



The Economic Progress of US- and Foreign-Born Mexicans in Metro Chicago: Indications from the United States Census

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The Institute for Latino Studies at the University of Notre Dame conducts academic research and public information programs on the Latino community nationally, Latino spirituality and culture, Latino religion, and border and inter-American affairs. Through its Metropolitan Chicago Initiative the Institute conducts data analysis, surveys, and other research activities in partnership with local institutions to paint a portrait of the Chicago-area Latino community and identify its most critical needs. Other Institute analyses of Chicago-area Latinos as well as topics related to the national Latino population may be found at <http://www.nd.edu/~latino/>.

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The three wavy lines shown here are a symbol from ancient times representing the human intellect in action. From *The Book of Signs*, collected, drawn, and explained by Rudolf Koch (London: The First Edition Club, 1930, page 8).

Table of Contents

Executive Summary. 2

Introduction 3

Methodology 6

Overview of the Socioeconomic Status of US- and Foreign-Born
 Mexican Householders in Metro Chicago 7

The Influence of Education and English Fluency on Household Income,
 Poverty Rates, and Homeownership 9

Household Income for Persons with Comparable Educational Attainment 9

Household Income and the English Language Skills of the Foreign Born 11

Poverty Rates and Educational Attainment for US- and Foreign-Born Mexicans 12

Homeownership and Educational Attainment for US- and Foreign-Born Mexicans 13

Discussion 15

References 17

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Executive Summary

Metropolitan Chicago is home to a large population of 1.1 million Mexican-origin persons, including more than 504,000 persons born in and almost 563,500 persons born outside of the United States. The socioeconomic progress of these communities is of key interest to policymakers and others interested in the overall social and economic status of the region.

This report examines two key questions involving the Mexican-origin population in the Chicago area: 1) How are Mexican immigrants progressing and 2) how are the US-born Mexican Americans fairing in comparison to the immigrants. The report uses census data to examine the standing of these populations in terms of household income, educational status, poverty levels, and homeownership rates.

Major findings include:

- Both US-born Mexican Americans and Mexican immigrants in metro Chicago saw their status improve in the 1990s.
 - Educational levels of both US- and foreign-born Mexicans increased between 1990 and 2000. Higher percentages of both US- and foreign-born Mexicans had graduated from high school and college in 2000 than in 1990.
 - In the aggregate, both US- and foreign-born Mexicans saw their household incomes and homeownership rates rise in the 1990s, while overall poverty levels for these groups fell.
- US-born Mexican Americans in metro Chicago who lack a high school degree have lost ground in real terms and in comparison to Mexican immigrants with a similar level of education.
 - The median household income for US-born persons of Mexican origin who have not completed high school fell during the 1990s. By the end of the decade it was 20 percent lower than that of households headed by comparably educated Mexican-born residents of the area.
 - US-born Mexican Americans who lack high school education experienced a slight increase in poverty levels in the 1990s, even while poverty fell for comparably educated Mexican immigrants.
 - Mexican immigrants saw homeownership rates rise dramatically in the 1990s, closing the gap in homeownership between them and their US-born counterparts. This trend was driven by declining homeownership among US-born Mexican Americans who lack high school education, coupled with substantial homeownership growth by Mexican immigrants with similar levels of education.
- More than one-fourth of US-born Mexican Americans have less than a high school education. Their declining socioeconomic status warrants serious attention from policymakers and the educational systems that serve them.
- Mexican immigrants are hindered by language and cultural barriers and the need to attain legal status. Nonetheless they have shown substantial improvement in their income and poverty levels and homeownership rates.

Introduction

The social and economic progress of Mexican immigrants and their descendants in metropolitan Chicago is an important issue facing the region. The Mexican-origin population is large, consisting of 1,067,600 persons in 2000. Over the 1990s the population nearly doubled, growing by 89.8 percent. This growth included increases in both the US-born and immigrant Mexican populations. The US-born population grew by 76.6 percent during the 1990s to over 504,000 persons, while the foreign-born population grew by 203 percent to reach nearly 563,500 persons. By far, Mexican Americans comprise the largest immigrant group in the region (Paral et al. 2004).

The progress of Mexican Americans is an important issue to watch because, apart from the large size of the community, Mexican immigrants have much lower levels of income and education than other immigrants, factors that could present significant obstacles to their advancement. Only 4.2 percent of Mexican immigrants in the Chicago area have a college education, compared to 16.9 percent of Polish and 65.8 percent of Indian immigrants,¹ the second and third largest groups, respectively. Also, the poverty rate for Mexican immigrants (14.6 percent) is much higher than that of Poles (6.6 percent) and Indians (4.3 percent). Do the lower educational attainment and higher poverty rates of Mexican immigrants place them and their descendants at risk of becoming trapped in the lower echelons of Chicago's social and economic structure? Or is there evidence of substantial upward mobility over time and across generations?

This paper examines two aspects of this question, using the US Census as a tool. The first aspect has to do with the status of Mexican immigrants and whether their situation has improved over time. The second aspect involves the US-born Mexican-origin population, many of them children of immigrants, and the extent to which they are acquiring economic characteristics that surpass those of immigrants. Overall improvement over time and across generations would be an encouraging indication of an upward trend for Mexican Americans in metro Chicago; as we shall see, however, the evidence is mixed.

Observers of US immigration have often assumed that there is a steady rise in immigrants' educational attainment and income over time and across generations. That is, the children of immigrants perform better than their parents, and the next generation performs better still. This is the path to social integration and economic advancement often used to describe the descendants of early waves of European immigrants. In contrast, some have described the trajectories of more

¹ Information on educational attainment is for householders, age 25 and older. Comparisons of Census data regarding homeownership rates, poverty rates, and language proficiency of US-born and foreign-born Mexicans in this report are for householders, regardless of age. Income comparisons are for household income. The Census designates a householder as the person in whose name the housing unit is owned, being bought, or rented. Householder is distinct from homeowner, as householders may be owners or renters.

All of the above comparisons are based on Five Percent Public Use Microdata Samples (PUMS) of the 1990 and 2000 Census for Metropolitan Chicago. PUMS files are described by the US Census as consisting of Census records stripped of personally identifying information that permit users with special data needs to prepare virtually any tabulation.

recent immigrants as nonlinear. That is, some immigrant groups and their descendants enter the US mainstream quickly while others integrate more slowly and indeed may even trend in the direction of permanent poverty (Portes and Zhou 1993; Zhou 1997).

There are good reasons to expect that newcomers from Mexico will do well over time. First, the United States has a long history of successfully integrating immigrants into the social and economic fabric of the country, as evidenced by the economic mobility enjoyed by the descendants of millions of immigrants who arrived in the United States in earlier periods. Indeed, US Census data show that the socioeconomic status of Mexican immigrants improves the longer they live here. For example, the median household income of Mexican immigrants in metro Chicago with eleven to fifteen years of residence is \$39,000, compared to \$34,500 for persons with six to ten years of residence.²

Some Mexican Americans in the Chicago area have obviously done well, as evidenced by the positions they hold as federal judges, elected officials, academicians, and so on. The area's economy is highly diverse, offering a variety of jobs and enabling at least some Mexican Americans to enter occupations that promise significant financial reward. Further, certain barriers have been removed in the arenas of public education and private workforce hiring. For example, bilingual programs have been implemented in Chicago area schools to overcome language barriers in the education of Spanish-speaking students, and civil rights laws banning discrimination based on race and national-origin in hiring offer at least a modicum of protection for Mexican Americans in the workforce.

On the other hand, barriers to advancement of Mexican immigrants and their descendants clearly exist. Some of these barriers result from changes in the economy. Recent immigrants from Mexico encounter a job market that is markedly different from that which European immigrants faced in previous years. Today's economy is marked by well-publicized declines in workplace benefits such as health insurance and pensions. Further, the labor market has bifurcated into a two-tiered wage structure with fewer 'good' jobs with high salaries and benefits and a large number of 'bad' jobs with low salaries and a lack of benefits. In Chicago these latter jobs are often filled by lower-skilled immigrants, especially Mexicans (Koval 2004), who find that there are relatively few opportunities to advance to better jobs that pay more and provide benefits (Massey et al. 1998; Bean and Stevens 2003). In addition to these structural barriers to occupational mobility, Mexican immigrants, who generally are perceived by US-born residents as nonwhite, may encounter discrimination in the workplace, despite laws intended to prevent it (Portes and Rumbaut 1996).

Many Mexican immigrants are undocumented, and their legal status keeps them from freely and fully participating in the economy. Nationally, the Department of Homeland Security's Bureau of Citizenship and Immigration Services estimates that 4.8 million undocumented immigrants from Mexico resided in the United States in 2000. As many as three-quarters of Mexicans who came to

² Some of this increase may be due to age and other structural factors, but an immigrant's growing experience with US social and economic systems almost certainly is significant as well. All dollar amounts are adjusted to 1999 dollars.

Illinois in the 1990s may lack legal status (Norkewicz and Paral 2003). It is illegal for employers to knowingly hire unauthorized immigrants. Undocumented immigrants who do have jobs are in a disadvantaged situation, as they have limited ability to file workplace-related claims and limited places in which to seek alternative employment.

Additionally, metro Chicago continues to be marked by a large degree of residential segregation along racial/ethnic lines. Residential segregation limits access to well-connected, non-Latino hiring networks for good jobs for both immigrants and the US born. Further, the concentration of persons in poverty in many highly segregated Latino and other minority neighborhoods (Paral et al. 2004) is associated with the likelihood that neighborhood schools will be underperforming (Chicago Metropolitan 2004; Zurita and Ready 2003).

Using Census 2000 as a tool, this report examines whether Mexican-origin persons, both immigrant and US born, are making progress. The Census does not permit the researcher to identify all children of immigrants and make a strict cross-generational comparison between them and their living parents, but it does allow comparison of US-born and foreign-born persons of Mexican origin. In metro Chicago the majority of US-born Mexican Americans are the children of immigrants. Comparing indicators of the socioeconomic status of US- and foreign-born persons over time allows us to see whether gaps between the two groups have been getting larger or smaller. This information can help researchers and policymakers identify patterns of successes as well as the struggles of these groups.

One would expect persons born in the United States to have higher levels of income and lower poverty rates than the foreign born—except perhaps for certain highly educated immigrant groups such as Asian Indians. Insufficient income is a major impetus for immigrants from many countries to come to the United States. In contrast, persons born in the United States have access to one of the strongest economies in the world. If US-born persons of Mexican origin were found to have lower levels of income than their foreign-born counterparts, it would raise questions about the prospects for economic advancement by Mexican immigrants and their descendents. Homeownership rates also should be higher among US natives, who have greater access to the benefits of the US economy and knowledge of the home buying process in the United States. Unlike many foreign-born, US natives are citizens and not hindered by issues related to immigration status (Chandrasekhar 2004). As this report will show, however, expectations that US-born Mexicans in the Chicago area are better off than their Mexican-born counterparts do not always conform to the reality.

Methodology

The Census provides indicators of the status of immigrants (referred to also in this paper as foreign born) and the US born in the form of data on educational attainment, household income, poverty rates, and homeownership rates. This paper examines these areas, first in the aggregate and then separately and in greater detail for foreign-born and US-born residents of metro Chicago.

Educational attainment is expressed in terms of three levels: persons with less than 12 years of schooling; those who have completed a high school diploma or GED;³ and college graduates (i.e., bachelor's degree or higher).

Household income, given here in 1999 dollars, is the aggregate amount accrued through work, welfare, investment income, and other sources. The official poverty line is determined on an annual basis by the federal government. The poverty line is adjusted for household size, making it a helpful gauge to compare income levels, because one group's average household size may be different from another's. In 2004 a family of four persons was classified as below the poverty line if its annual income was less than \$19,484. In Census 2000 the poverty threshold was set at \$17,029 for a family of four. Families whose 1999 income was less than that figure were considered to be in poverty.

Homeownership, of course, refers to whether a householder owns the dwelling in which he or she resides. Homeownership is part of the American dream to which many persons aspire. For immigrants, buying a home is an indication of sinking roots in the United States (Bogardus Drew 2002; Chandrasekhar 2004).

This report uses the five percent Public Use Microdata Samples (PUMS) for the 1990 and 2000 Censuses for metro Chicago. In 1990 the metropolitan area was defined as a six-county area, including Cook, DuPage, Kane, Lake, McHenry, and Will counties. In 2000 the metropolitan area was defined as a seven-county area that included the addition of Kendall County. The differing PUMS areas of the 1990 and 2000 Censuses do not permit a comparison of the exact same geographic area for metro Chicago in the two periods. The Mexican American population of Kendall County is relatively small, however, and the percentages used for this report should not be affected by the inclusion of Kendall County in 2000.⁴

Aggregate data on the economic characteristics of persons of Mexican origin in the United States are a starting point for understanding the differences between the US born and the foreign born. However, aggregate data reveal only some of the picture because different average levels of education and English-language ability exist in both groups. These skills can be expected to have an important impact on an individual's income and economic well-being. Adjusting for education and English language skills, as done below in this report, allows us to see whether the US born enjoy an advantage that seems to go beyond these human capital attributes.

³ The educational system of Mexico does not have a precise equivalent to the US high school.

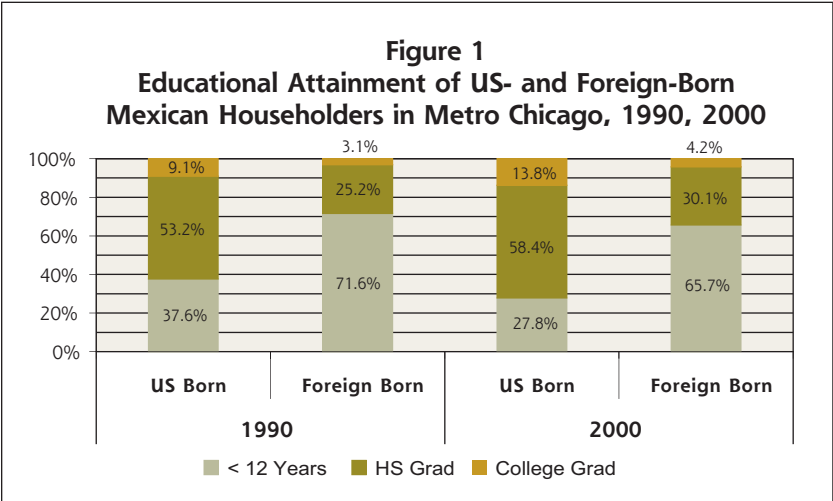
⁴ The Census counted only 4,086 Latinos of all national origins in Kendall County in 2000.

In using Census data to analyze the status of US-born and foreign-born Mexicans, this report uses householders (see footnote 1) as a basis of comparison. Focusing on householders has several advantages. Median household income calculations for a population are properly done on the basis of householders. Analyzing other characteristics such as education and English ability of householders provides a uniform unit of comparison. The use of householders as the focus of our analysis has the added benefit of controlling somewhat for age. Nearly two-thirds (64 percent) of US-born Mexican-origin persons are children under 18, who are best left out of an analysis of these indicators (Brown Gort et al. 2005).

Since a large percentage of recent Mexican immigrants are undocumented, a question may be raised about the accuracy with which the Census reflects their numbers. The Census Bureau conducted an Accuracy and Coverage Evaluation to determine the extent to which various groups were undercounted by the 2000 Census (Farber 2001). The Bureau estimates that only 2.85 percent of the Hispanic population was missed by the 2000 Census, which suggests that the majority of undocumented Latino immigrants were in fact included in the Census.

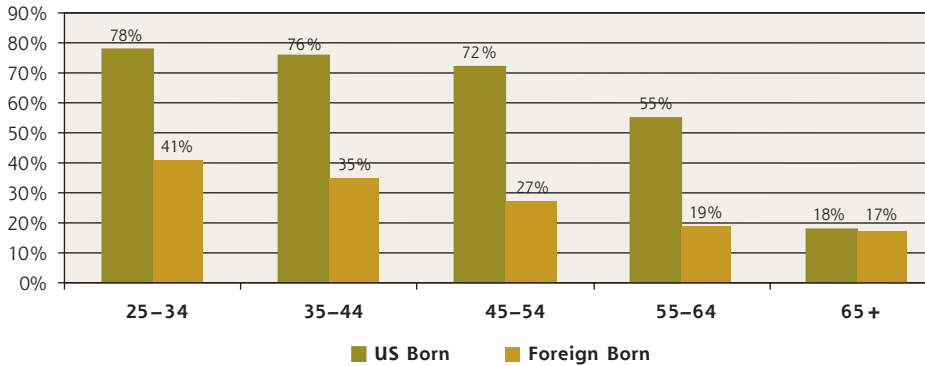
Overview of the Socioeconomic Status of US- and Foreign-Born Mexican Householders in Metro Chicago

As stated earlier, one would expect US-born persons to be of higher socioeconomic status than the foreign born. This expectation is borne out when comparing US- and foreign-born Mexicans in the aggregate (Suro and Passel 2003; Bean and Tienda 1987). As shown in Figure 1, in 2000 less than 28 percent of US-born Mexican householders in metro Chicago had not completed 12 years of schooling or earned a high school diploma in 2000, while nearly two-thirds of foreign-born Mexican householders had not. Almost 14 percent of US-born Mexicans had a college education, while merely 4.2 percent of foreign-born Mexicans were college graduates. Educational attainment levels of both US- and foreign-born Mexicans increased between 1990 and 2000. Higher percentages of both US- and foreign-born Mexicans had graduated from high school and college in 2000 than in 1990.



Educational attainment levels are much higher for younger people of Mexican origin than for the old. As illustrated in Figure 2, the percentage of persons of Mexican origin who have completed at least 12 years of schooling increases with each successively younger age cohort. This is true both for the US and foreign born.

Figure 2
US- and Foreign-Born Mexican Householders in Metro Chicago with at Least 12 Years of Schooling, by Age Cohort, 2000

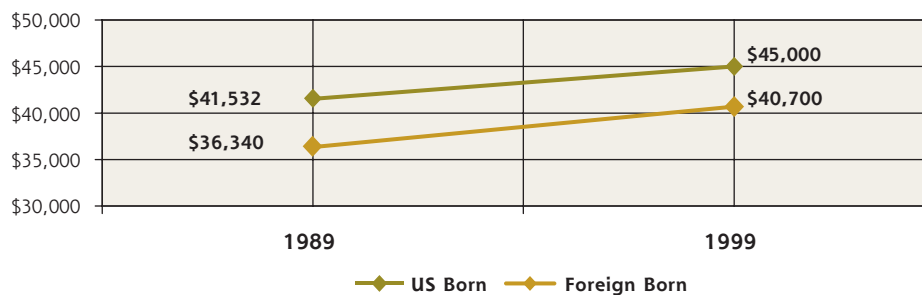


With the exception of the cohort of persons age 65 and older, the percentage of US-born Mexicans with at least 12 years of education is two to three times greater than for the foreign born.

The higher level of educational attain-

ment of US-born Mexican householders translates into higher household income and lower poverty, at least in the aggregate. As shown in Figure 3, the median household income of both US-born and foreign-born Mexicans increased during the 1990s—although the rate of increase for the foreign born (12.0 percent) was greater than that for the US-born (8.3 percent). Despite substantially higher levels of educational attainment and the benefits of citizenship, the 1999 median household income of US-born Mexicans was only \$4,300 (10.6 percent) higher than that of their foreign-born counterparts.⁵

Figure 3
Median Household Income of US- and Foreign-Born Mexican Householders in Metro Chicago, 1989, 1999



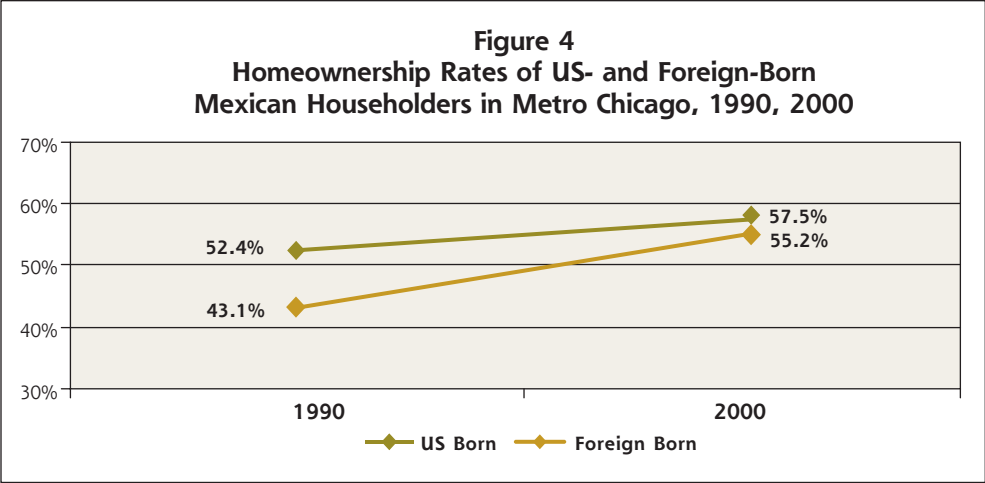
According to Census 2000, the poverty rate for US-born householders of Mexican origin in metro Chicago was 11.4 percent, compared to 14.6 percent for their foreign-born counterparts. The poverty rate for both

US- and foreign-born Mexican householders in metro Chicago decreased by a little more than 1 percent during the 1990s.

Remarkably, there is little difference in the homeownership rate between the two groups, with 57.5 percent of US-born and 55.2 percent of foreign-born Mexican householders in metro

⁵ All income figures in this report are median data for households and expressed in 1999 dollars.

Chicago owning their homes. The homeownership rate increased for both the US born and the foreign born during the 1990s, but the rate of increase was much faster for the foreign born.

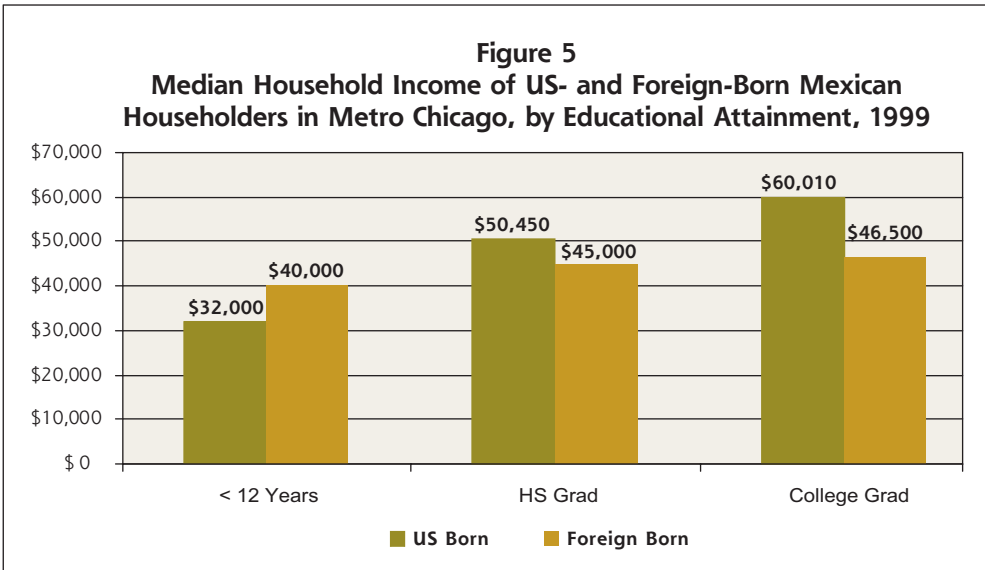


A Closer Look...the Influence of Education and English Fluency on Household Income, Poverty Rates, and Homeownership

Household Income for Persons with Comparable Educational Attainment

The advantage that US-born persons of Mexican origin have over foreign-born Mexicans in terms of household income at the aggregate level is primarily related to the higher level of educational attainment of the US born (see Figure 1). Seventy-two percent of the US born have at least 12 years of schooling, compared to less than 35 percent of the foreign born. Although low relative to the population of metro Chicago overall, the percentage of US-born Mexican householders with a college degree (13.8 percent) is more than three times that for foreign-born Mexicans (4.2 percent).

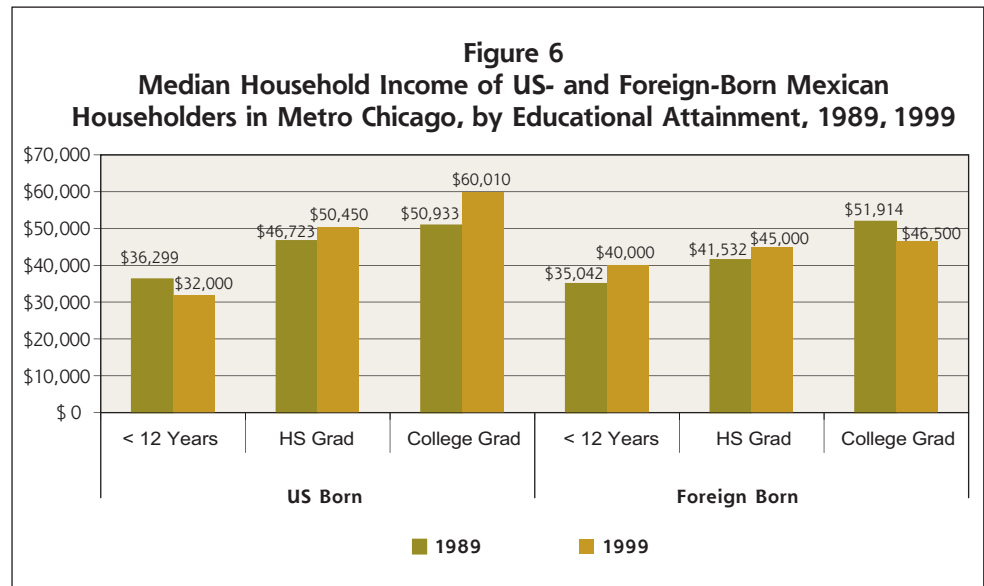
As illustrated in Figure 5, educational attainment is related to higher income, for both the foreign born and US born. Overall, the median household income of US- born Mexicans is 10.6 percent higher than that of the foreign born in metro Chicago (Figure 3).



However, when educational attainment is held constant, the US born no longer consistently have higher incomes than their foreign-born Mexican counterparts.

US-born high school and college graduates continue to have higher median incomes than their foreign-born Mexican counterparts (Figure 5). In 1999 the median household income of US-born Mexicans who had graduated from high school was 12.1 percent higher than that of the Mexican born, and the median income of US-born college graduates was 29 percent higher than that of comparably educated Mexican-born householders. However, the reverse was true for those who had not graduated from high school.

In 1999 the median household income for US-born persons of Mexican origin who had not completed high school (\$32,000) was 20 percent lower than that of households headed by comparably educated Mexican-born residents of the area (\$40,000).



Furthermore, US-born householders who had not completed high school lost ground relative to their foreign-born counterparts during the 1990s (Figure 6). In 1989 the median household income of the US born who had not completed high school was \$36,299—nearly \$1,300 higher than that of comparably educated Mexican-born residents of the area. By 1999 the income of US-born householders who had not completed high school had fallen by \$4,300 while that of comparably educated foreign-born residents increased by nearly \$5,000.

Figure 6 also shows that during the 1990s the gap in median income between households headed by persons who have not completed high school and those with college degrees increased dramatically for the US born but decreased for the Mexican born. For households headed by US-born persons of Mexican origin with less than a high school education, median household income fell from \$36,299 in 1989 to only \$32,000 in 1999. At the other end of the educational continuum, households headed by US-born college educated persons of Mexican origin increased from \$50,933 to \$60,010. As a result, the gap in median income between households headed by US-born high school noncompleters and US-born college graduates increased from \$14,634 in 1989 to \$28,010. In 1989 the median income of households headed by US-born persons of Mexican origin without high school education was 71.2 percent of that of their college-educated counterparts. By 1999 the

household income of US-born dropouts of Mexican origin had fallen to only 53.3 percent of their college-educated counterparts.

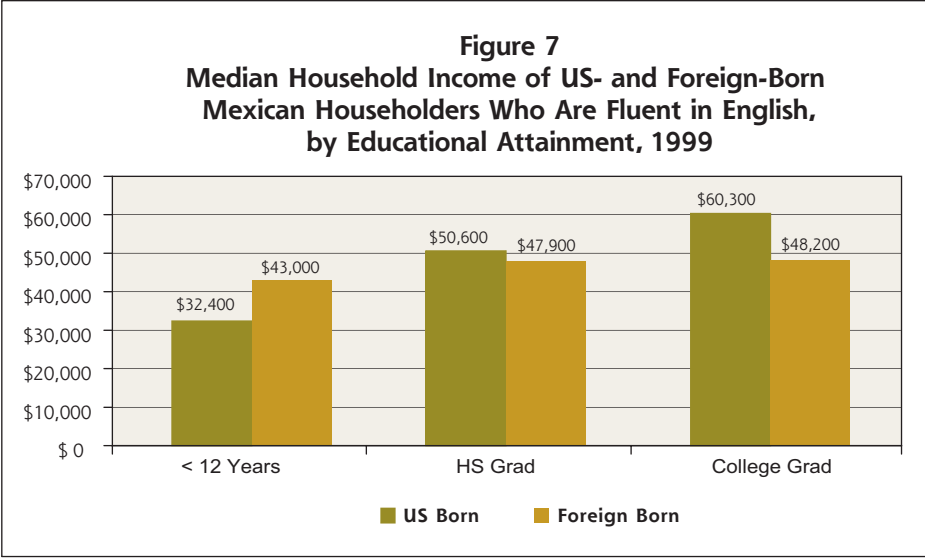
For households headed by Mexican-born persons with less than 12 years of education, the median household income increased by 14 percent during the 1990s, from \$35,042 to \$40,000. However, the median income of households headed by Mexican-born persons with college degrees decreased by \$5,414 (11.6 percent). As a result, the gap in median household income between households headed by Mexican-born persons with less than 12 years of schooling and those with college degrees decreased from \$16,872 in 1989 to only \$6,500 in 1999. That is, in 1989 the median income of Mexican-born noncompleters was 67.5 percent of college-educated Mexican-born householders in the Chicago area. In marked contrast to the trend for US born, by 1999 the median income for households led by foreign-born Mexican high school dropouts had risen to 86 percent of the college-educated Mexican born.

The increase during the 1990s in median income for households headed by Mexican immigrants with less than 12 years of education is encouraging, especially since two-thirds of all Mexican-born householders have not earned a high school diploma or the equivalent. However, the steep decline in income for households headed by US-born persons who have not graduated from high school is nothing short of alarming. Even though the percentage of the US born who have not completed high school decreased from 38 percent in 1989 to 28 percent in 1999, the fact that more than one-fourth of all US-born Mexican householders in metro Chicago have not completed high school and are experiencing a steep decline in income is cause for serious concern. The reasons behind the opposing income trends exhibited for households headed by foreign-born and US-born Mexican residents of metro Chicago with the lowest levels of educational attainment calls out for further study. Also, although only 4.2 percent of Mexican-born householders are college graduates, their steep income decline during the 1990s is puzzling and requires further examination.

Household Income and the English Language Skills of the Foreign Born

The ability to speak English fluently⁶ increases the median household income of foreign-born Mexicans at all levels of educational attainment but has little effect on the median income of US-born Mexicans. This is not surprising, since relatively few US-born residents of Mexican origin in metro Chicago indicated in response to the Census question that they speak English “not very well” or “not at all.”⁷ A comparison of data in Figure 7 on the median household income of foreign-born Mexicans shows that those who are fluent in English have household incomes that are approximately \$3,000 higher than those of comparably educated foreign-born Mexicans when language ability is not considered (see Figure 5). As a result, the median household income of English-speaking US-born Mexicans in 1999 who had not completed high school was equal to only 75 percent of their foreign-born counterparts. Among householders who are fluent in English and who have a high school diploma, the median household income of the foreign born

⁶ The Census provides data on English language ability. In this report persons are categorized as fluent in English if they indicate that they speak English “very well” or “well” or speak only English.



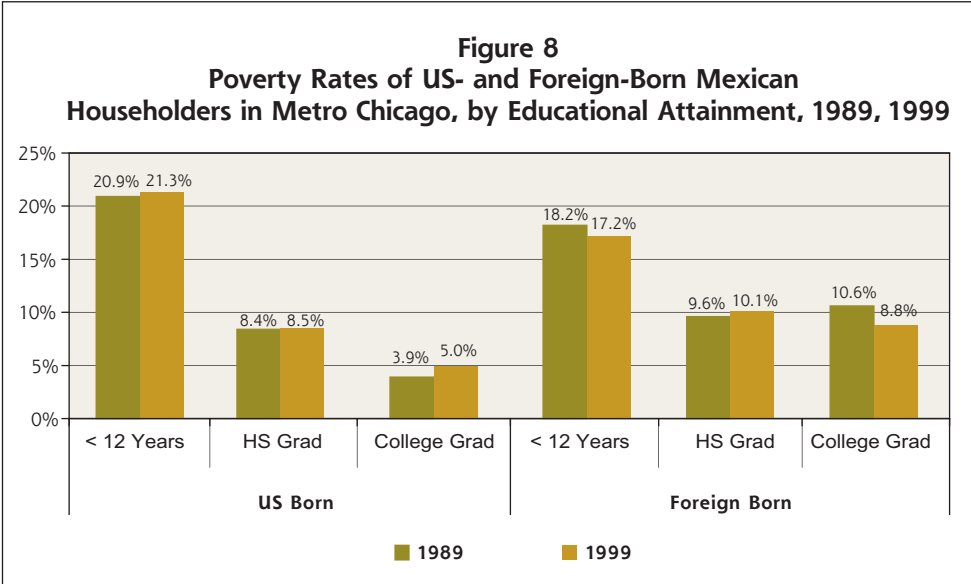
equaled 95 percent of their US-born counterparts. Among householders with college degrees, English language fluency closes the gap between US- and foreign-born individuals slightly, but the US born still have a median income that is 20 percent higher than that of the foreign born.

⁷ Fifty-one percent of foreign-born residents of Mexican origin in the Chicago area indicated in Census 2000 that they spoke English “not well” or “not at all,” compared to only 10 percent of US-born Mexican residents.

Poverty Rates and Educational Attainment for US- and Foreign-Born Mexicans

As seen in the previous section, the household income of US-born Mexicans in metro Chicago who do not have high school diplomas decreased substantially during the 1990s while that of their Mexican-born counterparts increased markedly. It is not surprising, then, that the poverty rate for US-born householders increased by 0.4 percent during the 1990s while that of foreign-born householders with fewer than 12 years of schooling fell by 1 percent (Figure 8).

Paradoxically, the overall poverty rate of US-born householders of Mexican origin fell from 12.8 to 11.4 percent during the 1990s despite the fact that, when disaggregated by level of educational attainment, the poverty rate went up for both high



school noncompleters and graduates as well as for college graduates (Figure 8). This is explained by their increased educational attainment during the 1990s (Figure 1): The proportion of the US-born population in the group with the highest poverty rate (those who failed to complete high school) fell while the proportions of people in the groups with much lower poverty rates (high school and college graduates) increased.

Nonetheless, the poverty rate of US-born Mexican householders without high school diplomas is more than double that of US-born householders who had graduated from high school. Similarly, the poverty rate of Mexican-born householders with the least education was 83 percent higher than that of Mexican-born householders with high school diplomas or the equivalent—despite their economic advances during the 1990s.

English fluency substantially reduces poverty rates for the Mexican born at each level of educational attainment but makes little difference for the US born. When one examines only Mexican-born householders who are fluent in English, poverty rates decrease by 3.3 percent, 2.0 percent, and 1.2 percent for those with less than 12 years of schooling, high school graduates, and college graduates, respectively. The much smaller impact of English fluency upon the poverty rates of the US born likely is attributable to the much smaller percentage of US-born persons of Mexican origin who are not fluent in English. In sum, higher educational attainment and English language fluency both contribute to higher household income and lower poverty rates, especially for Mexican-born Chicago area householders.

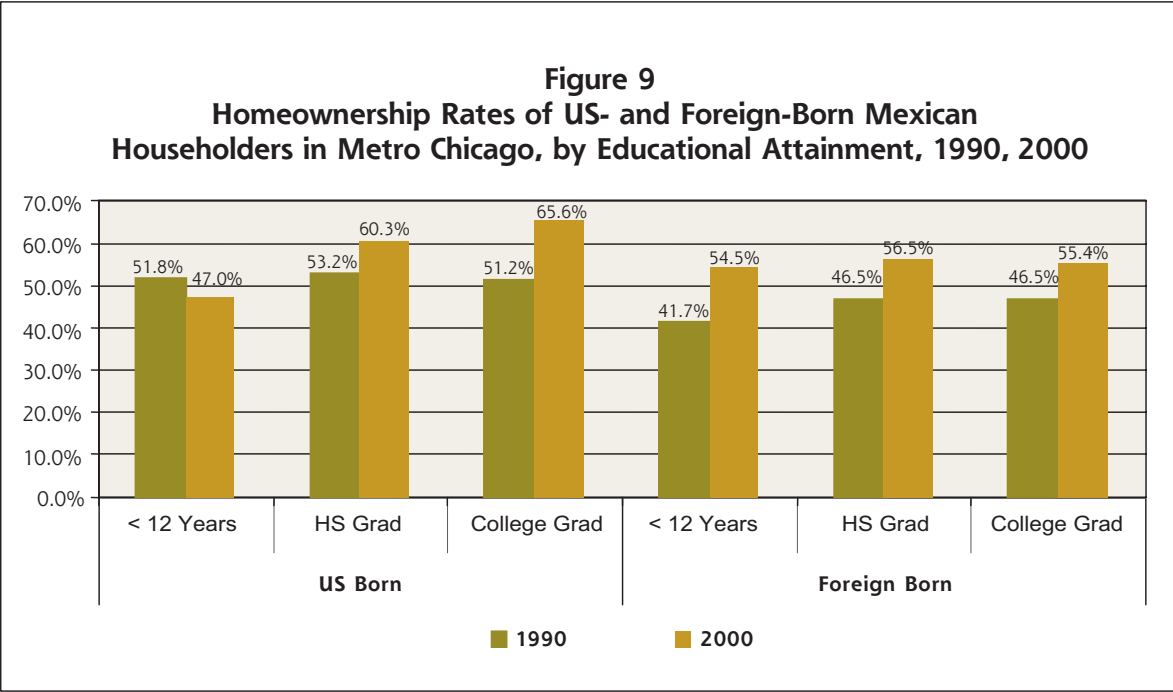
Homeownership and Educational Attainment for US- and Foreign-Born Mexicans

As previously discussed, the homeownership rates of foreign-born and US-born persons of Mexican origin are very close, despite major differences between the two groups in educational attainment, income, English language fluency, and citizenship status. The 9.3 percent advantage in homeownership held by the US born in 1990 decreased to only 2.3 percent in 2000 (Figure 4). That year, 57.5 percent of US-born householders of Mexican origin in the Chicago area owned their own homes, compared to 55.2 percent of the Mexican born. Overall, homeownership among foreign-born Mexican householders in the Chicago area increased at three times the rate for US-born householders of Mexican origin during the 1990s.

As it was for household income and poverty rates, it is instructive to disaggregate homeownership rates for US-born and foreign-born Mexicans by level of educational attainment. As illustrated in Figure 9, the only group whose homeownership rate decreased between 1990 and 2000 was US-born householders with less than 12 years of schooling. In 1990 US-born householders who had not completed high school were substantially more likely to own their homes than were the Mexican born; by 2000 the reverse was true. That persons with less than 12 years of schooling comprise two-thirds of all Mexican-born householders and their the homeownership rate surpassed that of comparably educated US-born Mexican householders accounts for most of the dramatic

narrowing of the homeownership gap between foreign- and US-born Mexican householders in metro Chicago during the 1990s.

Fluency in English has an important positive effect on homeownership after controlling for level of educational attainment for foreign-born Mexican householders but has little effect on the homeownership rates of US-born householders of Mexican origin. For the Mexican born, selecting only householders who are fluent in English boosts homeownership rate most for those with the least education. For the Mexican born with less than 12 years of schooling, English fluency boosts the homeownership rate by 8.6 percentage points from 54.5 percent (Figure 9) to 62.1 percent. For high school and college graduates, English fluency boosts homeownership by 6.9 and 5.0 percentage points, respectively, above those presented in Figure 9.



Discussion

Mexican immigrants and their descendants represent about one out of every seven persons in metro Chicago, a proportion that is likely to grow due to ongoing immigration, higher-than-average fertility rates of Mexican-origin women, and the out-migration of the non-Latino White population from the area. The data presented in this paper address fundamental questions regarding trends in the social and economic well-being of the area's large and growing Mexican American population.

One aspect of these important questions has to do with the status of Mexican-born residents of the Chicago area and whether the status of this population has improved over time. A second aspect involves the US-born Mexican-origin population, many of them children of immigrants, and the extent to which indicators of socioeconomic status provide evidence of intergenerational advancement.

With regard to the status of Mexican immigrants in the Chicago area, analyses based on data from the 1990 and 2000 Censuses presented here show that their income, poverty, and homeownership levels improved over the last decade. The median household income of Mexican immigrants increased by 12.0 percent in the 1990s, while the poverty rate decreased. Perhaps most impressive of all, the homeownership rate of Mexican-born householders in metro Chicago increased by more than a quarter, from 43.1% in 1990 to 55.2 percent in 2000—drawing nearly equal to the homeownership rate for US-born householders of Mexican origin. Substantial improvements in income, poverty rate, and homeownership occurred among least educated immigrants (those with less than 12 years of schooling) as well as for the Mexican-born population overall. Only college-educated Mexican immigrants have experienced a decline in income during the 1990s. College-educated immigrants, however, account for only 4.2 percent of the Mexican-born household heads over age 25, and the significance of their income decline is questionable due to their small numbers.

By adjusting for educational attainment levels and fluency in English, this report has examined whether the US born enjoy an advantage that goes beyond these human capital attributes. If the picture for Mexican immigrants is one in which the least educated are making impressive strides, the opposite is true for the US born. More than a quarter of US-born household heads of Mexican origin in metro Chicago are high school dropouts, and this enormous segment of the population experienced a sharp decline in income and homeownership and an increase in poverty in recent years. In fact, by 2000 the status of US-born household heads of Mexican origin with less than 12 years of education had deteriorated, not only in absolute terms but also relative to their Mexican-born counterparts. On a more optimistic note, the high school completion rate for US-born Mexican householders in metro Chicago increased markedly during the 1990s, though it still lags substantially behind the near 90 percent completion rate for non-Hispanic Whites.

Among those with 12 years of education or a high school diploma, the US born hold a small advantage over the Mexican born with regard to income, poverty rate, and homeownership. For the college educated, US-born persons of Mexican origin hold a substantial advantage over their

Mexican-born counterparts. US-born household heads of Mexican origin with college degrees far outperform the comparably educated Mexican born—even when the Mexican born are fluent in English. The US born with Bachelor’s degrees are wealthier and more likely to own their homes, and their advantage over their Mexican-born counterparts in this regard widened over the last decade.

Overall, gains in the status of Mexican immigrants during the 1990s are impressive, especially considering that nearly half of Mexican-born householders currently residing in metro Chicago arrived in the United States within the previous 10 years, many with little knowledge of English and irregular immigration status. In Washington leaders of both political parties have argued for legislation that would grant legal status for at least some undocumented immigrants. One wonders how much the community’s economic progress would be accelerated by policies that resolved longstanding problems of documentation.

As shown in this report, Mexican immigrants’ income and homeownership rates generally rise with more education, as do those of the US born. English language fluency also is associated with higher income and homeownership rates—especially for the Mexican born. This highlights the importance of educational programs for this population. Public policymakers would do well to ensure that English language instruction (e.g., ESL classes) is widely available and accessible for immigrants. For those lacking a high school diploma, increasing the availability of practical and effective GED programs also would be a wise investment. The State of Illinois recently cleared the way for some undocumented Mexican American young people to pay in-state tuition at Illinois community colleges and universities. In the long run these measures could not only boost the status of Mexican immigrants but also promote the long-term prosperity of the region.

Finally, the deteriorating circumstances of US-born Mexicans who have not completed high school is an extremely serious problem. Improving the quality of schools—particularly with regard to their ability to effectively respond to this community—clearly must be a part of the solution. However, data presented here suggest that it is not the whole solution. The juxtaposition of the declining prospects of US-born householders who have not completed high school with the advances made by comparably educated Mexican-born householders underscores the complexity of the problem and the range of potential policy responses to it. This issue calls for serious public policy responses—responses that are well-grounded in social science research.

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