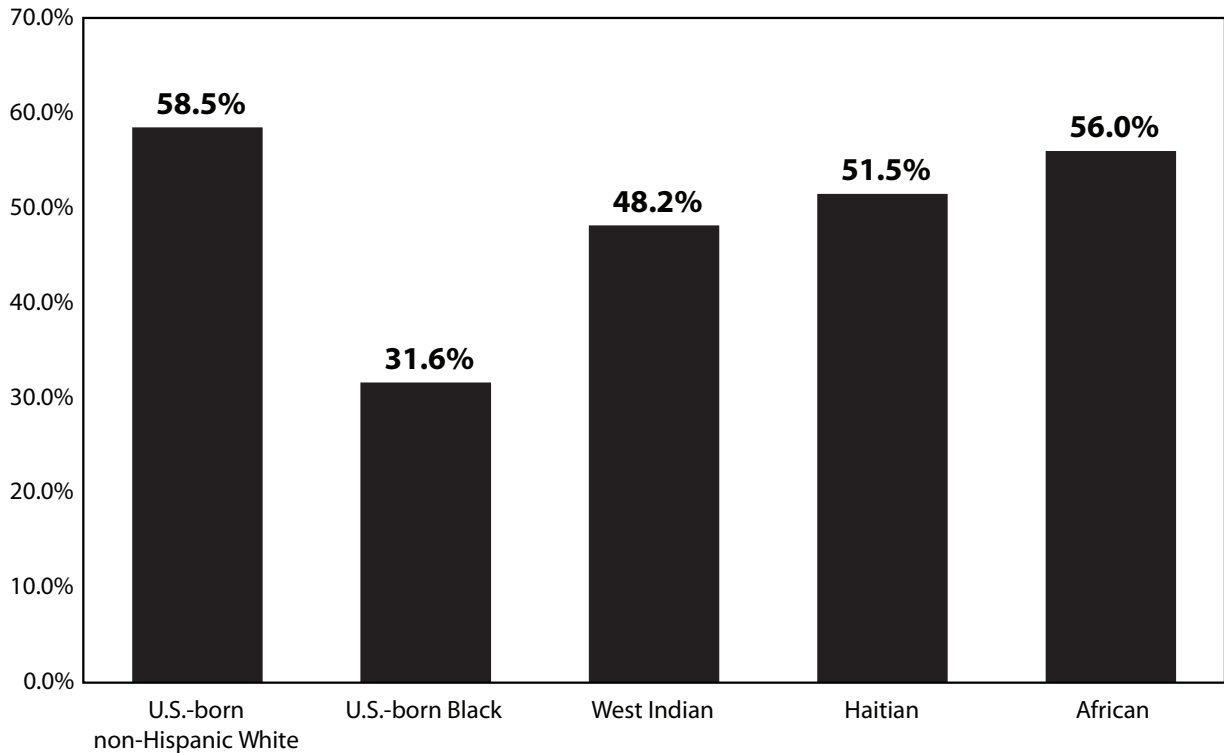
**SOURCE:** Authors' analysis of American Community Survey data.

While African immigrants have the highest rate of bachelor's or higher degrees, they do not have the lowest rate of high school dropouts. Only 9.8% of U.S.-born whites failed to obtain a high school diploma, but the rate is 12.9% for African immigrants. Haitians have the lowest rate of high school graduation, with 26.2% failing to obtain a high school diploma. U.S.-born blacks and West Indians have equivalent rates of dropping out of high school; 19.1% and 19.3%, respectively.

African immigrants obtain college and advanced degrees at greater rates than U.S.-born whites, but they fail to complete high school at higher rates than whites. In educational attainment, the West Indian population is slightly better

**FIGURE B**

**Marriage rates for U.S.-born non-Hispanic whites and selected black populations, 25 to 44 years old, 2008**



**NOTE:** "Black" refers to the black-alone-or-in-combination population and includes Hispanics.

**SOURCE:** Authors' analysis of American Community Survey data.

off than the U.S.-born black population. The Haitian population is slightly worse off. Relative to the U.S.-born white and black populations, the black immigrant population has both positive and negative educational characteristics.

### Marriage rates

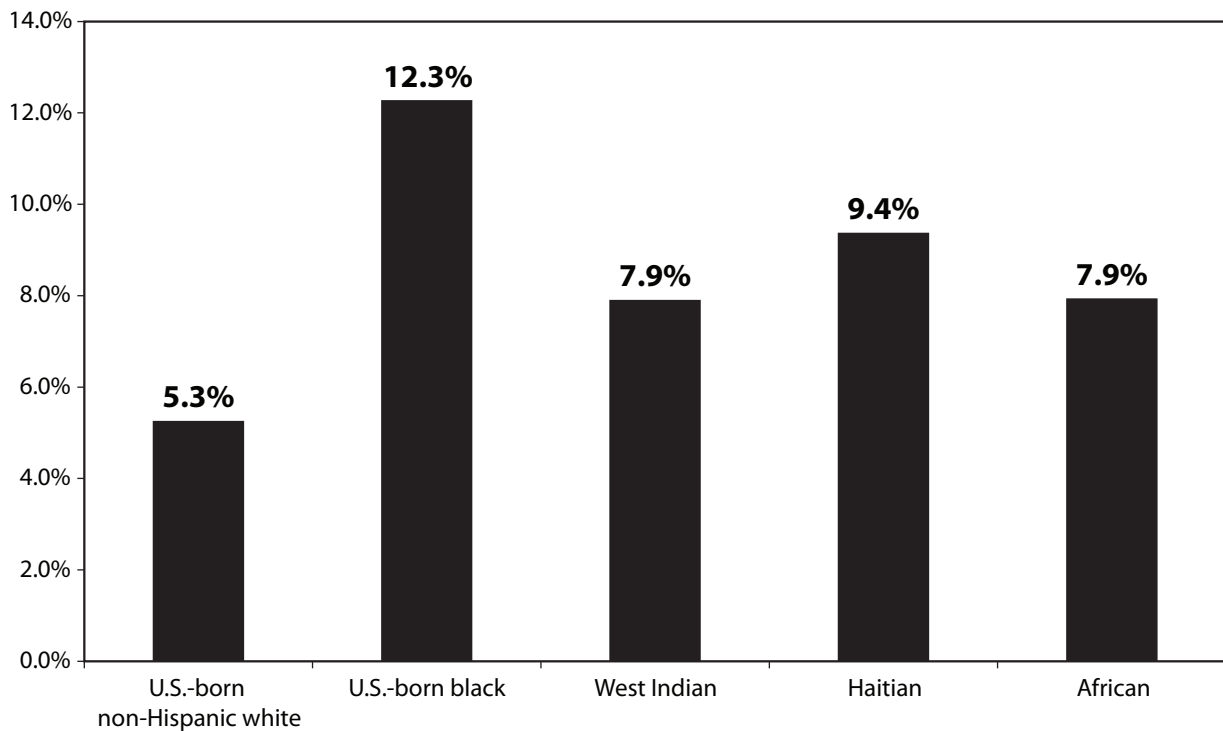
Married individuals (especially males) tend to have higher earnings than single individuals.

The marriage rates for U.S.-born whites and for African immigrants are very similar. Among those 25 to 44 years old, 58.5% of whites and 56% of Africans are married (see **Figure B**). A majority of Haitians are also married (51.5%). The rate for West Indians is 48.2%, a little less than half. U.S.-born blacks have the lowest marriage rate at 31.6%.

While U.S.-born blacks stand out with the lowest marriage rates, the West Indian and Haitian populations also lag whites. The West Indian rate is 10.3 percentage points below the white rate. The Haitian rate is 7 percentage points lower.

FIGURE C

Unemployment rates for U.S.-born whites and selected black populations, 2008

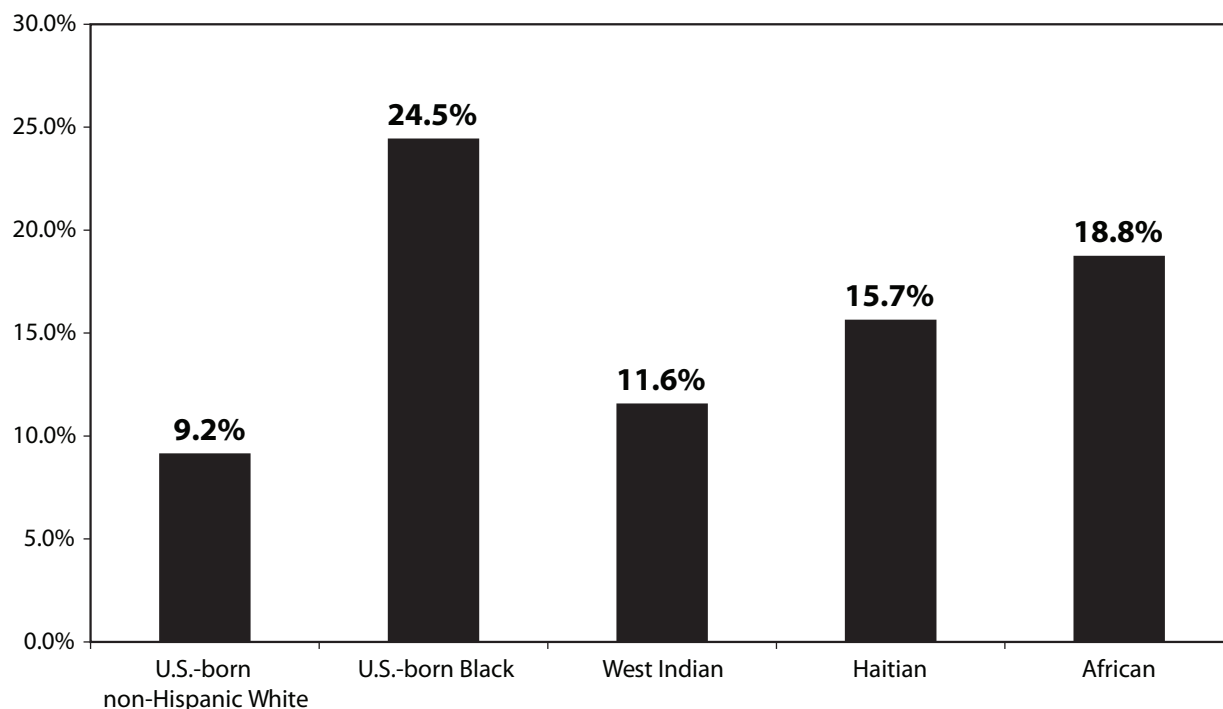


NOTE: "Black" refers to the black-alone-or-in-combination population and includes Hispanics.

SOURCE: Authors' analysis of American Community Survey data.

### Unemployment rates

U.S.-born blacks have the highest unemployment rate (see **Figure C**). In 2008, their annual unemployment rate based on the American Community Survey was 12.3%. While foreign-born blacks had lower unemployment rates, their rates were all significantly higher than the white rate of 5.3%. The unemployment rate for West Indians and Africans were both 7.9%, or 1.5 times that of the white rate. The rate for Haitians was even higher—9.4%, or 1.8 times the white rate. While black immigrants have lower unemployment rates than U.S.-born blacks, they still have substantially high unemployment rates.

**FIGURE D****Poverty rates of U.S.-born whites and selected black populations, 2008**

**NOTE:** "Black" refers to the black-alone-or-in-combination population and includes Hispanics.

**SOURCE:** Authors' analysis of American Community Survey data.

## Poverty rates

U.S.-born blacks also have the highest poverty rate, at 24.5% (see **Figure D**). U.S.-born whites have the lowest poverty rate, at 9.2%. The poverty rates for black immigrants increases from West Indians (11.6%) to Haitians (15.7%) to Africans (18.8%). The African poverty rate is closer to the U.S.-born black rate than the U.S.-born white rate.

When comparing groups by educational attainment, marriage rates, unemployment rates, and poverty rates, a clear pattern of black disadvantage relative to U.S.-born whites begins to emerge. Specifically, on the economic measures of unemployment and poverty rates, all of the black immigrant groups do significantly worse than U.S.-born whites. This point provides some context for understanding the findings from the multivariate wage analysis below.

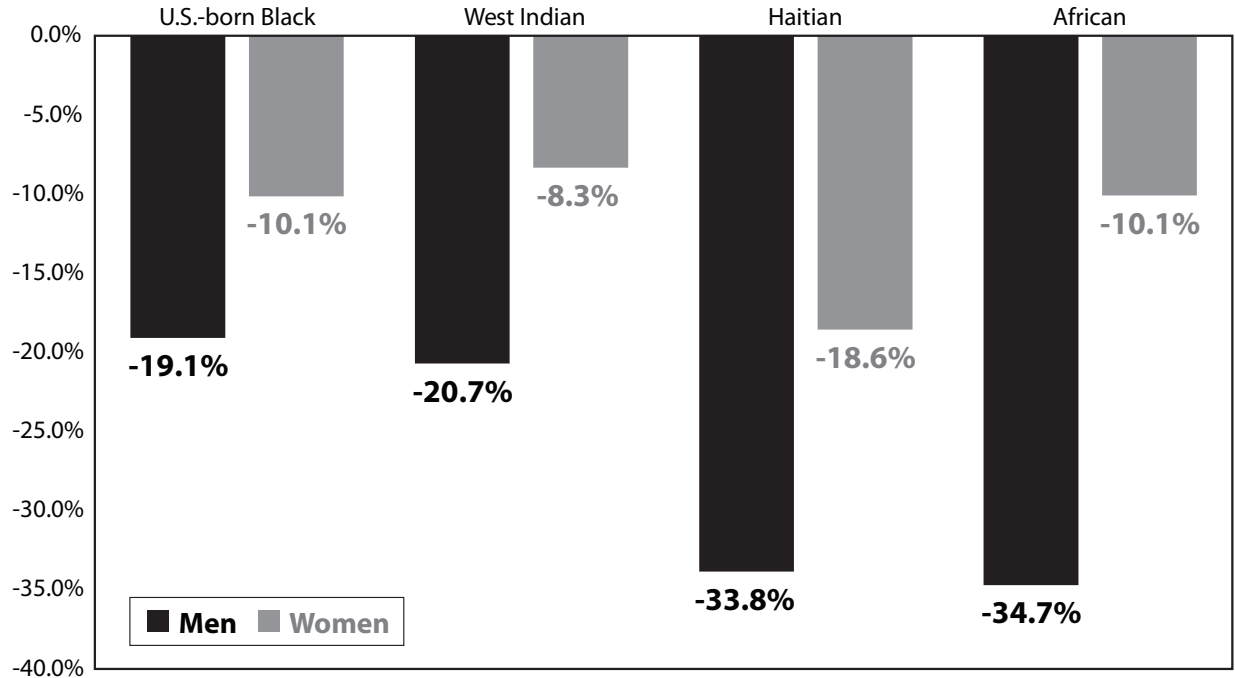
## Comparing the wages of selected black populations to U.S.-born whites

When one puts aside the popular stereotypes that black immigrants fare better in the economy, one finds reasons why black immigrants might earn less than similar U.S.-born whites and blacks. As immigrants, they may lack a facility with American English and American accents—even if English is their first language. Many black immigrants, especially Africans, are highly educated, but if that education is from outside the United States, it may not be as valued as a U.S. degree. If foreign degrees are devalued in the U.S. labor market, then black immigrants may earn lower wages.



FIGURE E

**Weekly wages of selected black populations relative to U.S.-born non-Hispanic white men and women, 2001–07**



NOTE: Findings are based on a multivariate regression analysis. See appendix for all variables in the analysis.

SOURCE: Authors' analysis of March Current Population Survey data.

To assess the wages of black immigrants relative to U.S.-born whites and blacks, we use a pooled dataset of the March Current Population Survey from 2001 to 2007. Wage data are inflation-adjusted to 2007 dollars using the Consumer Price Index – All Urban Consumers. We control for, or take into account the effect of, potential work experience, years of education, union status, region, marital status, number of unmarried children, service in the armed forces, unearned income, state employment-to-population ratio, work limitations, and size of locality (see the appendix for a complete list of all variables in the regression analysis). In other words, the final results allow us to make “apples-to-apples” wage comparisons among workers of different races and nativity. The analysis is done separately for men and for women, and it is restricted to 16–64-year-olds.

### Men

Contrary to the popular impression, black male immigrants are not better off in weekly wages than U.S.-born black males after controlling for observable demographic characteristics. Some black male immigrant groups are actually worse off than U.S.-born blacks (see **Figure E**). As expected, U.S.-born black men have weekly wages that are lower than similar U.S.-born non-Hispanic white men. U.S.-born black men earn 19.1% less than similar U.S.-born white men. West Indian men do slightly worse and earn 20.7% less than similar native white men. Haitian men and African men do substantially worse than U.S.-born black men; Haitian men earn 33.8% less, and African men earn 34.7% less than similar native white men. (All findings are statistically significant at the  $p < .001$  level.)

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## **Women**

As with men, all groups of black women have lower weekly wages than similar U.S.-born non-Hispanic white women, but the size of the wage disparity is smaller (see Figure E). West Indian women do somewhat better than U.S.-born black women. West Indian women earn 8.3% less than U.S.-born white women. U.S.-born black women earn 10.1% less than U.S.-born white women. African women also earn 10.1% less. Haitian women are the worst off, earning 18.6% less. While U.S.-born black women are not in the best position among the groups of black women, it would be incorrect to make the blanket claim that black female immigrants do better wage-wise than U.S.-born black women. (All findings are statistically significant at the  $p < .001$  level.)

In regards to weekly wages, overall, U.S.-born non-Hispanic whites earn significantly more than similar blacks regardless of nativity. On this measure, foreign-born blacks do not outperform U.S.-born blacks. Some may be surprised by this finding in light of the higher poverty rates among U.S.-born blacks. But poverty rates are the result of several factors. The higher unemployment rates and lower marriage rates of U.S.-born blacks are likely contributing factors to their higher poverty rates.

## **Conclusion**

When one compares the socioeconomic standing of black immigrants with U.S.-born blacks and whites, the strongest finding is that of the U.S.-born white advantage relative to all black groups. Africans have a high rate of obtaining college degrees, but they also have a relatively high rate of not having a high school degree. U.S.-born whites have the lowest rate of high school dropouts. U.S.-born whites have the highest marriage rates, the lowest unemployment rates, and the lowest poverty rates. Even after taking into account the effect of 14 wage-related characteristics, U.S.-born whites have significantly higher wages than all black groups.

Contrary to the popular stereotype, black immigrants are not consistently better off than U.S.-born blacks. In educational attainment and weekly wages, U.S.-born blacks fall within the range of black immigrant groups. U.S.-born blacks are worse off in marriage rates, unemployment rates, and poverty rates. However, foreign-born blacks cannot be said to be doing well, even if they are not quite as bad off as U.S.-born blacks. Economically, U.S.-born and foreign-born blacks have common problems that need to be addressed.

The fact that black immigrant groups—who are said to be hardworking, valuing education, entrepreneurial, and family-oriented—do relatively poorly in finding work, obtaining a good wage, and staying out of poverty suggests that the playing field is not as level as popularly believed. The fact that all of these groups are black may contribute to their hardships in the United States.

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## Appendix

### *Variables in regression analysis*

Note that the sample is restricted to non-Hispanic whites and U.S.-born and foreign-born blacks. All individuals are 16–64 years of age during the wage year. The dependent variable, weekly wages, refer to the average weekly wages for the year prior to the survey. All income data are inflation-adjusted to 2007 dollars using the Consumer Price Index – All Urban Consumers.

#### *Black ethnicity dummy variables*

- Native African American
- Native Hispanic
- Canadian
- Mexican
- West Indian or Caribbean-English
- Caribbean-Spanish
- Haitian
- South American
- African
- Asian
- European-plus
- Elsewhere

#### *Worker characteristics*

- Education
- Experience
- Full-time employee (dummy variable)
- Limitation on amount or type of work (dummy variable)
- Veteran (dummy variable)
- Job covered by union (dummy variable)
- Non-labor income (\$1,000s)
- Self-employed (dummy variable)
- Number of unmarried children at home under 18

#### *Tightness of regional labor market*

- State employment-to-population ratio

#### *Marital status*

- Married
- Divorced
- Widowed
- Separated
- Never married (reference)

#### *Size of metropolitan area dummy variables*

- Metropolitan area, 5,000,000 or more
- Metropolitan area, 100,000 or less

#### *Region*

- Northeast
- North Central
- West
- South (reference)

#### *Firm size*

- Firm size, 1-9 (reference)
- Firm size, 10–24
- Firm size, 25–99
- Firm size, 100–499
- Firm size, 500–999
- Firm size, 1000 or more

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## Endnotes

1. “West Indian” refers to immigrants designated as being from Bermuda, British West Indies, Belize, British Honduras, Antigua & Barbuda, The Bahamas, Barbados, Dominica, Grenada, Jamaica, St. Kitts & Nevis, Anguilla, St. Lucia, St. Vincent & the Grenadines, Trinidad & Tobago, Guyana, Surinam, Dutch Guyana, British Virgin Islands, and West Indies not specified.

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