

Immigrant Earnings Assimilation in the Age of Modern Mass Migration

(with Daniel Crown and Jimmy Chin)

Abstract

We characterize immigrant earnings growth from 1981 to 2017 leveraging unique administrative records that track immigrants from their time of arrival and allow us to study return migrants. We document several new facts. First, roughly one-fifth to one-third of immigrants return migrate from the U.S. within 10 years after arrival. Second, return migrants have similar entry earnings as permanent migrants but experience slower rates of earnings growth. For this reason, panel and repeated cross-section estimates of immigrant earnings growth are similar, unlike in prior work. Third, earnings assimilation occurs relatively quickly for cohorts arriving since the mid-1990s: the earnings of permanent immigrants consistently converge, or come close to converging, with the earnings of natives within 10 years after arrival. Migrants from earlier arrival cohorts experience significant earnings growth but have lower initial earnings, thereby failing to reach convergence.