

Assimilating activities of immigrants

Many studies have been conducted focusing on the results of assimilation by immigrants into a native culture; however, few have examined the activities involved in the process of assimilation. Daniel S. Hamermesh and Stephen J. Trejo use data from the American Time Use Survey (ATUS) to explore the process of assimilation by U.S. immigrants in their working paper titled “How Do Immigrants Spend Time?: The Process of Assimilation” (NBER Working Paper 16430, October 2010).

The researchers began by constructing a model in which they classified certain activities as assimilating activities and others as nonassimilating activities. Assimilating activities are defined as those which advance immigrants’ familiarity with and absorption into their new country’s culture: for example, learning English and working and shopping outside of one’s ethnic community. The researchers classified the ATUS categories of purchasing, education, and market work as assimilating activities. Care for others, eating/drinking, household activities (household production), personal care, other leisure, socializing/television watching, and organizational/civic/religious activities were classified as nonassimilating activities. The researchers viewed performing activities that entail overcoming language barriers and cultural obstacles as fixed costs that lead to an increased level of utility in the future.

Plugging the ATUS data into Hamermesh and Trejo’s model generates some interesting results.

Natives’ rate of participation in assimilating activities was 1.5 percent higher than that of immigrants, primarily driven by a disparity in participation levels in purchasing activities. However, contingent upon his or her participation in an assimilating activity, an immigrant tends to spend more time performing that activity. Specifically, in comparison with their native counterparts, those immigrants who engaged in purchasing activities spent 10.9 percent more time on these activities, and those immigrants who engaged in market work spent 4.0 percent time doing it. On average, conditional on immigrants’ participation in an activity, they spent 5.7 percent more time than natives on assimilating activities and 1.2 percent less time on non-assimilating activities.

Interestingly, very similar results were observed when applying the model to data from the Australian Time Use Survey, after accounting for methodological differences between the surveys.

Ultimately, Hamermesh and Trejo postulate that there are high costs to assimilating: they involve leaving the familiarity of one’s own cultural and economic mindset and adopting the customs of a new country. These high costs are a barrier to assimilation, causing some immigrants to choose not to assimilate. But those who do take part in assimilating activities tend to spend more time on them than natives.

Optimism leads to improved labor market outcomes

Is the glass half full or half empty?

This common question is a litmus test that categorizes a person as one of two personality types: optimist or pessimist. Economists Ron Kaniel, Cade Massey, and David T. Robinson believe that the answer to this question tells a lot about a person—including how he or she may fare in the labor market.

In their recent National Bureau of Economic Research (NBER) study entitled “The Importance of Being An Optimist: Evidence from Labor Markets” (NBER Working Paper 16328, September 2010) the authors explore how optimism shapes the economic behavior and labor market outcomes of a panel of MBA students at a major U.S. university. Specifically, the authors focus on dispositional optimism, a personality trait associated with people who believe that good things tend to happen to them more often than bad things. The authors focus on dispositional optimism because uncertainty is central to economic choice; when making a decision that may yield an uncertain future, an optimist places more weight on positive outcomes than a pessimist does.

The authors calculated dispositional optimism by measuring generalized expectations of the future, observing job search behavior during the MBA program, analyzing admissions records and data on classroom performance, and administering surveys designed to capture the perceptions of other students. In addition, the authors followed up with alumni two years after they graduated to learn about their post-MBA job-market experience.

With their study, the authors find strong evidence to suggest that optimists outperform their peers in the job market. They found that

optimists place less importance on the job search process. Of the MBA students surveyed, 38 percent said getting a job after graduation was more important than making friends or earning good grades in the program. Optimists were significantly less likely to place the greatest importance on getting a job.

Optimists are generally more efficient in their job searches. The authors found a strong negative correlation between optimism and the

number of jobs applied for through on-campus recruiting, regardless of controls for various demographic and other characteristics.

Optimists have higher search yields and receive job offers more quickly. The median student gets one offer for every six bids, but on average, optimism leads to a 10-percent greater search efficiency. Moreover, optimism has a strong positive effect on getting a promotion; optimism translates to a 5- to 10-percent

increase in the probability of being promoted.

The authors hypothesize that optimism has a large effect on circumstance because it affects many interactions and decisions throughout the day, every day. They also note that dispositional optimists are more resilient when receiving negative feedback and have an easier time maintaining the complex balance between abandoning a goal and staying the course. □

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