

## Immigrants' occupations and earnings

Numerous studies have analyzed the effects that education and work experience have on the earnings of immigrants in the United States. However, most of these studies do not include variables for occupations in their equations. The article "Earnings and Occupational Attainment among Immigrants" (Industrial Relations, July 2009), by Barry R. Chiswick and Paul W. Miller, in contrast, is one that views earnings and occupation as two imperfect measures of labor-market outcome. The authors believe that education has not only a direct effect on earnings, but also an indirect effect that operates through the occupation in which a given immigrant works. Their article uses data from the 2000 U.S. Census on foreign-born males

aged 25–64. The data include information on 23 major occupational groups and 509 occupations.

Controlling for major occupational group, Chiswick and Miller find that about 40 percent of the rise in earnings associated with additional schooling stems from entrance into a better paying major occupational group; the rest stems from attaining higher earnings within the group. Controlling separately for both major occupational group and for occupation, the authors also discover that a larger amount of work experience prior to immigration is associated with immigrants working in lower paying jobs in the United States. This appears to result from the difficulty in transferring job skills from one country to another. This explanation is consistent with the fact that the negative effect of experience in a foreign labor market is relatively stron-

ger among higher paying occupations. Most growth in earnings achieved by immigrants comes from increases in earnings within an occupation.

A greater number of years spent in the United States is associated with higher earnings, but only when not controlling for English-language ability—a finding which highlights the importance of English skills in obtaining a job that pays well. In fact, the association between better English skills and greater pay is found to be highly statistically significant. It also appears that access to higher paying occupations is based primarily on educational attainment as opposed to work experience. On the whole, an immigrant appears to be most likely to obtain a high salary in a more lucrative occupation if he is highly educated, immigrates as early as possible, and becomes proficient in English as quickly as possible. □

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