Current and Future Effects of Mexican Immigration in California

Kevin F. McCarthy, R. Burciaga Valdez

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The
California
Roundtable

FOREWORD

The California Roundtable, an organization of ninety leading corporations which studies current issues with broad public policy ramifications for California, recognized long ago that the profile of California was changing in response to the growing Mexican-origin population. To understand the full impact of this change on the demographic, social, and economic infrastructure of the State, we undertook a major study of Mexican immigration into California.

Nearly two years ago, the Roundtable established a task force to: (a) compile a profile of California's Mexican-origin residents, (b) assess their effects on the State, (c) analyze how that population may change in the future, and (d) identify the key economic and social issues raised by these changes for both the public and private sectors. The Roundtable commissioned The Rand Corporation to do the research and data analysis.

The task force and their deputies provided substantive guidance in shaping the research agenda and worked closely with the Rand staff over the 18-month duration of the study. The task force members are: Royce Diener, American Medical International; William Woods, AT&T; Peter Haas, Levi Strauss & Co.; James F. Dickason, Newhall Land & Farming Co.; Alan Furth, Santa Fe–Southern Pacific Corp.; Dr. Albert Bowers, Syntex Corp.; and Rocco C. Siciliano, Ticor.

It is our hope that this report will help correct some misconceptions raised by the flow of Mexican immigration and will serve as a catalyst for constructive dialogues among interested members of public interest, business, government, and the Latino communities. The dialogue should be carried out in a calm, positive, and constructive forum, rather than in a crisis atmosphere.

We believe that the findings in this report have broad educational, economic, and social ramifications. As a representative of the business community, The California Roundtable is pleased to provide new and valuable information on a public policy issue of such great consequence for all Californians.

December 12, 1985

Norman Barker, Jr.
First Interstate Bank
Task Force Chairman

PREFACE

There is a long history of immigration from Mexico to California, a process that responds to economic, social, and political conditions on both sides of the border. Recent increases in the volume of this immigration have stimulated public concern about the effects of immigration on California's economy and social structure.

This report presents the results of a study sponsored by The California Roundtable, a voluntary association of major California businesses concerned with public and social issues, to provide an objective assessment of the current situation and an appraisal of future possibilities. The report describes current immigration from Mexico to California, its effect on California's economy, and the socioeconomic integration of succeeding generations. It also evaluates future demographic, economic, and social prospects.

The report should be of special interest to the business community, to educators, to state and local government officials whose responsibilities include social and economic programs, and to the California Latino community.

Two companion pieces were produced as part of this study:

Kevin F. McCarthy and R. Burciaga Valdez, *Current and Future Effects of Mexican Immigration in California: Executive Summary,* R-3365/1-CR, November 1985.

Connie Malcolm Moreno, Kevin F. McCarthy, and R. Burciaga Valdez, *An Annotated Bibliography of Sources on Mexican Immigration,* N-2392-CR, forthcoming.

SUMMARY

Concern about Mexican immigration to California has increased sharply in the last ten years. Many people believe that the situation has reached crisis proportions, with immigrants taking jobs away from native-born workers, using public services for which they have not paid, and spawning barrios where their separate language and culture permanently isolate them from U.S. society.

This study was undertaken to assess the current situation of Mexican immigrants in California and project future possibilities. We have constructed a demographic profile of the immigrants, examined their economic effects on the state, and described their socioeconomic integration into California society. To unify and interpret the extensive and varied data on which the study is based, we developed models of both the immigration and integration processes. We then used these models to project future immigration flows.

The major conclusion of the study is that the widespread concerns about Mexican immigration are generally unfounded: Mexican immigrants are not homogeneous, and they differ in their characteristics and their effects on the state; failure to recognize their diversity distorts assessments of the current immigration situation. Overall, the immigrants provide economic benefits to the state by increasing total employment, and native-born Latinos may bear the brunt of competition for low-skill jobs. In general, immigrants contribute more to public revenues than they consume in public services; however, the youthfulness of the population, their low incomes, the progressiveness of the state income tax structure, and the high costs of public education produce a net deficit in educational expenditures. This deficit is most pronounced in communities with a high concentration of immigrants. Such communities pay a disproportionately large share of service costs but receive less than a proportionate share of tax revenues. Finally, Mexican immigrants are following the classic American pattern for integrating into U.S. society, with education playing a critical role in this process.

Mexican immigration does, however, raise some long-term issues that need to be addressed. Continued rapid immigration from Mexico to California and projected shifts in the industrial and occupational structure of California could disrupt the traditional mobility process of immigrants. These projected changes will make education an increasingly important key to the occupational and social mobility of the

Mexican immigrants' children and grandchildren. Continued social mobility is the key to their full participation in California's society and economy; thus, it is essential to monitor the educational, occupational, and social progress of the Latino population. This will make it possible to identify and diagnose problems that could disrupt the integration process, and it will allow policymakers to make some of the tough tradeoffs that may be required based on an objective assessment of how the situation is changing rather than on subjective perceptions of those changes.

ACKNOWLEDGMENTS

The authors wish to express their appreciation to the members of The California Roundtable task force, and especially to Mr. Norman Barker, Jr., the task force chairman, and his deputy, Mr. Lloyd Dennis, for their cooperation and assistance in this research. We are also grateful to our Rand colleagues for their encouragement and assistance in the preparation of this report. Georges Vernez and Linda Waite reviewed the report, and their comments are gratefully appreciated. Syam Sarma helped with the computer work. Janet DeLand skillfully edited the report. Anthony Pascal and David Lyon provided helpful comments and suggestions. Joan Goldhamer compiled a comprehensive profile of organizations and institutions dealing with Mexican-U.S. relations. Connie Moreno provided invaluable assistance in reviewing the literature. Finally, special thanks are due to Mary Vaiana, whose assistance was essential to the report's organization and presentation.

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I. INTRODUCTION

Even before Father Junipero Serra and his fellow missionaries established *el Camino Real*, Mexican immigrants began making the journey north to California. Mexican immigration to California, however, has become an issue of increasing concern in recent years.[1] This concern reflects a number of developments. First, after five decades of relative stability, U.S. immigration levels have surged to an extent that rivals the great waves of immigration at the turn of the century. Moreover, unlike earlier immigrants, today's newcomers have targeted California as their preferred destination, causing the state to be labeled the "New Ellis Island."[2] Second, the U.S. economy has only recently emerged from the prolonged downturn of the late 1970s and early 1980s, and American attitudes toward immigrants have traditionally fluctuated with economic conditions: Wide-scale immigration is tolerated during periods of economic expansion, but there is a clamor for restrictions during periods of high unemployment.[3] Finally, unlike the situation at the turn of the century, when there were fewer restrictions and immigrants could enter the country freely, many recent immigrants are believed to be illegal entrants. Their ability to enter the country in spite of U.S. immigration laws has reinforced the perception that the United States has lost control of its borders.

Although by no means the only immigrants who have occasioned public concern, Mexican immigrants seem to draw particular attention. This special concern arises from a number of common perceptions:

1. The number of Mexican immigrants is skyrocketing—one popular magazine referred to the steady flow of Mexican immigrants northward as the "march of the new Conquistadors" (*U.S. News and World Report*, 1985).
2. The profile of the immigrants is changing. No longer are they primarily young males who enter the state to work in the

[1]This concern is reflected in the growing number of news stories on Mexican immigration that have appeared in the popular press in recent years. All three of the national weekly news magazines have run cover stories that featured Mexican immigration: *U.S. News and World Report* in 1985; *Time* in 1985; and *Newsweek* in 1980.

[2]A history of U.S. immigration patterns is included in the staff report of the Select Commission on Immigration and Refugee Policy (1981). California's growing importance as a destination is reviewed in Muller and Espenshade (1985) and McCarthy (1983).

[3]Americans' ambivalence toward immigrants and its relationship to economic conditions are discussed in Keely (1979) and Teitelbaum (1980).

agricultural fields during the harvesting season, then return to their families in Mexico; they increasingly consist of entire families who come to settle permanently.

3. The growing pool of unskilled and undocumented Mexican immigrants undercuts the economic position of native-born workers, reducing their wages and forcing them into unemployment.
4. Mexican immigrants drain the fiscal resources of the areas in which they concentrate because they use public services to which they are not entitled and their tax contributions are insufficient to cover the costs of the public services they use.
5. The state's large cities are spawning Spanish-language enclaves peopled by immigrants and their offspring who, unlike earlier immigrants, show little inclination to learn American ways and participate in California society.
6. The current situation is approaching crisis proportions, and economic and demographic conditions in Mexico threaten to make things worse in the long run.

This study addresses these concerns by providing an objective assessment of the current situation and an appraisal of future possibilities. It has four basic goals:

1. To construct a profile of the immigrants: Who are they? What are their characteristics? What is the nature of the process driving them north?
2. To examine the immigrants' effects on the state, with particular attention to their effects on labor markets and on the public sector.
3. To describe the socioeconomic integration of the Mexican-origin population into California: What is the nature of this process? How does it compare with the way in which earlier waves of immigrants integrated into American society? How much economic and social progress have Mexican immigrants and their U.S.-born offspring made?
4. To project into the future: How large are future flows likely to be? What will be the characteristics of future immigrants? What kinds of economic effects will future immigration have on the immigrants who are already here?

Three key premises guided the study design. First, our research focused exclusively on the situation in California, and thus our results do not necessarily generalize to other regions. This qualification is especially important in the case of labor market and public sector

effects, because of variations in local labor market characteristics and in state and local government taxation and benefit policies. Second, our recommendations are limited to those aspects of immigration that can be affected at the state level, i.e., by California business and government. Thus, we do not address national immigration policy reform, since the state has no direct control over U.S. immigration laws or their enforcement. Third, many of the issues that immigration, particularly the influx from Mexico, raises for California will remain issues regardless of any new federal immigration legislation. These issues include potential labor market competition among ethnic groups and between immigrants and native-born workers, financing public services for low-income residents, and the integration of immigrants and their offspring into California's political, social, and economic life.

Because California's Mexican immigrants are an elusive population, difficult to locate and to describe with standard data sources, and because many of the effects of Mexican immigration on the state are difficult to measure, we could not rely on a single data source in our investigation. Therefore, we have combined a detailed review of the existing literature with a variety of data sources, including the 1980 U.S. and Mexican Censuses; reports of the Immigration and Naturalization Service (INS), the U.S. Department of Labor, and local California government agencies; and a number of special surveys. To organize our research findings and to place our diverse data sources into a common context, we have developed models of Mexican immigration into California and integration into American society. Together, these models encompass the entire immigration process, from its roots in Mexico, through the settlement process of the immigrants, to the educational and occupational integration of their U.S.-born offspring into California society.

The results of our investigation show that many of the widespread concerns about Mexican immigration are unfounded:

- We found little evidence that immigrants have disrupted California's labor market or displaced native-born workers; instead, the immigrants may actually have provided substantial benefit to the state's economy.
- Immigrants' use of public services is not a general problem, although the education of their children (both U.S.- and Mexican-born) is subsidized by the state's taxpayers, and communities with substantial concentrations of foreign-born bear a disproportionate share of the cost burden while receiving less than a proportionate share of the tax revenues.

- Mexican immigrants are not fostering a separate society; they are integrating into the state's society in much the same way as other immigrants have done.

In sum, Mexican immigration does not pose a current crisis for California. It does, however, pose some longer-term concerns that need attention now.

In the following sections, we present the evidence supporting these findings. Section II places the current situation in a historical context by briefly reviewing the history of Mexican immigration to California. Section III introduces our model of the immigration process—the key to understanding the diversity of Mexican immigrants and their effects on the state. Section IV sketches an economic and social profile of the state's Mexican immigrants, and Section V assesses the immigrants' effects on the state's economy and on its local governments. Section VI turns from economic concerns to the question of how well the immigrants and their children are assimilating into California and to the factors that influence the pace of that progress. Section VII projects future immigration flows and changes in California's economy, and explains how their interaction poses potential problems that must be addressed. Finally, Section VIII summarizes our findings.

II. A BRIEF HISTORY OF MEXICAN IMMIGRATION TO CALIFORNIA

Twenty years ago, Carey McWilliams described California's Mexican-Americans as a "group so old it has been forgotten and so new it has not yet been discovered" (McWilliams, 1964). This description no longer fits. California's businessmen and politicians are increasingly aware that the state's Latinos and the country from which most of them come, Mexico, can no longer be either taken for granted or ignored.[1] Indeed, the current concern about Mexican immigration signals Californians' rediscovery of the state's Mexican connection.

Although California's first European settlers were Spanish missionaries who came north from Mexico to convert the Indian natives and establish a Spanish presence in the state, large-scale immigration from Mexico to California is a relatively recent phenomenon. It began in the 1940s with the introduction of the Bracero Program and assumed its current character in the mid-1960s, after the termination of the Bracero Program and the passage of the 1965 Immigration Act.

Because the Spanish missionaries and their Mexican successors never intensively populated their settlements in California, they never constituted more than a small fraction of California's population. Prior to the influx of Americans who came West to make their fortunes in the Gold Rush of the 1840s, they were vastly outnumbered by Indian natives (Cook, 1976); subsequent to that influx, they were vastly outnumbered by Anglos (Hammel, 1981). Although this turnabout was most pronounced in the northern part of the state, it also occurred in Southern California. In 1846, Los Angeles' approximately 1,200 Mexicans constituted 96 percent of the area's non-Indian population. Fifteen years later, the Mexican population had grown by less than 1,000 and constituted less than half of the region's total population; by the turn of the century, the region's 3,000 to 5,000 Mexicans represented less than 5 percent of the population (Camarillo, 1984).

Immigration to California did increase rapidly during the latter half of the nineteenth century, but the vast majority of those immigrants were Asian—first Chinese, and later Japanese and Filipinos. In 1900, over 70 percent of the approximately 100,000 Mexican immigrants who were in the United States had settled in Texas, not California; indeed,

[1]The term *Latino* refers to all California residents of Latin American descent. The other frequently used term, *Hispanic*, refers to all individuals of Spanish heritage. More than 80 percent of California's Latinos are of Mexican origin.

fewer than 10 percent of them were in California. This situation began to change in the first two decades of the twentieth century, after a series of restrictionist immigration measures were passed that effectively cut off Asian immigration. Mexican immigrants soon began to appear in California's agricultural sector, replacing the earlier waves of Asians (Fisher, 1953). Once the flow of Mexican immigration to California began, its size fluctuated with economic conditions and the availability of alternative labor supplies, but by 1930, nearly 180,000 Mexican immigrants were in the state, a little over half of the state's total Latino population.

After the collapse of the stock market in 1929 and the onset of the Great Depression, thousands of Americans deserted the Dust Bowl and migrated west to California. The combination of economic collapse and large-scale migration increased unemployment as well as competition between the Mexican immigrants and the newly arrived American migrants and eventually led to calls for removal of the Mexicans. The result was a massive deportation of immigrants and native-born Mexican-Americans alike that removed in one fell swoop a good share of the Mexican immigrants who had entered the state during the preceding thirty years. Indeed, between 1930 and 1940, California's Mexican-born population declined by almost one-third.

The onset of World War II brought the prospects of a new shortage of agricultural labor, as young men were mobilized and war-related industries intensified recruitment of other workers. To insure sufficient labor to meet agriculture's needs, the federal government entered into an agreement with the Mexican government to allow American farmers to import temporary guest workers. Most of these new migrants, called *braceros*, were young, single males who entered the country as seasonal workers, concentrating in Southern California and the Central Valley. Although some brought their families and eventually settled in the state, particularly in the Los Angeles area, most of them returned to their villages in rural Mexico. Few of the migrants had much formal education, and since most of them were recruited by agricultural labor contractors, few had much incentive to learn English, obtain the benefits of an American education, or integrate into California society.

Although the Bracero Program was initially intended as a wartime emergency measure, U.S. agricultural interests and others successfully lobbied to keep it going after the war ended. The subsequent growth of the program—during the 1950s, an average of 336,000 Mexicans were recruited yearly—led to an increase in the number of illegal as well as legal guest workers. When the economy contracted after the conclusion of the Korean War, the INS instituted search and seizure

procedures reminiscent of the 1930s repatriation effort. During what came to be known as "Operation Wetback," large numbers of Mexican-origin workers who could not produce documents certifying their right to be in California were deported back to Mexico. Finally, after repeated complaints by U.S. labor unions about violations of contract agreements and the exploitation of bracero workers, along with protests by politicians, civil rights workers, and the Mexican-American community, Congress let the Bracero Program expire in 1964, at the height of the civil rights movement.

The termination of the Bracero Program was a major factor that shaped the current character of Mexican immigration to California. First, it transformed the movement of seasonal workers between Mexico and California from a predominately legal to a predominately illegal migration. Second, it increased the size of the resident Mexican population in the state, as thousands of former braceros, many helped by their employers to obtain legal status, decided to settle permanently in the state. Many of these new residents were subsequently joined by their families and followed the rural-to-urban migration of the native-born.

The second key factor that shaped the character of recent Mexican immigration was the passage of the 1965 Immigration and Nationality Act. Although hailed by civil libertarians because it abolished the old national-origin quotas that discriminated against Southern and Eastern European and especially Asian immigrants, this law is regarded much less benignly by Latin Americans, because it imposed the first numerical limitations on Western Hemisphere immigration. In addition, it made family reunification the principal criterion for entry by assigning four of the first five preferences to relatives of citizens and legal resident aliens.[2]

The 1965 Act marked a watershed for Mexican immigration in two respects. It limited, for the first time, the total number of permanent Mexican immigrants who could legally enter the United States. In addition, it made it virtually impossible for unskilled Mexicans without relatives already living legally in the United States to immigrate legally. Indeed, given the numerical limit on the annual number of legal entries from Mexico and the large backlog of visa requests, it

[2]The exception is the third preference, which is reserved for highly skilled immigrants. This preference has been heavily used by Asian immigrants who lacked immediate family ties to citizens due to the 50-year hiatus in Asian immigration between the institution of restrictive measures at the turn of the century and the passage of the 1965 Act. These immigrants qualified most easily for entry under the third preference. As Keely (1975) points out, this phenomenon has helped make recent Asian immigrants the most skilled immigrants in our nation's history.

indirectly encouraged even those who might have a legal claim to entry to bypass the system and enter illegally.

Although the termination of the Bracero Program and the passage of the 1965 Act changed the ground rules for Mexican immigration, they did not end California's demand for low-wage labor or the attraction of California wages for predominately unemployed and underemployed Mexican peasants. In the years since 1965, both legal and illegal immigration from Mexico to California have fluctuated, but the overall direction has been upward—a reflection of an increasing push from Mexico and an increasing pull to California.[3] The number of Mexican immigrants living in the state has risen from about 150,000 in 1950 to over 1.3 million in 1980, and the total number of Latinos has soared from about 750,000 to 4.5 million.[4] Almost two-thirds of the total increase has occurred since 1965.

This historical review helps clarify three points about California's Mexican-origin population. First, although Mexicans were the first European-heritage settlers in the state, not until 1970 did Latinos comprise as much as 10 percent of California's total population. By 1980, that fraction had grown to 19 percent. Second, although large-scale Mexican immigration began with the introduction of the Bracero Program in the 1940s, the bulk of California's Mexican immigrants entered the state in the mid-1960s, after the termination of the Bracero Program and the passage of the last major revision of U.S. immigration law. As a result, a very large share of the state's Mexican-origin residents are either foreign-born or first-generation native-born. As shown in Table 2.1, 35 percent of the state's Mexican-heritage residents are immigrants, and 42 percent are first-generation native-born. Among Latinos 15 years of age or older, the fraction of immigrants is even higher.

Finally, this review suggests that the characteristics and experiences of the recent (post-1965) immigrants differ from those of earlier eras. For much of their history in California, the state's Mexicans were subject to arbitrary and discriminatory treatment, as symbolized by the mass deportations of the 1930s and 1950s. Moreover, the first sustained immigration experience (during the Bracero period) was not one of traditional resident immigration but rather admission as guest workers whose labor was required but who were expected to return to

[3]Between 1970 and 1983 (the most recent year for which complete data are available), the number of annual legal entrants has ranged from 44,079 to 101,268, and the number of border patrol apprehensions has ranged from 219,254 to 1,076,345 (INS, 1980, 1983).

[4]Prior to the 1970s, when substantial numbers of Central Americans and Cubans began to enter California, the proportion of Latinos of Mexican heritage was even higher than the current 80 percent.

Table 2.1

CALIFORNIA'S MEXICAN-ORIGIN POPULATION, BY AGE AND GENERATION, 1980

	% of Mexican-Origin Population			
		Native-Born		
Age Group	Foreign-Born	1st Gen.	2nd Gen.+	Total
15+	45	40	15	100
<15	16	46	38	100
All ages	35	42	23	100

SOURCE: 1980 U.S. Census, Public Use Files for California.

Mexico when that labor was no longer needed. Today's immigrants, however, are inclined to settle permanently. Public attitudes toward California's Mexican-heritage residents may also have changed, as indicated by the fact that despite an apparent increase in the number of illegal immigrants and a growing concern about the effects of that illegal immigration, no influential politicians either in California or in Washington have proposed anything like an "Operation Wetback." Instead, amnesty for the undocumented has been incorporated as an essential element of national immigration reform.

III. A CONCEPTUAL MODEL OF THE IMMIGRATION PROCESS

The increased public interest in Mexican immigration issues is echoed by a burgeoning number of studies on the topic (Domestic Council, 1976; Congressional Research Service, 1977a and b; Cross and Sandos, 1979). However, this literature fails to present a clear picture of either the immigration process, the immigrants, or their effects on the state. In the following, we briefly highlight the diversity of findings in the literature as an introduction to our conceptual model of the immigration process. This framework helps to resolve the contradictions in prior studies, provides an analytical structure for understanding the immigration process, identifies the characteristics of the immigrants and their effects on the state, and establishes a basis for projecting future possibilities.

FINDINGS OF PRIOR STUDIES

Prior studies present a bewildering array of estimates of the number, characteristics, and effects of Mexican immigrants. In general, the profiles that emerge from the literature tend to fall on a continuum between two extremes. At one extreme, the studies suggest that the stock of undocumented Mexican immigrants remains relatively stable, primarily because the majority of immigrants are young, single males who stay in the United States for short periods, work in jobs that most native-born Americans refuse to take, and probably provide a net boost to the economy because they supply a needed pool of cheap labor and pay more in taxes than they consume in services.[1]

The other extreme presents a picture of a rising tide of illegal immigrants who are permanently escaping the poverty of Mexico and in the process are clogging our schools, swelling the ranks of the native-born unemployed, and draining the coffers of the communities in which they settle.[2]

---

[1]This view represents a composite of the findings in Weist (1973), Cornelius (1976, 1977, 1978), Reichert (1979), Shadow (1979), Diez-Canedo (1979), Mines (1980), Dagodag (1975), and Villalpando (1977).

[2]Studies that contribute to this picture include North and Houston (1976), Avante Systems (1978), Van Arsdol et al. (1979), and Huddle et al. (1985).

Although no single factor accounts for the discrepancies among those findings, conclusions about the characteristics of the immigrants and their effects generally correlate with the types of data from which they are derived. The studies in the literature use three separate sources:

- INS data on apprehensions of illegal aliens and legal entry of other immigrants.
- U.S. Census Bureau data on the resident Mexican-born population.
- Surveys and studies of selected subpopulations of immigrants in the United States or Mexico.

Each source represents a somewhat different segment of the immigrant population. Also, some sources focus on the flows of immigrants, while others describe the stock of immigrants already in place; they therefore refer to different components of the immigrant population. The INS data, for example, describe the annual flows of legal aliens and the flow of undocumented aliens apprehended at the border or in the interior. The Census Bureau data, in contrast, describe the stock of immigrants, both legal and undocumented, who were counted in the decennial Census. Selected survey data describe a wide variety of subpopulations, including immigrants who have returned to Mexico (Bustamante, 1977 and 1978; Garcia y Griego, 1979; Zazueta and Corona, 1979), applicants for legal assistance (Hirschman, 1978; Portes, 1979; Van Arsdol et al., 1979), and residents in specific communities in the United States (Orange County Task Force, 1978; Heer and Falasco, 1982). Table 3.1 summarizes some of the differences in findings among these various sources.

Table 3.1

CHARACTERISTICS OF IMMIGRANTS, BY SOURCE OF DATA

	Source		
Characteristic	INS Data	Census Data	Special Studies and Surveys
Flow per year	≥ 1,000,000	—	≈50,000 to 500,000
Stock	—	≈500,000 to 1,000,000	≈230,000 to 12,000,000
Description	Young males (85%); employed in agriculture	Primarily in 20s and 30s; 1/3 recent entrants; 57% males	Varies with sample
Effects	Displace legal residents	Not specified	From little to substantial

As Table 3.1 shows, the various sources produce different estimates of the size of the immigrant population (indeed, they focus on different aspects of the population's size), different descriptions of its characteristics, and most particularly, different conclusions about its effects.[3] The INS data, for example, suggest that the annual flow of immigrants into the country approaches 1 million (800,000 to 900,000 apprehensions and 100,000 legal entrants); that the undocumented population consists predominately of young, single males who are either looking for work or are employed in agriculture (hence the persistence of the traditional image of Mexican migrants); and that the undocumented immigrants displace native-born workers (raids such as "Operation Jobs" are cited as proof).

Recent estimates based on 1980 Census data suggest that approximately 1 million illegal aliens from Mexico were counted in the 1980 Census and that about half of them were in California (Warren and Passel, 1983). In addition, analyses based on these data (Muller and Espenshade, 1985; Bean et al., 1984) indicate that this population is older, less likely to be male, and more urbanized than the traditional stereotype. The Census data, however, do not address the issue of how the immigrants may be affecting the country.

Special studies of Mexican immigration using diverse samples and methods range widely in their estimates of the size, characteristics, and effects of Mexican immigrants. The annual flow, for example, is estimated to vary from as little as a net increase of 50,000 per year to as much as 500,000; similarly, estimates of the stock of Mexican immigrants vary from as few as 230,000 to as many as 12 million. Similar uncertainty characterizes the estimates of characteristics and effects.

Despite the discrepancies among estimates and immigrant profiles, similarly derived samples produce some interestingly similar findings. For example, studies of return migrants in Mexico (Cornelius, 1976 and 1978; Bustamante, 1977 and 1978) and apprehendees awaiting deportation (North and Houston, 1976) present a picture that accords well with the image of Mexican immigrants as young males who come to the United States alone for work but subsequently return to their families in Mexico. These studies also suggest that the typical immigrant uses few public services because he wishes to avoid contact with U.S. officials of any kind, but he frequently pays taxes and thus provides a net benefit to local governments. On the other hand, surveys of Mexican immigrants living in the United States and data in various government record systems present a very different profile (Van Arsdol et al.,

[3]Estimates of the size of the Mexican immigrant population are reviewed in Griego and Estrada (1981) and Siegel et al. (1980).

1979; North, 1981). They describe a resident population containing a much higher percentage of women and children who use a wide array of public services (Reichert and Massey, 1979a, 1979b; Flores and Cardenas, 1978).

The relationship between types of data and the profiles of immigrants they produce indicates that there is more than one type of immigrant and that the characteristics and potential effects of each type differ. It also shows that different data sources capture different segments of the immigrant population, and that relying on a single type of data distorts the picture of that population.

THE CONCEPTUAL FRAMEWORK

Building on these insights and on a review of the literature, we have developed a conceptual framework of the immigration process that

- Identifies the different types of immigrants.
- Relates them to a dynamic settlement process.
- Shows how legal and illegal/undocumented immigration are related.
- Provides an analytical structure for identifying and understanding how immigrants affect the state.
- Provides a basis for projecting future trends by identifying the factors that drive the settlement process and linking future events and conditions in Mexico and California to the volume and characteristics of the immigration stream.
- Helps reconcile the contradictions among prior studies.

Figure 3.1 shows the key elements of our framework. We distinguish among Mexican immigrants by how long they stay in the state, whether they enter legally or illegally, and whether they are primary or secondary immigrants. In terms of length of stay, we identify three types of immigrants: short-termers whose average stay in California is about 10 to 12 weeks; cyclical immigrants who leave their families in Mexico but stay in California for longer periods and return on a fairly regular basis (much like the braceros); and permanent immigrants who bring their families with them and establish more-or-less permanent residence in the state. Most of the short-term immigrants have little or no prior immigration experience, and therefore their shorter average stay probably reflects their lack of familiarity with INS enforcement procedures and the operation of California labor markets rather than differences in their intentions at entry.

There are both documented and undocumented immigrants within each length-of-stay category. Thus, our framework identifies six types

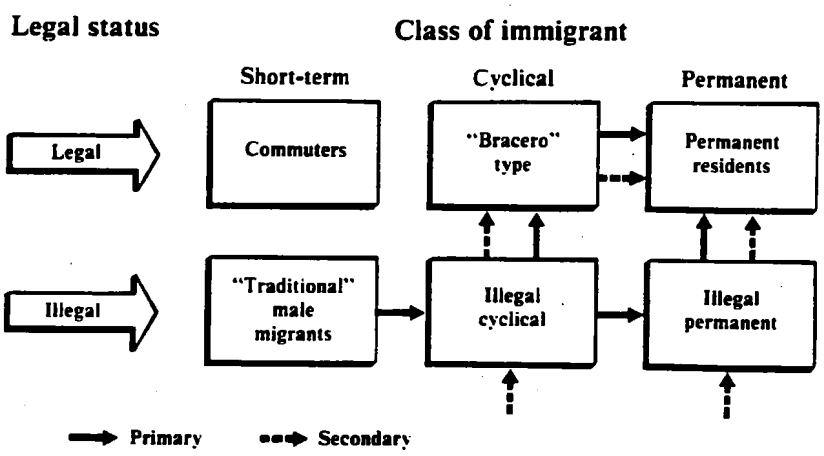

Fig. 3.1—A profile of Mexican immigration

of primary immigrant, distinguished by length of stay and legal status. However, since 1965 U.S. immigration laws have made it virtually impossible for a prospective Mexican immigrant to enter the country legally unless he or she is related to someone who is already a legal resident of the United States. Thus, the differences between legal and illegal immigrants may be the result less of motive than of historical accident.

The distinction between primary and secondary immigrants derives from the underlying settlement process which immigrants follow in a fairly regular, although not inevitable, sequence. This process differs between family heads (primary immigrants) and other family members (secondary immigrants).

As we have already noted, it is virtually impossible for a prospective immigrant from Mexico who does not have family ties to a legal U.S. resident to enter the country legally.[4] Thus, primary immigrants (males 15 to 35 years of age) generally first enter the country illegally as short-term illegal immigrants or are apprehended while trying to enter or shortly thereafter. The literature suggests that these short-termers typically work as day laborers or in temporary farm jobs.

[4]In this respect, the immigration process among Mexican illegals differs substantially from that among non-Mexican illegals, who typically enter the country with a legal visa and then become illegal by violating the terms of that visa—either by working or by not leaving when the visa expires.

Many remain close to the border and return to Mexico when they have acquired a bankroll of a few hundred dollars. Many of these first-time entrants never return to the United States or do so only sporadically for similar short-term stays, driven by economic conditions in Mexico.

As those short-termers gain experience in California, some of them become established with California employers and begin to return on a fairly regular basis, even though they maintain their families and principal residences in Mexico. Typically, they stay for increasingly longer periods, and some actually legalize their status either by marrying a legal resident or through the efforts of their employers. Many of the older legal cyclical migrants, for example, are former braceros who obtained legal status through the efforts of their employers but continue the pattern of cyclical migration, an indication that movement through the settlement process is not inevitable. Finally, some portion of the cyclical immigrants decide to settle permanently in California, abandon their residences in Mexico, and bring their families north. This process is no doubt being accelerated by changes in California's economy—most notably the employment shift among Mexican workers from seasonal agricultural work to year-round manufacturing and service jobs (Reubens, 1978; Mines, 1980).

The settlement process for other family members (secondary immigrants) differs substantially from that of primary immigrants. Many cyclical immigrants, for example, bring their older sons and other relatives north as soon as they are old enough to work. Legal cyclical immigrants may try to legalize those relatives so that they can subsequently enter the United States legally. Some portion of these secondary migrants, who are primarily but not exclusively male, in turn decide to settle permanently in California, either legally (e.g., by marrying a legal resident) or illegally. If the primary migrant decides to settle permanently, he brings his spouse and minor children north. If he is documented, he may attempt to obtain documentation for his family, but since it often takes years to petition and gain legal admission for family members, many of them enter illegally and later attempt to attain legal status. Thus, it is not uncommon to find a mix of legal and illegal immigrants in the same family (Hirschman, 1978; Portes, 1979). Moreover, children born in the United States to undocumented parents are, by virtue of their birthplace, American citizens. Similarly, an immigrant who initially enters the country illegally does not necessarily remain in undocumented status.

This framework explains a number of important points about the immigration process. First, it indicates that the different types of immigrants are related through an underlying settlement process and that changes in the numbers and characteristics of one type of migrant

may be related to changes in other types. Although the settlement process is not inevitable, it tends to follow a regular sequence, and that sequence differs for family heads (primary immigrants) and other family members (secondary immigrants). Older children and relatives typically begin as cyclical immigrants, either legal or illegal. Finally, spouses and younger children generally begin as permanent immigrants, both legal and illegal. Thus the legal and illegal components of Mexican immigration are directly related. Moreover, because the process is dynamic, it has a certain momentum of its own. Consequently, an increase in the number of short-term illegals is likely to produce a subsequent increase in the number of cyclical and permanent migrants, as the short-termers gain experience and become more familiar with California. Because immigrants tend to congregate in places where their friends and relatives have settled, an increase in primary immigrants almost inevitably triggers an increase of secondary immigrants—both legal and illegal (McCarthy and Ronfeldt, 1982).

Second, the framework suggests that different factors may motivate different types of immigrant. Economic factors are important but do not exclusively drive the process—indeed, different economic factors may drive different immigration components. Short-term immigrants, for example, are driven by the political economy of Mexico, i.e., the combination of economic, demographic, and political factors that determine the economic prospects for individual migrants. Since employment and income prospects differ in urban and rural areas, general surges or downturns in the Mexican economy will not necessarily have the same effect in different areas. However, whenever Mexico experiences a severe economic downturn that affects both rural and urban sectors (as is currently the case), California can expect a surge in short-term migration. Whether such short-term surges lead to a subsequent increase in cyclical migration is largely determined by California's own labor market demands. Most short-term immigrants, for example, are recent entrants, and if they are unable to find jobs in California, they will return home and not come back. Indeed, the volume of cyclical migration primarily reflects the demands of the California economy for temporary and seasonal employees. Finally, the volume of permanent immigration is influenced not only by economic factors (in particular, the demand for permanent employees), but also by family reunification among those immigrants who decide to settle permanently in the state. Indeed, the passage of employee sanction legislation will not necessarily stop the flow of undocumented immigrants—at least in the short run—because those permanent immigrants who have already settled in the state will still try to bring their spouses and minor children north to join them.

Third, our framework explains why immigrants' characteristics and hence their effects on the state might be expected to differ. Short-term immigrants are wary of venturing far from the border and tend to remain in the state for brief periods. They are reluctant to use public services and unlikely to pay income or social security taxes. Consequently, they have little effect on the state beyond their impact on border-region labor markets. Although cyclical immigrants are generally older and are more likely to be married, their spouses and minor children typically live in Mexico and thus are unlikely to use public services in California. Cyclical immigrants are sometimes joined by older children or other relatives, but they too come north to work and not to avail themselves of public services. On the other hand, because cyclical immigrants work in a wide array of occupations, industries, and geographic locations, their effects on California's labor markets are substantial, although concentrated in the labor market. In contrast, permanent Mexican immigrants typically live with their spouses and children and as such are more likely to use public services. They are also more likely to be employed year-round, to earn higher wages, and to pay income and social security taxes.

Finally, the framework can help reconcile the divergent profiles of Mexican immigrants that emerge from the literature by pointing out that different components of Mexican immigration are reflected in different data sources. Figure 3.2 presents a model of the Mexican immigration process as described in our conceptual framework that suggests

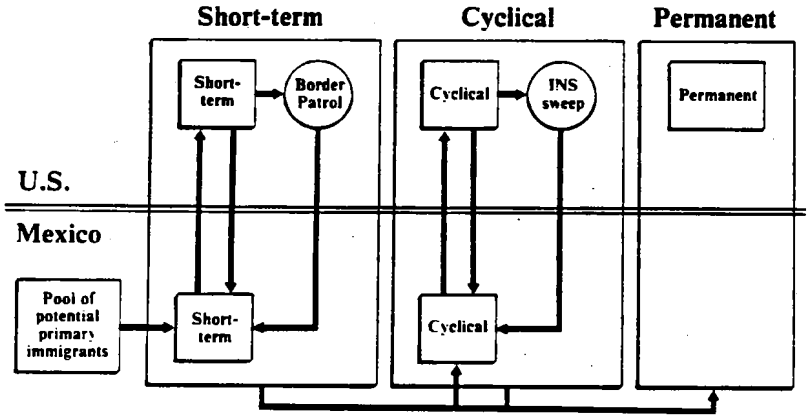

Fig. 3.2—Model of the immigration process

why different data sources capture different components of the immigrant population.

The immigration process begins with the pool of primary immigrants in Mexico. Some of these potential immigrants attempt to cross the border, but because of their inexperience and their tendency to remain in the border region, they are about as likely to be apprehended and deported by the INS Border Patrol as they are to return voluntarily to Mexico.[5] Thus, profiles based on Border Patrol apprehensions or samples of apprehendees primarily (although not exclusively) describe short-term immigrants. Indeed, INS statistical reports on the characteristics of Border Patrol apprehendees correspond closely to our profile of short-termers. Between 1980 and 1983, approximately 85 percent of the Border Patrol apprehendees had been in the United States for less than thirty days and were looking for work when they were apprehended. Of those who were working, 90 percent had jobs in agriculture (INS, 1980–1983).

Cyclical immigrants, on the other hand, have typically made several trips across the border and are thus more experienced in avoiding apprehension. However, because they are often established with specific employers, particularly employers who frequently hire undocumented workers, they are subject to apprehension by District Office personnel in sweeps that target urban employers. The characteristics of District Office apprehendees thus differ substantially from those apprehended by the Border Patrol. For example, almost 60 percent of the District Office apprehendees had been in the United States for at least 6 months prior to their apprehension, less than 15 percent were unemployed, and about 80 percent of those with jobs were working in urban industries.

Studies conducted in Mexico among returned immigrants or among family members of immigrants who have remained in Mexico often exclude those immigrants who have decided to settle permanently in California. As a result, those studies are far more likely to describe short-term and cyclical immigrants than permanent immigrants.

Permanent immigrants, by virtue of their decision to settle in the state, incur a lower risk of apprehension by the INS both because they are exposed less frequently than short-term or cyclical immigrants and because they are more familiar with U.S. society. Because their spouses and minor children are less likely to be working, they too run a

[5]The INS has two different enforcement arms: the Border Patrol and District Office personnel. The former concentrates its efforts in the border region and agricultural areas of the state, whereas the latter targets urban areas and employers.

lower risk of apprehension.[6] Some of the family members of permanent immigrants, in fact, voluntarily turn themselves in to the INS. This very small category of undocumented immigrants, referred to by the INS as "walk-ins," enter the country illegally but have grounds for converting their undocumented status, e.g., they are related to a legal resident. Not surprisingly, these walk-ins differ notably from both Border Patrol and District Office apprehendees: More than 60 percent are females, and more than 50 percent have been in the country for more than 2 years (Van Arsdol et al., 1979). Indeed, because permanent immigrant households are more settled in the state and often have both legal and illegal members, they are apt to be less wary of public officials and more willing to cooperate in government statistical programs. A recent study by Census Bureau demographers suggests that more than 2 million undocumented/illegal immigrants were actually counted in the 1980 Census and approximately half of these immigrants were Mexican-born (Warren and Passel, 1983). Thus, unlike the other types of immigrants, permanents are quite likely to be included in the Census and surveys of service users.

In sum, our model helps to explain why the findings of the various surveys differ: Their data relate to different segments of the immigrant population. Any profile of Mexican immigrants that relies exclusively on a single type of data is certain to present an incomplete and thus biased picture of the immigrant population. Moreover, the nature of the bias depends on the type of data that is used. Profiles based on INS Border Patrol sources overrepresent short-term immigrants at the expense of cyclicals and especially permanent immigrants. Studies based on Census sources and service user populations (e.g., school or public health sources) focus on the permanent population but exclude short-termers. And profiles based on Mexican sources are likely to reflect short-term and cyclical immigrants but exclude the permanent population.

[6]Outside of the border region, the INS primarily targets enforcement efforts on the workplace.

IV. A SOCIAL AND ECONOMIC PROFILE OF MEXICAN IMMIGRANTS

Our conceptual framework emphasizes the importance of distinguishing among the different types of Mexican immigrants. It also provides a basis for making that distinction. This section applies the model to 1980 Census data to sketch a profile of California's Mexican immigrant population. We begin with a discussion of the strengths and limitations of Census data for this task. We then compare the social and economic characteristics of the different immigrant categories. Finally, we summarize our findings and discuss their implications.

USING CENSUS DATA TO DESCRIBE THE MEXICAN IMMIGRANT POPULATION

Although the 1980 Census data present a selective picture of the Mexican immigrant population, the Census has a number of advantages over other sources for our purpose. First, its Public Use Sample provides detailed information on individual immigrants that is directly comparable to information available for the total population. This allows us to compare the characteristics of Mexican immigrants with other immigrant groups, as well as with the native-born population. In addition, although the Census undoubtedly undercounts Mexican immigrants, recent estimates suggest that the 1980 Census improved its coverage of the Mexican-born population substantially.[1] In addition to counting more than 500,000 resident aliens and nearly 250,000 naturalized immigrants, the Census also counted approximately 500,000 undocumented Mexican immigrants (Warren and Passel, 1983). Although this coverage was probably concentrated among permanent immigrants (who are more inclined to cooperate with Census efforts), some cyclical and short-term immigrants may also have been included. Thus, even if the counts of these immigrants are incomplete, the data still provide a profile (although possibly a selective one) of their general characteristics and an indication of how they differ from permanent immigrants. By combining the Census data with data from other sources, we can evaluate how those who were covered in the

[1]The Census Bureau made special efforts to count undocumented immigrants in 1980.

Census differ from those who were not. Moreover, permanent immigrants, whom we expect to have the most important effects on the state, may have been covered reasonably well. Indeed, a number of other recent studies (Muller and Espenshade, 1985; Bean et al., 1984) have also found Census data useful for describing the characteristics of Mexican immigrants.

The Census data also have some disadvantages, however. For example, they do not provide any definitive way to distinguish documented from undocumented immigrants. Although we have indirectly estimated this distinction for each class of immigrant, we are unable to determine whether any particular individual entered legally or illegally. Thus, we are unable to determine how the effects of undocumented immigrants differ from those of legal immigrants. Moreover, although the Census data provide the most up-to-date, comprehensive information available on California's Mexican-born population, those data are nearly six years old—and during those six years the number of apprehensions by the INS has risen steadily. Although we do not expect the average characteristics of the different types of immigrants to have changed substantially since 1980, the point estimates of the number of immigrants (and thus the mix of types) could well differ from those we report here. Finally, as we have already noted, Census procedures are better suited to counting the resident immigrant population and are thus apt to miss some substantial portion of the transient segments. This could present particular problems for our profile of short-term immigrants, since the likelihood of short-termers being included in the Census tends to increase as they become more established in the state. Thus, those short-termers who were counted may not be truly representative. For example, more of them may be employed and living in permanent quarters, and more of them are apt to have avoided apprehension by the Border Patrol.

The Census data do not, of course, distinguish among the three types of immigrants identified in our model. But using the model of the settlement process as a guide, we can classify immigrants by type, on the basis of information recorded in the Census. The key variables used for this purpose include the immigrants' location in California; whether they entered the United States before or after 1975; whether they are living with family members, non-relatives, or alone; and, for those living with relatives, their relationship to the head of the household.

We first divided the immigrant population into those living with family members and those living alone or with non-relatives. Individuals in the latter categories who were recent entrants and lived in the

border region[2] were classified as short-termers; the rest were classified as cyclicals. Individuals living with relatives were then classified on the basis of their relationship to the head of the household. Nuclear family members of the household head (spouses, children, and parents) were classified as permanents; other relatives and their children were classified as cyclicals. This approach undoubtedly misclassifies some immigrants, but it enables us to use the Census data to profile the different types of immigrants. Moreover, although classifying immigrants in this way clearly preconditions their values on the variables used for the classification, it does not predetermine their other demographic, social, or economic characteristics.

PROFILE OF THE IMMIGRANTS

Using the model as a guide and supplementing the 1980 Census data with information on Mexico's population and estimates of the lifetime probability of emigration from both urban and rural areas of Mexico, we have estimated the current number of Mexican immigrants in each category.[3] Overall, the Census counted almost 1.3 million Mexican-born immigrants in California in 1980. We estimate that approximately 1 million of these were permanent, another 260,000 were cyclical, and only about 25,000 were short-termers.

To estimate the total immigrant population, we modified the Census counts according to their presumed accuracy. Although it is impossible to determine the precision of these counts, we believe that the counts of permanent immigrants are reasonably accurate. We assume that the undercount of primary permanent immigrants is about 15 percent—approximately the same undercount as among the most difficult-to-count native-born group, young black males (Passel, Siegel, and Robinson, 1981). The Census counted 260,000 primary permanent immigrants in California in 1980, so we estimate that there were in fact about 300,000. Using the Census-derived estimate of roughly three secondary immigrants for every primary immigrant, we also estimate that the 300,000 primary immigrants had been joined by another 900,000 secondary family members. Thus, we conclude that there were approximately 1.2 million permanent Mexican immigrants in California in 1980.

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[2]The Border Region includes Imperial, Los Angeles, Orange, San Bernardino, San Diego, and Riverside counties.

[3]Estimates of the size of the Mexican immigrant population are reviewed in Griego and Estrada (1981) and Siegel et al. (1980).

It is more difficult to evaluate the accuracy of the count of cyclical immigrants, because this population is transient and resides in the state only part of the year. However, since cyclical immigrants are the type most likely to be apprehended by District Office personnel and 60 percent of the District Office apprehendees have been in the country 6 months or more, we assume that the typical cyclical immigrant lives in California for approximately 9 months each year. Thus, an April 1, 1980, Census count of 260,000 cyclical immigrants could mean that as many as 350,000 cyclicals have been in the state at some time during the year.[4] The actual number of cyclicals could be even higher, depending on the extent of undercounting in the Census data. An undercount of 40 percent, for example, translates into approximately 500,000 people, although they would not all be in the state at the same time.

Although the Census seems to have counted a substantial fraction of the permanent and cyclical immigrants, there appears to be little question that it undercounted short-term immigrants by several orders of magnitude. In 1980, for example, the Border Patrol apprehended over 300,000 deportable Mexican aliens in California alone (INS, 1980). Although this statistic includes illegals apprehended more than once, the number of Border Patrol apprehensions has been rising steadily since that date.[5] Indeed, using Massey's (1985) estimates of the probability that a Mexican male will attempt to enter the United States sometime during his lifetime, we estimate that approximately 2.5 million of the 11 million Mexican males between the ages of 15 and 34 in 1980 were at risk of becoming short-term immigrants to California.[6] Not all of these potential short-termers will actually try to immigrate, nor will all who try succeed. And even those who succeed will, on average, spend only a few weeks in California; thus, at any one time, the number of short-term immigrants will be only a small fraction of the total potential pool. For example, if we assume that one-half of the potential short-term immigrants attempt to come to California in a given year and one-half of those attempts succeed, only 625,000 short-

[4]This calculation assumes that there is no seasonality to cyclical migration, i.e., cyclical immigrants are indifferent as to which months they spend in California and which in Mexico. This assumption may well be an oversimplification, since many cyclicals maintain farms in Mexico, to which they return during the planting and harvesting seasons (Reichert and Massey, 1979a). The seasonality of California's agricultural harvests could also affect the seasonality of cyclical migration, but, as we will show, this is not likely to be a major factor, since the majority of California's cyclical immigrants do not work in agriculture.

[5]In 1983, over 500,000 deportable Mexican aliens were apprehended in California (INS, 1983).

[6]The estimating procedure used is explained in Section VI.

termers will actually be in the state for any part of the year. Moreover, if we assume that the average short-term immigrant remains in California for a very brief time (say 8 to 10 weeks, or about 16 percent of the year), the number of short-term immigrants actually in the state at any one time could be closer to 100,000. Although this figure is substantially larger than the 25,000 we estimate were recorded in the Census and may itself be an undercount, it suggests that the true undercount may be more by a factor of 4 or 5 rather than 15 or 20.

The nature of the immigration process, which provides the rationale for these calculations, suggests the difficulty of arriving at a single estimate of the number of Mexican immigrants in California. Different estimates are appropriate for different populations. If, for example, the permanent population is the referent, the appropriate estimate would be approximately 1.2 million. If the population in the state on any given day is the referent, the estimate would be somewhere between 1.6 to 1.8 million, depending upon the estimate of the number of short-term immigrants. Finally, if the referent is how many Mexican immigrants will be in the state some time during the year, the estimate could well be 2.3 million or more.[7]

The profile that follows compares the demographic, social, and economic characteristics of the three categories of Mexican immigrants. Although we generally report separate estimates for each category, the estimates for short-termers should be regarded with some caution for two reasons. First, short-termers seem to have been substantially undercounted in the Census, so the parameter estimates are sometimes based on small samples. Second, because the short-termers who are included in the Census may not be representative of the total population of short-termers, our estimates may contain an unknown bias. Given the distinct possibility that the short-termers included in the Census differ from those who are not included in their length of stay and degree of establishment in the state, this bias is likely to be strongest when comparing the characteristics that measure immigrants' success in becoming established in the state, e.g., employment characteristics. Consequently, in several of the economic comparisons, we combine short-termers with the group they are most likely to resemble, primary cyclical immigrants.

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[7]The 1.2 million figure refers exclusively to our 1980 estimate of the permanent immigrant population. The 1.6 to 1.8 million figures include 1.2 million permanent immigrants, 300,000 cyclical immigrants, and 100,000 to 300,000 short-term immigrants. The 2.3 million figure includes the 1.2 million permanents, 500,000 cyclicals, and 600,000 short-termers.

Demographic Characteristics

Demographically the three classes of immigrants differ in some notable ways (see Table 4.1). The vast majority of short-termers, for example, are young, working-age males who have never married. By definition, they are recent entrants. In contrast, only 60 percent of the cyclical immigrants are male, almost one-third are over 35, and over 40 percent have been married. Although over half of them are recent entrants, more than 20 percent first entered the United States over 20 years ago. Finally, the demographic profile of permanent immigrants is consistent with the notion of family migration (and our classification of migrants), i.e., they are evenly divided by sex, 60 percent are over 25, two-thirds have been married, and 70 percent have been in the

Table 4.1

BASIC DEMOGRAPHIC PROFILE OF MEXICAN IMMIGRANTS, BY TYPE, 1980

Characteristic	Short-Term Immigrants	Cyclical Immigrants	Permanent Immigrants	Total
Census count	25,000	260,000	980,000	1,265,000
Percent male	81	61	50	52
Age (%)				
<6	1	2	4	4
6–18	13	16	22	20
19–34	86	52	40	43
35–44	—	15	24	22
45–54	—	5	5	5
55+	—	10	5	6
Total	100	100	100	100
Marital status (%)				
Single	79	59	33	39
Married	15	21	61	53
Div./sep.	6	11	3	4
Widow	0	9	3	4
Total	100	100	100	100
Year of first entry (%)				
After 1975	100	51	28	35
1970–1974	—	20	28	26
1965–1969	—	8	16	14
1960–1964	—	6	11	9
Pre-1960	—	15	17	16
Total	100	100	100	100

SOURCE: 1980 Census, Public Use Files for California.

United States more than 5 years. Our earlier presumption that some illegal immigrants convert to legal status through marriage is supported by the fact that 20 percent of the married Mexican immigrants are married to U.S. natives; 75 percent are married to other Mexican immigrants, and most of the remaining 5 percent are married to immigrants from other Latin American countries.

The estimates in Table 4.1 represent Mexican-born immigrants exclusively. Although this is the appropriate population for a comparison of immigrants, it can give a somewhat misleading picture of the size and age structure of the permanent Mexican-origin population because it excludes the U.S.-born children of immigrants. In 1980, about 900,000 minor children in California had at least one Mexican-born parent, and two-thirds of these children were born in the United States. More than 85 percent of the children under 6 living in a household with at least one Mexican-born parent were born in the United States. Table 4.2 compares the age distributions of three different populations: the Mexican-born, the Mexican-born and their U.S.-born children, and the total population of California.

This comparison highlights a number of points about the permanent Mexican-origin population in California. First, inclusion of the U.S.-born children of Mexican immigrants substantially alters the age structure of the state's Mexican population. Looking only at the Mexican-born leaves the impression that California's Mexican-heritage population consists primarily of young working-age adults (ages 19 to 34). One might conclude on the basis of these data that the major effects of Mexican immigration are concentrated in the state's labor markets,

Table 4.2

AGE STRUCTURES OF SELECTED POPULATIONS
(In percent)

Age	Mexican-Born	Mexican-Born with U.S.-Born Children	Total State Population
<6	4	19	9
6–18	20	32	20
19–34	43	28	30
35–54	22	14	22
55–64	5	3	9
65+	6	4	10
Total	100	100	100

SOURCE: 1980 Census, Public Use Files for California.

because young working-age adults have high labor force participation rates and traditionally are among the least likely to use public services. When the U.S.-born children of the immigrants are included in the count, however, the population no longer consists disproportionately of working-age adults; indeed, over half of the permanent Mexican-origin population is under 18—a substantially larger fraction than among California residents in general. Since youth is generally a period of intensive service usage, the Mexican-heritage population (including both Mexican-born parents and their U.S.-born children) has a considerably higher service usage potential than the foreign-born population alone. This pattern also complicates attempts to estimate the public sector costs of Mexican immigrants, because the heaviest public service users among them may well be their U.S.-born children, who are, of course, citizens and entitled to public service benefits.

Including the U.S.-born children of Mexican immigrants in the Mexican-heritage population also almost doubles the size of that population, increasing it from approximately 1.2 million to almost 2 million. This indicates that a substantial fraction of the households headed by immigrants, many of whom may be undocumented, contain native-born U.S. citizens—a factor that could certainly complicate any immigration proposal that fails to include some form of amnesty for the undocumented. In addition, it indicates that Mexican immigrants' contribution to California's population growth is by no means limited to the direct effects of net immigration. It also includes a substantial indirect effect in the form of the children born to immigrants after they have settled in California.[8]

Although there are differences among the household structures and living arrangements of the three categories of immigrants, these differences are primarily a function of how these categories were defined. Consequently, rather than comparing patterns of household structure by immigrant type, we simply report the distributions of households by type and of immigrants by living arrangements (see Table 4.3).

The pattern of household structure and living arrangements among Mexican immigrants underscores the importance of family relationships to the immigration process. Only 13 percent of the households headed by Mexican immigrants in 1980 were non-family households (i.e., individuals living alone or with other non-relatives). Although this estimate is likely to be negatively biased by the undercount of cyclical and short-term immigrants, it is still well below the comparable percentage (31 percent) for all Californians. Indeed, two-thirds of

[8]Almost one-third of California's population growth during the 1970s is attributable to Mexican immigration. Immigration was responsible for slightly more than 20 percent; births to immigrants after their arrival contributed another 10 percent.

Table 4.3

HOUSEHOLD STRUCTURE AND LIVING ARRANGEMENTS OF MEXICAN IMMIGRANTS, 1980

Household Type	Households (%)	All Immigrants (%)
Non-family	13	7
Husband-wife	69	76
Other male	7	7
Female head	11	10
Total	100	100

SOURCE: 1980 Census, Public Use Files for California.

all immigrant-headed households contained both a husband and a wife, and over three-quarters of all immigrants lived in husband-wife households. However, not all the immigrants living in family households were related to the head of the household. For example, only 53 percent of the short-term and cyclical immigrants who were included in the 1980 Census were living with relatives. The rest were either living alone, living in non-family households, or living with non-relatives in family households.

The final element of the immigrants' demographic profile is their geographic distribution across the state (see Table 4.4). Mexican immigrants are densely clustered within California. Reflecting their proximity to Mexico and their historical settlement by Mexicans, the eight counties of Southern California contain almost 80 percent of the state's Mexican immigrants.

Los Angeles County alone contains over half of the state's Mexican-born residents. The fifteen predominately agricultural counties of Central California contain the second largest concentration of Mexican immigrants (11 percent), no doubt reflecting the historical concentration of Mexican workers in agriculture. The rest of the state, however, including the populous Bay Area, contains only a little more than 10 percent of the state's Mexican immigrants. Overall, 85 percent of California's Mexican-born residents live in only 10 of the state's 58 counties. Although recent studies suggest that this geographic concentration may be declining somewhat (Jones, 1985; Dagodag, 1985), the current level of concentration indicates that the effects of Mexican immigration will be felt unevenly across the state.

Table 4.4

GEOGRAPHIC DISTRIBUTION OF IMMIGRANTS WITHIN CALIFORNIA

County	Short-Term/ Cyclical Immigrants	Permanent Immigrants	Total
Southern California	78	77	78
Los Angeles	57	55	55
Orange	9	6	7
San Diego	6	7	7
Riverside/Imperial	2	4	4
Ventura	2	3	3
San Bernardino	2	2	2
Central California	11	12	11
Fresno	2	3	2
Kern	2	2	2
S.F. Bay Area	9	9	9
Santa Clara	3	3	3
Alameda	1	2	2
Northern California	2	2	2
Total	100	100	100

SOURCE: 1980 Census, Public Use Files for California.

Social Profile of Immigrants

We next looked at the social characteristics of the immigrants, focusing first on language usage and two measures of education, years of school completed by adults, and school enrollment patterns of their Mexican-born children (see Table 4.5). This comparison again points out the importance of distinguishing among the different types of immigrants. Permanent immigrants' knowledge and use of English is markedly higher than that of cyclicals. This, of course, is exactly what we would expect, given our conceptual framework, since at each succeeding stage in the settlement process, immigrants have spent more time in the United States and have acquired more experience in dealing with American society. Thus, half of the permanent immigrants have a good working knowledge of English, whereas less than one-quarter of the short-termers do.

Despite their differences in English proficiency, all three groups share the disadvantage of low levels of schooling. Only about one-quarter of each group has completed high school, and fully 60 percent have no more than an eighth-grade education. This pattern reflects the generally low levels of public schooling available in rural Mexico,

Table 4.5

LANGUAGE AND EDUCATIONAL PROFILE OF IMMIGRANTS, BY TYPE

Characteristic	Short-Term Immigrants	Cyclical Immigrants	Permanent Immigrants
English-language ability (%)			
None	41	33	19
Limited	36	31	30
Good	23	36	51
Total	100	100	100
Years of schooling (%)			
≤8	59	64	64
9–11	17	11	12
12	12	13	14
>12	12	12	10
Total	100	100	100
Children age 5–18 in school (%)	45	60	90

SOURCE: 1980 Census, Public Use Files for California.

where a sixth-grade education is the norm, and the predominately rural backgrounds of typical Mexican immigrants. These low education levels confine the majority of immigrants, regardless of type, to low-skilled and low-wage jobs, despite the greater employment experience of the permanents.

However, a much higher fraction of the children of permanent immigrants than of temporary immigrants are enrolled in school. This difference underscores the point that Mexican immigrants vary in their characteristics and effects on the state. Not only are cyclical and short-term immigrants likely to have fewer children living with them than permanent immigrants, their children are also less likely to attend school. The few minors who come to the state with older short-term or cyclical relatives are much more likely to work than to go to school. The children of permanent immigrants, on the other hand, appear to attend school at rates similar to those of the native-born. Since public education constitutes a major expense for local governments, different types of immigrants will have very different effects on local government expenditures.

The final element of this social profile of immigrants is their legal status: How many are in the state legally? How many of them have become naturalized citizens? The Census identifies immigrants who have become naturalized citizens, but it does not distinguish between

those who entered the country legally and those who entered illegally. Thus, it is impossible to determine directly the proportion of illegal entrants in each settlement category, although the Census Bureau reports that it counted approximately 500,000 undocumented Mexicans in California in 1980.

Therefore, we have used an indirect indicator of legal status—English-language ability—to estimate the fraction of immigrants who are here illegally. This variable is admittedly crude, and it no doubt fails to classify many individuals accurately. However, no alternative measure is available, and although this indicator is unreliable for individuals, it may be reasonably accurate at the aggregate level.[9]

Assuming that immigrants without a working knowledge of English are likely to be undocumented, 75 percent of the short-termers, two-thirds of the cyclicals, and about half of the permanent immigrants would fall into this category. Given the Census' differential coverage of these groups and the possibility of a selectivity bias in that coverage, we suspect that between 75 and 95 percent of the short-termers are undocumented. The Census figure for cyclicals may also be an underestimate (although we lack conclusive evidence for this point); thus we estimate that between one-half and three-quarters of these immigrants are undocumented. Finally, the figure of 500,000 undocumented permanents agrees reasonably well with that of Warren and Passel—if we assume that the majority of the Mexican immigrants counted in the Census are permanent.[10] In sum, although virtually all short-term immigrants enter California illegally and the majority of cyclical immigrants are also undocumented, we estimate that less than half of the permanent immigrants are living in California illegally. Given the imprecision of our measure of legal status, however, these estimates are highly speculative.

An immigrant who enters California illegally may later convert to legal status. As noted in Section II, current immigration laws make legal entry virtually impossible for unskilled Mexican immigrants without relatives in the United States, but after entering, an immigrant can convert to legal status, for example, by marrying a citizen or through an employer's appeal to INS. In addition, legal permanent

[9]In similar situations, demographers frequently use variables that are unreliable for individuals, but reasonably valid for large samples. A typical example is the use of fertility expectations to predict completed family size. Studies have shown that although this variable is not necessarily an accurate predictor of any individual woman's actual fertility, it does correlate highly with fertility among different cohorts of women (Hendershot and Placek, 1981).

[10]Warren and Passel made their estimate by contrasting the number of immigrants counted in the Census with INS records on legal admissions, adjusted for mortality and migration.

immigrants often bring their wives and children into the state without waiting for resident visas. The immigrants may later seek to convert these family members to legal status. An indication that such conversions occur is presented in Table 4.6, which shows how the proportion of permanent immigrants who have become naturalized citizens increases with their length of stay in the United States.

Although Mexican immigrants are slower to naturalize than most other immigrant groups (Jasso and Rosenzweig, 1982), the longer they are in the country, the more likely they are to become naturalized citizens. Since many immigrants first enter illegally and one must be a legal alien to become a citizen, some number of immigrants apparently convert to legal status after their arrival.

Table 4.6

PERMANENT IMMIGRANTS NATURALIZED, BY DECADE OF ENTRY

Decade of First Entry	Percent Naturalized
1970s	12
1960s	21
1950s	35
Before 1950	56

SOURCE: 1980 Census, Public Use Files for California.

Economic Profile of Immigrants

Discussions of Mexican immigrants typically highlight their economic effects. Table 4.7 looks at two aspects of the immigrants' economic profile: their labor force participation and employment status and their wage rates. Our framework emphasizes the possibility that these characteristics may differ between household heads and others, so this comparison distinguishes between these two groups. Because labor force behavior and wage rates also tend to differ by age and sex, we also distinguish between younger and prime-age males and females.

The comparison of the employment profile of male household heads reveals two key findings. First, regardless of age or immigration status, a very high proportion of them are working or looking for work. Their employment rates range from 84 to 89 percent, and their labor force participation rates range from 92 to 96 percent. Second, the

Table 4.7

EMPLOYMENT CHARACTERISTICS OF IMMIGRANT HEADS OF HOUSEHOLD AND OTHER IMMIGRANTS, 1980

Characteristic	Male Immigrants		Female Immigrants	
	Temporary[a]	Permanent	Temporary[a]	Permanent
Household Heads				
Young (<25)				
% employed	84	88	79	45
% in labor force	92	96	85	52
Median hourly wage ($)	4.11	4.81	3.89	3.86
Prime age (25–54)				
% employed	86	89	75	58
% in labor force	93	95	80	65
Median hourly wage ($)	4.80	5.95	4.31	4.13
Others				
Young (<25)				
% employed	74	55	49	38
% in labor force	85	64	85	52
Median hourly wage ($)	3.85	4.19	3.43	3.82
Prime age (25–54)				
% employed	82	72	60	40
% in labor force	92	84	66	47
Median hourly wage ($)	4.15	4.92	3.78	4.28

SOURCE: 1980 Census, Public Use Files for California.
[a]Includes both short-term and cyclical immigrants.

permanent immigrants appear to fare noticeably better in the labor market than do the temporary immigrants. This difference is most apparent in wage levels. Among younger male heads of household, for example, permanent immigrants earn 70 cents more per hour than do temporary immigrants; among prime-age immigrants, the difference is $1.15 per hour. This is what we would expect, given the nature of the immigration process. That is, as immigrants become more familiar with the labor market, gain experience, and learn more English, their wage rates rise accordingly.

A very different pattern appears among the other categories of adult immigrants. Each of these groups has lower employment, participation, and wage rates than do the male heads; however, the pattern within age and sex categories by class of immigrant differs sharply from that found among household heads. Although permanent

immigrants (with the exception of female heads of household) enjoy a wage advantage, their employment and labor force participation rates are notably lower than those of the temporary immigrants. The major reason for this difference is the much larger dropoff in labor force participation between male heads of household and other adults among the permanent immigrants. For example, the labor force participation rate of younger temporary immigrant non-heads of household is 85 percent, whereas the rate for younger permanent other males is 64 percent, and that of both the younger female heads and other females is 52 percent. Although there may be several reasons for this greater disparity among permanent immigrants, it lends support to the notion that secondary immigration among permanent immigrants is strongly motivated by family reunification, and not simply by the desire for employment.

Finally, in view of the widespread concern that Mexican immigrants typically work for substandard wages, it is important to note that despite the wage differentials among immigrants, by age, sex, and category, the median wage levels of each group exceed the 1980 national minimum wage of $3.10 per hour. Since many immigrants, particularly temporary immigrants, may be working for only part of the year, this finding does not imply that their *annual* wages exceed the minimum. But it does suggest that a very substantial portion of them make more than the minimum wage when they do work. Moreover, some groups of immigrants, such as the prime-age male heads, earn substantially more than the minimum wage.

Despite their different wage and employment profiles, the immigrants in all categories work in similar kinds of jobs. The principal reason for this is their lack of education. With their minimal educational skills and credentials—including their limited proficiency in the English language—the majority of Mexican immigrants find that skilled blue-collar, as well as white-collar, jobs are often beyond their occupational reach. Therefore, the wage differentials in Table 4.7 do not reflect mobility into higher occupational categories; rather, they reflect increasing responsibilities within a particular job.

The occupations and industries in which the immigrants work are shown in Fig. 4.1. Unlike our earlier comparisons, this figure does not distinguish among the classes of immigrants. Such differences, although present, are generally small, especially relative to the differences between the immigrants and the Mexican-origin native-born.[11]

Contrary to the traditional—and in some quarters still prevalent—perception, only a small share of all Mexican immigrants work in

[11]This point is developed further in Section VII.

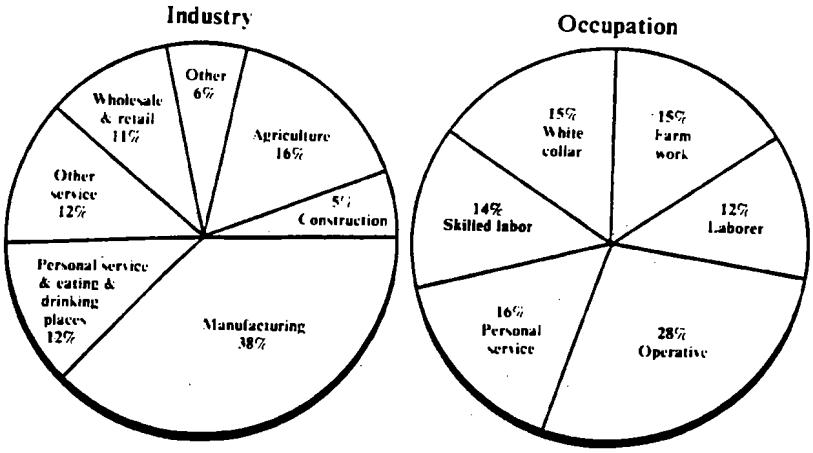

Fig. 4.1—Where Mexican immigrants work

agriculture. This finding reflects both the slow growth of agricultural employment in the state (a by-product of the increasing mechanization of agriculture) and the increasing tendency of Mexican immigrants to move directly to urban areas (Martin, 1983; Pfeffer, 1981; Reubens, 1978; Cornelius, 1978; Mines, 1980). Almost two-thirds of the immigrants are employed either in manufacturing or in service industries. As the occupational distribution shows, the vast majority of the immigrants are working in low-skilled jobs within these industries: 15 percent are employed as farm workers, and 55 percent are employed as unskilled or semi-skilled laborers or service workers. Only about 30 percent are employed in either skilled craft jobs or white-collar occupations. Statewide, approximately one of every two workers is employed in a white-collar job, whereas less than one in six Mexican immigrants is so employed.

As a result of their concentration in low-skilled jobs, Mexican immigrants have substantially lower average incomes than other residents of the state. The median income for households headed by a Mexican immigrant is about half that of the median income for all households in the state ($9,050 vs. $18,243). Similarly, more than twice as many households headed by permanent immigrants live in poverty (21 percent vs. 9 percent).

SUMMARY

The Mexican immigrant population in California is not homogeneous, and the differences among the three categories of immigrants have important implications for the ways in which each group affects the state. The differences in the migration patterns of the various groups lead to serious analytical problems when one attempts to treat the immigrant population as homogeneous, whether in terms of estimating how many immigrants are in the state or in attempting to understand the social and economic implications of Mexican immigration.

The social and economic differences among these groups, coupled with their very different lengths of stay in the state, determine the immigrants' prospects for assimilating into California society. The short-term and cyclical immigrants, who maintain their families and permanent residences in Mexico, are very unlikely to participate to any significant degree in California society; the permanent immigrants, on the other hand, are likely to have already begun the integration process.

The distinctions we have drawn among the immigrant types in terms of their motivations, demographic characteristics, and economic and social features condition the nature and extent of their effects on the state. It is essential to realize that although Mexican immigrants have been coming to California for a long time, large-scale Mexican immigration to California is a relatively recent phenomenon, essentially dating from the 1960s. As a result, a very large proportion—about 45 percent—of the Latinos in California are either immigrants or the minor children of immigrants. Moreover, even among the immigrants themselves, there are noteworthy differences in characteristics that will condition how and where their effects will be felt. Because they differ in their motivations for entering the state as well as in their degree of interaction with Californians, their long-term effects on the state will also vary. For example, short-term and cyclical immigrants whose contact is primarily limited to the low-skilled labor markets in which they work will have primarily economic effects confined to low-wage, temporary labor markets. On the other hand, the permanents, who have chosen to settle in the state and whose children form the first generation of native-born Mexican-Americans, will have far more widespread effects. Moreover, many of these effects, e.g., effects on the state's population growth and on the use of public services, may be concentrated among the U.S.-born children of permanent Mexican immigrants.

V. ECONOMIC EFFECTS OF MEXICAN IMMIGRATION IN CALIFORNIA

Mexican immigrants, an already significant and rapidly growing segment of California's population, affect the state's economy as workers, consumers, and service users. Considerable controversy surrounds the nature of these effects: Do immigrants benefit or harm the state as a whole? How do they affect different subgroups and areas within the state? This section examines these issues, focusing on the immigrants' effects on California's labor and consumer markets and its public sector.

LABOR MARKET EFFECTS

Because the labor market effects of Mexican immigrants are likely to be concentrated in those sectors where Mexicans constitute the largest share of total employment, we first calculated their relative importance by occupation and industry (Figs. 5.1 and 5.2). These calculations distinguish between the state as a whole and the Los Angeles area, because approximately 80 percent of the state's Mexican immigrants live in Southern California, and more than 50 percent live in Los Angeles County.

Statewide, Mexican immigrants fill an important share of the least-skilled jobs, e.g., farm work and unskilled labor (Fig. 5.1). This concentration no doubt underlies the common perception that immigrants take the low-wage, low-skilled, undesirable jobs that native-born workers refuse to accept. In the Los Angeles region, however, Mexican immigrants fill a much wider occupational role.[1] They not only fill a very large share of farmworker and laborer jobs, they also occupy a major portion of the semi-skilled manufacturing jobs, and a significant share of the service and craft jobs (Razo, 1981; Maram, 1980; Garcia, 1982).

Figure 5.2 shows the Mexican-born share of total employment, by industry. Statewide, Mexican immigrants are heavily concentrated in agriculture. This comparison, which is based on Census data, may in fact understate their importance, since the Census is conducted in

[1]The Los Angeles region is defined as the Los Angeles Standard Consolidated Statistical area. It includes Los Angeles, Riverside, San Bernardino, Orange, and Ventura counties.

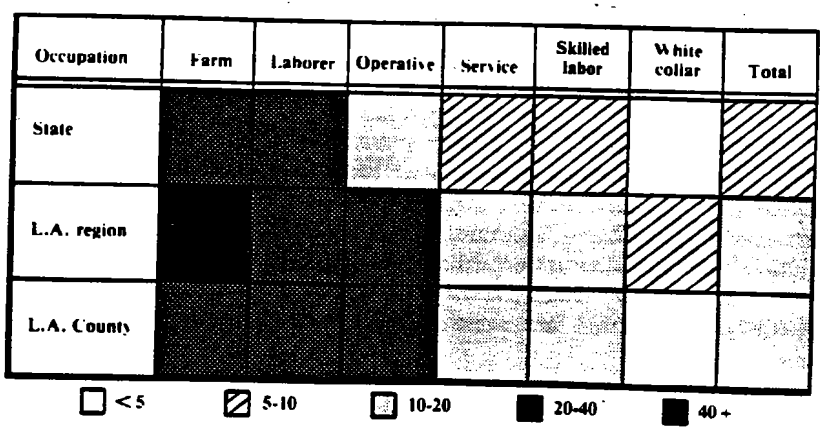

Fig. 5.1—Mexican-born share of total employment, by occupation

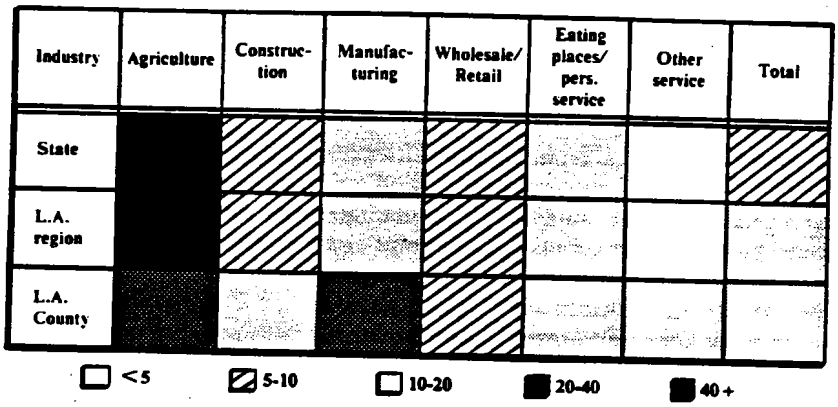

Fig. 5.2—Mexican-born share of total employment, by industry

April and many agricultural workers are employed on a seasonal basis (Martin et al. 1985; Coltrane, 1984). Given California agriculture's dependence upon Mexican farmworkers, it is not surprising that the state's farming interests are lobbying to include a guestworker provision in any national immigration legislation. The situation in Los Angeles, however, is less straightforward. In Los Angeles County,

where 45 percent of the state's manufacturing jobs are located, Mexican immigrants fill a substantial share of those jobs. Immigrants are also very important to the construction and service industries.

Because of this employment concentration, we focused our labor market analysis on the manufacturing sector and contrasted the statewide situation with that in Los Angeles County, where we would expect the labor market effects of Mexican immigration to be intensified. This analysis examines the two questions that are at the heart of the controversy about the labor market effects of Mexican immigration: (1) How have Mexican immigrants affected labor markets in general? (2) Have any specific groups of workers been affected more than others?

The answers to these questions are likely to be related. If, as some analysts maintain, Mexican immigrants provide a substantial boost to total employment because they fill the jobs that native-born workers won't take and these jobs would disappear if it were not for the immigrants, then an influx of immigrants should increase total employment (Cornelius, 1978; Piore, 1979). If, on the other hand, Mexican immigrants add little to total employment because they are used primarily as a low-wage substitute for native-born workers and thus displace them, an influx of immigrants should add little to total employment and should reduce wages (Huddle et al., 1985; Briggs, 1975; Morales, 1985).[2] The wage effects may be general, in the sense that all groups of native-born workers are affected, or they may be concentrated among those who directly compete with the immigrants (Martin, 1985).

Because California's economy is complex, it is impossible to estimate the precise effects of Mexican immigrants on the state's labor markets without an elaborate model that includes all the factors that influence the state's economic performance. Such an analysis was beyond the scope of this research, however. Therefore, we relied on an inferential analysis that compares the actual pattern of employment and wage change with the alternative hypotheses presented above. Although this approach cannot provide a definitive test of the labor market effects of Mexican immigration, it does allow us to determine which hypothesis "best" explains what has actually transpired. Moreover, our analysis focuses on those industries and areas of the state where the effects are likely to be strongest, based on the reasoning that if we don't find strong effects there we are unlikely to find them elsewhere.

[2]In reality, of course, both of these effects may occur, i.e., immigrants may increase total employment somewhat while at the same time lowering wages for some workers. Indeed, a comprehensive analysis of the labor market effects of immigrants would compare the net change in employment and wage levels that could be expected in the absence of immigration with that which occurs as a result of immigration. But such a test would probably be impossible to construct.

Table 5.1 compares patterns of employment and earnings growth between 1970 and 1980 in the United States, in California, and in Los Angeles. Comparisons are made for the manufacturing sector as a whole and for fifteen selected manufacturing industries.[3] The industries used in this comparison were grouped into terciles on the basis of wage levels in Los Angeles in 1970. The first three columns of Table 5.1 compare the percentage change in total employment between 1970 and 1980. The last two columns compare the change in average hourly earnings in California and Los Angeles, expressed as a ratio to changes at the national level.

Our evidence suggests that Mexican immigration may actually have stimulated manufacturing employment in California by keeping wage levels competitive. In the United States as a whole, manufacturing employment grew modestly during the 1970s, significantly less than in California and its principal manufacturing center, Los Angeles. Although other factors may also have contributed to the superior performances of California and Los Angeles, slower wage growth certainly played a significant role: Wages grew 12 percent slower statewide and 15 percent slower in Los Angeles. By keeping costs down, slow wage growth enabled the manufacturing sector to maintain a better competitive position vis-à-vis foreign producers. We believe that the availability of a large pool of low-wage Mexican-born workers was an important

Table 5.1

EMPLOYMENT AND EARNINGS GROWTH IN SELECTED INDUSTRIES

	% Employment Growth 1970–1980			Ratio to Nationwide Earnings Growth, 1970–1980	
Industry	U.S.	Calif.	L.A.	Calif.	L.A.
Low wage[a]	−5.2	46.1	52.7	0.94	0.80
Moderate wage[b]	4.3	20.6	6.9	0.91	0.86
High wage[c]	7.8	27.6	11.4	0.97	0.96
Total mfg.	4.8	28.4	13.6	0.88	0.85

SOURCE: U.S. Labor Department, Bureau of Labor Statistics, Production Workers' Earnings and Employment by Area, 1970 and 1980.

[a]Includes leather, apparel, textiles, furniture, and lumber.

[b]Includes fabricated metals, chemicals, electrical machinery, primary metals, and stone, clay, and glass.

[c]Includes paper products, machinery, food processing, transportation equipment, and printing.

[3]Although Mexican immigrants also constitute a large share of agricultural employment, comparative data on agricultural employment and earnings are not available.

factor in this slower wage growth. For example, wages increased more slowly in Los Angeles, where the majority of the immigrants are concentrated, and in the low-wage industries that rely heavily on Mexican workers.

These wage and employment differentials are most noticeable in the low-wage manufacturing sector, e.g., leather goods, textile and apparel products, and furniture—where manufacturers are increasingly unable to compete with low-cost foreign producers; it is likely that some portion of these manufacturing jobs would not have existed in the absence of a low-wage labor pool. Nationwide, employment in these industries declined 5 percent, yet it grew by over 50 percent in Los Angeles. Indeed, if Los Angeles' and California's low-wage manufacturing industries had experienced the level of employment loss that occurred nationwide, 83,000 fewer manufacturing jobs would have been created statewide, 51,000 of them in Los Angeles. Wages are not the only factor that contributed to more rapid employment growth in California,[4] and not all of this differential can be attributed to slower wage growth, but the data suggest that the influx of Mexican immigrants added to the rapid employment growth in California.

Of course, even if Mexican immigrants increase total employment, they might still have selectively displaced native-born workers.[5] This displacement may occur directly, e.g., when native-born workers are discharged and Mexican immigrants are hired to take their place, or indirectly, e.g., when native workers refuse to accept the lower wages that employers offer because of the availability of immigrant workers. Direct displacement can occur even with an increase in total employment if Mexican immigrants not only fill all new jobs but also displace native workers from existing jobs. One way to determine whether this has occurred is to examine the immigrant share of net additions to manufacturing employment. If this share exceeds 100 percent, Mexican immigrants are not only filling new jobs, they may also be displacing native-born workers from existing jobs. However, there are no data on Mexican employment patterns in 1970, so we cannot directly compute their share of net additions to employment between 1970 and 1980. Table 5.2 compares the share of net additions to manufacturing

[4]Manufacturing employment also grew more rapidly in the moderate- and high-wage industries, where wage differentials were more modest. Another factor that may have contributed to California's faster growth is the state's strength in the rapidly growing high-technology and defense industries.

[5]It is a mistake to assume that if immigrants increase total employment, no displacement will occur. Even if immigrants provide a net increase in total employment, some native-born workers may still be displaced. The appropriate analogy here may be automation, which studies have shown provides a significant boost to total employment, but may cause some workers to lose their jobs.

employment between 1970 and 1980 filled by all Latinos, both native- and foreign-born. Because the majority of Latino workers are born in the United States, this comparison overstates the dimensions of displacement, but it provides an upper bound of the possible displacement problem.

Table 5.2 suggests that to the extent that direct displacement occurred, it was concentrated in Los Angeles County. Outside of Los Angeles, Latinos filled about 22 percent of the net additions to manufacturing employment in each wage sector.[6] But in Los Angeles County, Latinos filled the vast majority of new jobs in each manufacturing wage sector and may actually have directly displaced workers in the moderate wage sector. Blacks in Los Angeles increased their share of manufacturing in both relative and absolute terms (the absolute number of blacks employed in manufacturing increased 20 percent; relatively their share of total employment increased from 7.5 to 7.9 percent), so any direct displacement occurred among Los Angeles' Anglos and Asians—total manufacturing employment among these two groups declined by 10 percent between 1970 and 1980.

The comparison in Table 5.2 does not measure direct displacement because in a dynamic economy workers frequently move from one job to another to improve their economic position. Moreover, it provides no information on whether indirect displacement occurred, since it tells us nothing about employment conditions for different groups of native workers outside the manufacturing sector. Therefore, we compared patterns of labor force participation and unemployment among various

Table 5.2

LATINO SHARE OF NET ADDITIONS TO MANUFACTURING EMPLOYMENT, BY AREA AND MANUFACTURING WAGE SECTOR, 1970–1980

(In percent)

Industry	Calif.	L.A.	Balance of State
Low wage	67.6	93.5	23.8
Moderate wage	48.9	130.6	22.2
High wage	38.7	92.1	22.3

SOURCE: Census of Population, 1970 and 1980.

[6]The shares of total manufacturing employment filled by blacks, Latinos, and others (non-Hispanic whites and Asians) remained virtually constant outside the Los Angeles region between 1970 and 1980.

ethnic groups in 1970 and 1980 (see Table 5.3). Because displacement is likely to be concentrated in Los Angeles, this comparison focuses exclusively on the situation there. To control for national economic changes (unemployment rose generally during the 1970s), labor force participation and unemployment rates in Los Angeles are expressed as ratios of comparable national rates. Values greater than 1 indicate higher rates in Los Angeles; values of less than 1 indicate lower rates in Los Angeles. These comparisons distinguish patterns for all workers, young workers, and prime-age workers to determine if the effects differ for entry-level and experienced workers.

As shown in Table 5.3, during the time that Los Angeles County was experiencing an influx of Mexican immigrants, employment conditions were improving for all groups of workers. Adults in each age group and in every ethnic category were more likely to be in the labor force than their counterparts nationwide in both 1970 and 1980. On the other hand, unemployment rates in Los Angeles, which were generally much higher than the national rates in 1970, had by 1980 fallen well below national levels. Thus, despite the possibility of displacement suggested in the previous table, we find very low relative unemployment rates for Los Angeles' non-Hispanic whites and Asians. Although these two groups may have been leaving manufacturing jobs, there is no evidence

Table 5.3

LABOR FORCE PARTICIPATION AND UNEMPLOYMENT RATES IN LOS ANGELES COUNTY, BY ETHNICITY AND AGE, 1970 AND 1980

(Ratios of Los Angeles rates to U.S. rates)

Age Group	Participation Rates				Unemployment Rates			
	Total	Black	Latino	Other[a]	Total	Black	Latino	Other[a]
				1970				
16+	1.06	1.07	1.09	1.05	1.42	1.42	1.07	1.40
16–24	1.08	1.09	1.11	1.09	1.25	1.32	0.98	1.24
25–54	1.04	1.01	1.07	1.05	1.46	1.53	1.14	1.40
				1980				
16+	1.06	1.05	1.08	1.05	0.92	0.88	0.89	0.80
16–24	1.05	1.06	1.10	1.06	0.88	0.89	0.83	0.78
25–54	1.03	1.02	1.05	1.04	0.96	0.89	0.90	0.71

SOURCE: Census of Population, 1970 and 1980.
[a]Includes non-Hispanic whites and Asians.

they were being forced into unemployment.[7] Overall, the rapid growth of the Los Angeles economy appears to have improved the employment prospects for all groups of workers.

Even if Mexican immigrants stimulated total employment the fact that wages in California grew more slowly than nationwide raises the possibility that these employment gains occurred at the cost of lower wages for native-born workers. Table 5.4 compares earnings levels and earnings growth between 1970 and 1980 for year-round, full-time workers.[8] As in the tables above, the levels for the entire state and for Los Angeles are compared with national levels. The data do not specifically explain why wages grew more slowly, but they do show how those wage effects were distributed among different groups of workers.

Overall, the wages of all workers (about 70 percent of whom are Anglos) and of black workers in California and Los Angeles were substantially higher than those of their counterparts nationwide in both 1970 and 1980. This difference persists, even though wages rose more slowly in the state than nationwide. Thus, although the presence of a large pool of Mexican workers may have slowed wage growth, it certainly did not erase the earnings advantage enjoyed by California's Anglo and black workers. The picture among the state's Latino workers, however, is more mixed. Although Latino workers in California

Table 5.4

RATIOS OF CALIFORNIA AND LOS ANGELES EARNINGS LEVELS AND GROWTH TO U.S. LEVELS, 1970 AND 1980

	1970 Earnings		1980 Earnings		Earnings Growth, 1970–80	
Group	Calif.	L.A.	Calif.	L.A.	Calif.	L.A.
Total	1.13	1.15	1.09	1.06	0.93	0.84
Black	1.24	1.26	1.20	1.23	0.93	0.94
Latino	1.16	1.16	1.01	0.99	0.71	0.59

SOURCE: Census of Population, 1970 and 1980.

[7]One factor that may help account for this finding is the rapid movement of Asians and Anglos into white-collar jobs. Although Anglos and Asians filled only 68 percent of all new jobs created statewide between 1970 and 1980, they filled between 82 and 85 percent of all new managerial, professional, technical, and sales jobs.

[8]This comparison is based on 1970 and 1980 Census data. By limiting the comparison to year-round, full-time workers, we control for possible earnings differences between groups due to differences in labor supply.

and Los Angeles are at rough earnings parity with Latino workers nationwide, their wages have been growing more slowly—indeed, over 40 percent more slowly in Los Angeles than nationwide. The net effect of this slower growth has been the disappearance of what was in 1970 a substantial earnings advantage. At that time, Latino wages in Los Angeles were 16 percent higher than the national average. Thus, while the presence of Mexican immigrants does not appear to have had any major effects on the earnings of all workers (a category of which Anglos constitute a high percentage) or of black workers, there have been significant effects on Latino workers.

To summarize, our evidence suggests that Mexican immigration has provided a boost to California's economy, especially in the Los Angeles area, by enabling many low-wage industries to continue to expand at a time when their counterparts nationwide were contracting in the face of foreign competition. Moreover, in a period of rapid economic growth, these aggregate effects apparently have not resulted in the displacement of native workers. Labor market conditions appear to have improved for all groups of workers during this period of rapid immigration. The major negative effect of Mexican immigration was lower wage increases for native-born workers, but that effect was concentrated among Latinos.

EFFECTS ON CONSUMER MARKETS

As one of California's fastest growing populations, Mexican immigrants and their offspring represent a significant and increasing market for the state's goods and services—a fact of which California's businesses are becoming increasingly aware (*Advertising Age*, 1985; *Los Angeles Times*, 1982a). In addition to their increasingly important role as consumers of goods and services, Mexican immigrants also affect consumer markets indirectly by moderating increases in consumer prices. This price effect reflects lower labor costs, especially for labor-intensive goods and services. In the following, we examine the importance of these consumer market effects.

Mexican immigrants were directly responsible for 22 percent of the state's total population growth during the 1970s and contributed perhaps as much as another 8 to 10 percent through natural increase after their arrival. At a time when the rate of non-Latino population growth has been declining (McCarthy and Valdez, 1985), this growing Latino population provides new marketing opportunities for the state's retailers. There is ample evidence that the state's businesses are increasingly catering to this market (*Sales and Marketing Management*,

1982; Food Marketing Institute, 1984; *The Wall Street Journal*, 1983). The market potential of the increasing immigrant population is, however, diluted substantially by their low family incomes. Table 5.5 demonstrates this point by contrasting the shares of total population and total income that the Mexican-born and all Latinos account for in the state and in Los Angeles.

Although Latinos make up almost 20 percent of the state's population and almost 30 percent of Los Angeles' population, they represent only 8 and 15 percent, respectively, of the total purchasing power in those two markets. The Mexican-born represent an even smaller share of both population and purchasing power in both areas. Moreover, as Juarez (1984) has pointed out, the growing Latino market is not monolithic but contains a diverse mix of tastes, styles, and submarkets. Thus, while Latinos represent a significant growth market, their low incomes and diverse characteristics continue to limit their overall market power.

Perhaps a more significant, although difficult to measure, effect of immigrants on consumer markets is their effect on prices for labor-intensive goods and services. Mexican immigrants fill a large share of the low-skilled service jobs in such industries as hotels and eating and drinking places, and in private household services. To the extent that immigrants contribute to lower labor costs in those industries and these cost savings are passed on to consumers in the form of lower prices, immigrants contribute to the purchasing power of the state's consumers.

Although we cannot identify the precise effects of Mexican immigrants on price levels, we have compared the relative prices of selected goods in Los Angeles with those in a nationwide sample of metropoli-

Table 5.5

LATINO SHARES OF POPULATION AND TOTAL INCOME IN CALIFORNIA AND LOS ANGELES, 1980

(In percent)

	Population		Total Income	
Group	Calif.	L.A.	Calif.	L.A.
All Latinos	19	28	8	15
Mexican-born	5	10	3	7

SOURCE: 1980 Census of Population.

tan areas.[9] This comparison indicates that while overall consumer prices in Los Angeles are at approximately the national level, prices for two goods whose production involves a significant immigrant labor component (food and beverages and entertainment) are substantially below national levels. The index price for food and beverages, for example, is 3 percent below the national average, and the entertainment index is 10 percent lower.

One difficulty with comparisons of relative price indexes is that they do not completely control for differences in the quality of goods and services consumed. To include this factor, we performed an additional comparison for a nationally standardized labor-intensive product, a standard hotel room supplied by national hotel chains in airport and downtown locations[10] in nine cities (Atlanta, Boston, Chicago, Dallas, Houston, Miami, New York, San Francisco, and Washington, D.C.). We found that the Los Angeles rate was cheaper in every case than the average rate for the comparison cities. Moreover, the degree of "discount" appeared to increase with service level (i.e., with the degree of labor-intensity of the product). Although these tests are by no means conclusive, they do suggest that the availability of low-wage Mexican labor may lower the prices charged in California, and especially Los Angeles, for some labor-intensive goods and services.

EFFECTS ON THE PUBLIC SECTOR

The last major economic consequence of Mexican immigration that we examined was its effect on the public sector. We addressed two questions:

- What public services do Mexican immigrants use?
- Does their tax contribution exceed the cost of providing those services?

The Census provides information on education and welfare usage, but not on immigrants' tax contributions. Therefore, we supplemented the Census data with information from other surveys of immigrants and reports from service providers.[11] The surveys of immigrants

[9]These comparisons are based on 1981 Consumer Prices reported in the U.S. Statistical Abstract (U.S. Bureau of Census, 1982).

[10]We are grateful to our Rand colleagues Tony Pascal and Nancy Lees for suggesting and performing this comparison.

[11]A number of studies have attempted to estimate usage and net costs based on administrative data from service providers; see, for example, Chief Administrative Officer (1982a, 1982b); Orange County Task Force (1978); Community Research Associates (1980a, 1980b); North (1981); and Stewart (1981). Surveys of user populations include Van Arsdol et al. (1979); Villalpando (1977); and Heer and Falasco (1982). Both

generally report lower usage rates than the reports of service providers. Although the substantial differences in the methodologies used in these two types of studies undoubtedly contribute to this difference in findings, we suspect that another important factor is that they describe different populations. Many of the surveys, for example, were conducted among INS apprehendees or migrants who returned to Mexico; such surveys primarily reflect the service usage of short-term and cyclical immigrants, which is likely to be low. The service providers' data, on the other hand, are typically estimates of the costs of providing services to individuals whose birthplace and legal status are undetermined. Given these differences, it is probably impossible to estimate precisely either actual usage rates or the net costs of providing services to Mexican immigrants, or to fully reconcile the differences among studies. The survey data probably underestimate the actual immigrant usage rates, and the provider data probably overestimate them. Thus, with the exception of usage rates for services covered in the Census, our conclusions are based on the weight of the evidence rather than on precise cost estimates.

One consistent finding is that immigrants' service usage varies substantially across services. Their use of education, for example, is substantial and probably rising (*Los Angeles Times*, 1982b). The school enrollment rates of the Mexican-born and the total state population are compared in Fig. 5.3.[12] Although the Mexican-born start school

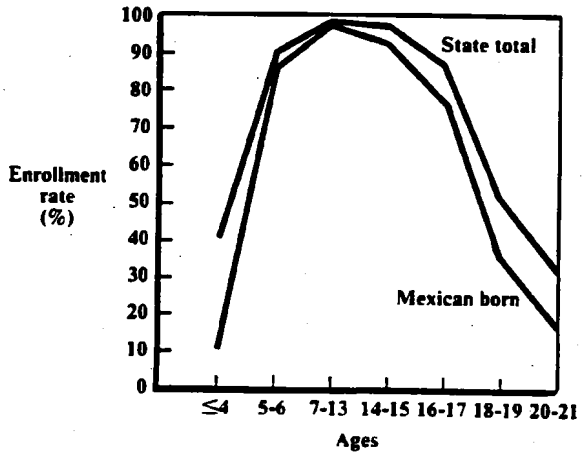

Fig. 5.3—Use of educational services

approaches are combined in The Undocumented Workers Policy Research Project (1984).

[12]This comparison is based on 1980 Census data.

later and leave earlier, their enrollment rates through the elementary and junior high school grades (ages 5 to 15) are not much below those of the general population.

We have no firm numbers on Mexicans' use of health services, but the evidence suggests that their usage rates are about what one would expect for a young population: low overall and concentrated in maternity and emergency services (Bacca and Bryan, 1980; Stewart, 1981; Chavez et al., 1985). Studies of Mexican immigrants in Southern California and elsewhere suggest that Mexican immigrants are infrequent users of health services, with the exception of maternity care (Hearings on Undocumented Aliens, 1978; Villalpando, 1977; North and Houston, 1976), and a recent study of undocumented Mexican immigrants in Texas indicates that about 10 percent used clinics, 7 percent were treated in emergency rooms, and 5 percent were inpatients in hospitals (The Undocumented Workers Policy Research Project, 1984). Moreover, the immigrants frequently pay at least part of the bill for the health services that they use—even if on an installment basis—so that not all of those services are provided at public expense. On the other hand, because immigrants are less likely to have employee-supplied health insurance, when they do need hospital care, they usually go to publicly supported hospitals (Assembly Committee on Human Resources, 1978). Although such cases are probably few in number, they can be very expensive, and they probably constitute the largest public health cost of Mexican immigrants.

The common perception that immigrants draw heavily on welfare is not supported by either survey data or service providers' reports (Community Research Associates, 1980a, 1980b; Villalpando, 1977). The Census data we examined indicated that fewer than 5 percent of all Mexican immigrants (citizens, legal residents, and undocumented aliens combined) received any cash assistance in 1980. This recipiency rate, which is well below that for comparable low-income populations,[13] is generally confirmed by service provider studies. One factor that may contribute to this pattern is the practice among welfare agencies in California of checking immigrants' status with the INS before permanently adding them to the rolls (North, 1981).

Most studies of immigrants' use of public services focus on education, health, and welfare. Those that examine their use of other public services (e.g., fire, justice, libraries) suggest that such use is proportionate to the overall population use. Rarely, however, are those assumptions based on any data, primarily because most public services

[13]About 10 percent of California's families received public assistance income in 1980. This rate varied sharply by ethnicity, however, with 14 percent of the state's Latinos, 25 percent of the blacks, but only 7 percent of the Anglos receiving cash assistance.

are provided to individuals irrespective of their immigration status. Public agencies rarely collect data on the nationality or immigration status of those they serve. For example, crime statistics, including juvenile crime—which is of some concern, given frequent newspaper reports about Latino gang activity—are routinely collected by ethnicity, but not by country of birth. Data on first commitments to the California Youth Authority indicate that the proportion of Latino offenders has been rising (from 20 percent in 1974 to 31 percent in 1983). We suspect, however, that most of these youthful offenders are born in the United States, because immigrants, whether documented or undocumented, are subject to deportation if they are convicted of a felony and because two-thirds of the children of Mexican immigrants are born in the United States. Historical studies of juvenile delinquency among earlier immigrant groups also indicate that youth crime and gang behavior are far more typical of the first-generation native-born than of the immigrants themselves (Schlossman, 1977).

The question of whether immigrants pay more in taxes than they consume in social services is even more difficult to answer definitively. We cannot accurately estimate the cost of providing services to Mexican immigrants, and we lack reliable data on their tax contributions. Furthermore, if, as some maintain, such estimates should include the indirect costs of providing services to citizens displaced by Mexican workers, it is probably impossible to calculate the full costs.

Despite these difficulties, we have prepared a range of estimates of the tax contributions and costs of service delivery to Mexican immigrants, based partly on information on earnings and service usage available in the Census and partly on assumptions derived from prior studies of effective tax rates and service costs. Because there is no definitive way to confirm or reject these assumptions, our estimates must be regarded as suggestive rather than definitive. Separate estimates were prepared for permanent and cyclical immigrants, because their patterns of service usage differ substantially. We have not made separate estimates for short-term immigrants, because their numbers are so changeable and because we have no basis on which to make reasonable assumptions about their tax contributions.

Gross annual incomes were calculated for each category on the basis of 1980 Census data on numbers, labor force participation, and wage rates.[14] Social security, federal, and state income tax contributions were then calculated by applying assumed tax rates to the gross earnings base. Because different assumptions were used about the proportion of earnings on which taxes are paid, this procedure yielded high

[14]The detailed calculations are reported in the Appendix.

and low estimates of tax contributions. These estimates were then deducted from gross earnings to arrive at a net income estimate for each category. Assuming half of this net income was used for purchases subject to sales taxes, we then estimated sales tax contributions. Finally, we calculated the tax contribution from other sources (e.g., property taxes, excise taxes) by assuming an average contribution per immigrant.

Estimates of service costs were based on 1982 data on per capita state and local government direct expenditures in California by service category and alternative assumptions about Mexican immigrants' use of services relative to the state averages. The high service cost estimates assumed lower-than-average use of welfare and health services and proportionate usage for other services. The low estimate used the same welfare and health assumptions but assumed less than proportionate use of other services. Because the majority of the children of Mexican immigrants are born in the United States and because, for reasons discussed more fully below, education represents a special case, separate cost estimates were calculated including and excluding educational costs. Finally, both the service costs and the tax estimates were converted into comparable 1982 figures.

Combining the high and low cost and tax calculations, we estimate that, exclusive of educational costs, the average cyclical immigrant pays about $200 to $400 more in taxes than he or she uses in services, while the average permanent immigrant pays between $25 and $70 more in taxes than he or she uses in services. When educational costs are included, however, the cost of services provided substantially exceeds the tax contribution of permanent immigrants and somewhat exceeds that of cyclical immigrants. Because of our necessary dependence on unverifiable assumptions, however, these estimates must be viewed as suggestive rather than definitive.

Evidence from service providers (Orange County Task Force, 1978; Hearings on Undocumented Aliens, 1978; Chief Administrative Officer, 1982a, 1982b), surveys of the immigrant population (Mines, 1980; Maram, 1980), and our own estimates of the tax contributions and service usage of immigrants appear to support a number of qualified conclusions. First, with the notable exception of educational services, immigrants' tax contributions probably exceed the costs of the public services they use. Second, the costs of providing public services to Mexican immigrants seems likely to rise as the number of permanent immigrants increases and more of them make use of public services, such as education. But at the same time, the tax revenues collected from the immigrants are increasing as a higher proportion of them work in jobs where social security and income taxes are collected.

Given the progressive nature of California's income tax structure, the low income levels of most Mexican immigrants, and the likelihood that more immigrants are settling permanently, however, the costs may well be rising faster than the revenues.

Third, areas such as Los Angeles, where there is a heavy concentration of immigrants, bear a disproportionate share of the costs of providing services to immigrants. This situation is compounded by the fact that the two services most often used by Mexican immigrants, education and health care, are disproportionately financed by local and state governments, while two major sources of revenue, federal income and social security taxes, are collected by the federal government. Between 65 and 70 percent of the tax revenues collected from Mexican immigrants are estimated to go to the federal government. Indeed, to the extent that the expenses borne by local governments to provide services to immigrants exceed the revenues they receive from those immigrants, the local governments are subsidizing other parts of the state and the country.[15]

Finally, education represents a special case. The high cost of educating students in California (approximately $2,900 per pupil per year in 1985), combined with the low incomes and relative youth of the state's Mexican immigrants and their children, results in state and local government expenditures for education that substantially exceed the immigrants' contributions in state and local taxes. This imbalance occurs among all of the state's low-income families, however. The state subsidizes the education of children from low-income families in the belief that public investment in education provides general public benefits. Because the vast majority of the Mexican immigrants whose children are in the public schools have settled permanently in California, the public also benefits from the improved occupational prospects that education affords those children. Indeed, as the next section demonstrates, the successful integration of immigrants' children into California's economic and social life depends on the educational progress of those children.

SUMMARY

Our assessment of Mexican immigrants' economic effects can be summarized as follows:

[15]The actual disparity between tax revenues received and service costs paid by the federal government will be somewhat lower than this comparison suggests, since we did not try to estimate immigrants' use of federally supplied services, such as INS enforcement and national defense.

- Mexican immigrants appear to have stimulated total employment in the state by providing a pool of low-wage labor that has supported industrial and manufacturing growth.
- The negative labor market effects of immigrants have been minor and have consisted primarily of lower wages for native-born Latino workers.
- Although Mexican immigrants and their offspring constitute a growing market for California's goods and service, their low incomes dilute their total purchasing power. Their major effect on the state's consumer markets may well consist of lowering the prices the state's consumers pay for labor-intensive goods and services.
- Immigrants' tax contributions exceed the cost of the public services that they use, with the notable exception of public education. However, areas with substantial concentrations of immigrants bear a disproportionate share of those public service costs.

VI. INTEGRATION

The model of the immigration process we have used to identify the different types of immigrants, to describe the settlement process, to reconcile the contradictions implicit in prior studies, and to structure our analysis of the immigrants' economic effects on the state also has implications for assessing the integration process. We noted earlier that significant Mexican immigration to California is a recent phenomenon, and therefore a substantial fraction of the Latinos in California are either immigrants or the children of immigrants. Any judgment about integration based on an aggregate description of the state's Latino population is thus heavily colored by the social characteristics of these newcomers—in particular, low education, clustered residential patterns, and Spanish-language use. These aggregate descriptions may underlie the widespread belief that Mexican immigrants are not following the traditional pattern of earlier European immigrants (or even the state's more recent Asian immigrants) and integrating smoothly into the nation's society.

To gauge the social progress of Mexican immigrants, we must disaggregate the Mexican-origin population into separate generations and make judgments about progress that are appropriate to each generation. In this section, we develop a model of the integration process and use it to demonstrate the degree to which Mexican immigrants and their offspring are integrating into California society. When linked to the immigration model, this integration model (Fig. 6.1) tracks Mexican immigrants from their roots in Mexico to the integration of their grandchildren into California society.

The process begins with the permanent immigrants who, lacking technical skills and education, take the lowest-level jobs—as farmworkers, day laborers, busboys, waiters, assembly-line workers, janitors, nurserymen, maids. However, their children move into more skilled positions (Tienda, 1980, 1983). They become machinists, drill press operators, auto repairmen, and clerks, or highly trained craftsmen such as carpenters, plumbers, masons, and autoworkers. The grandchildren of the immigrants—the second native-born generation—increasingly take professional, managerial, and technical positions, as nurses, teachers, lawyers, and accountants.

The key to this occupational progress is education. Because they typically have no more than a sixth-grade education, most immigrants have little hope of filling anything but the lowest-paying jobs. But the

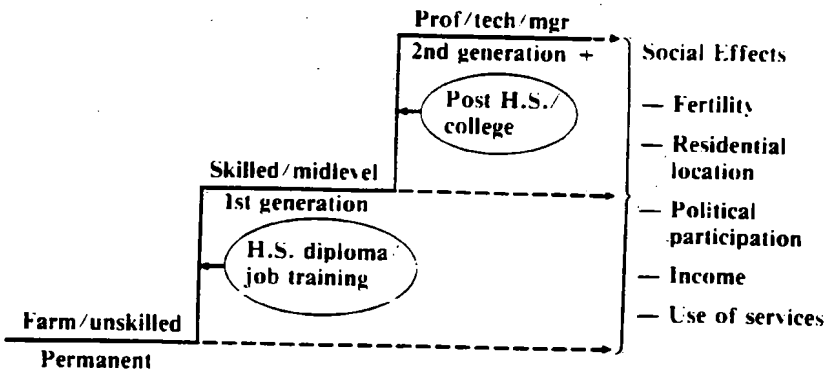

Fig. 6.1—Integration spans three generations

high school education their children receive is their ticket to the next rung on the occupational ladder. Finally, post-secondary education opens white-collar job opportunities to the second generation, a substantial proportion of whom are employed in such jobs.

This is essentially the same process followed by earlier European immigrants and also by the state's recent Asian immigrants. The major difference between the earlier European immigrants and today's Mexican immigrants is the level of education needed to move up the occupational ladder. By and large, the European immigrants entering the country at the turn of the century, like most Mexican immigrants today, were from rural backgrounds and had little formal schooling. Indeed, the European immigrants had even less schooling than today's Mexican immigrants. However, during the period of rapid industrial growth at the turn of the century, average education levels in the United States were much lower, and high school and college education were less central to upward mobility than they are today. Unlike Mexican immigrants (and the earlier European immigrants), recent Asian immigrants enter the country with very high education levels—the highest in our nation's history.[1] Thus, they begin the process at the second level, and their children move into higher education and white-collar jobs one generation faster than the Latinos or the children of earlier European immigrants.

[1]The contrast between Asian and other immigrants is highlighted in Wong and Hirschman (1979) and Keely (1971, 1975).

This model of the integration process clearly implies that we must make generation-specific assessments of social progress. Like the immigration model, the integration model helps us to interpret what appear to be conflicting reports about how well and how quickly Latinos are integrating. The following assessment of integration among California's Mexican-origin population begins with education, which our model asserts is the single most important factor in the integration process. We then review a variety of other dimensions of the integration process.

EDUCATION

Figure 6.2 shows how the educational achievement of Mexican immigrants increases with succeeding generations, by comparing all immigrants with first- and second-generation U.S.-born Mexican-Americans and with the state total for all adults.[2] The groups we are comparing

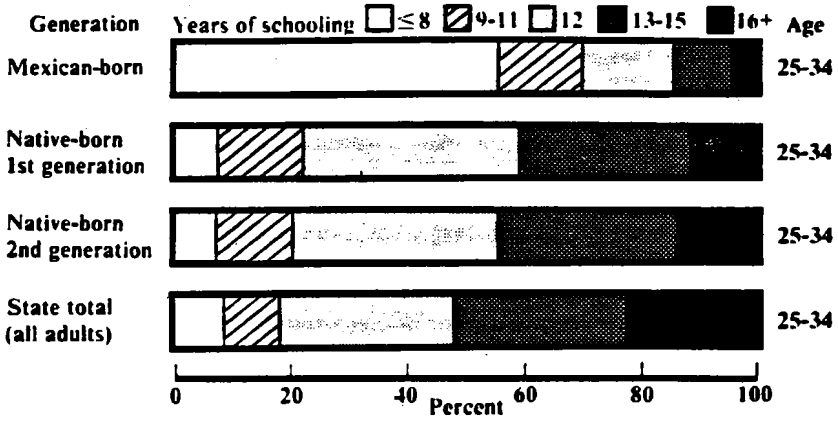

Fig. 6.2—Educational progress across generations

[2]The distinction between first- and second-generation native-born is drawn directly for minors but is estimated for adults from data based on the ethnicity of their parents. First-generation adults are defined as native-born adults both of whose parents were of Mexican origin. Second-generation adults are defined as native-born adults one of whose parents was of non-Mexican origin. Although necessitated by the nature of the Census data on which the comparison is based, this estimation procedure introduces an unknown degree of error into our estimates.

are all between the ages of 25 and 34—the cohort who completed their schooling between the late 1960s and the late 1970s.

As we noted earlier, low education levels are characteristic of immigrants. More than half of the Mexican immigrants in this country have less than an eighth-grade education. Only about 25 percent have finished high school, and less than 10 percent have any post-secondary training.

This pattern contrasts sharply with the educational achievement of the native-born of either generation. Both of these groups have high school completion rates that are very similar to the state total. Indeed, the major difference between the educational achievement of the second generation and that of all recent California graduates is the lower proportion of Mexican-origin adults completing college.

The dramatic nature of this cross-generational improvement becomes even more apparent when we compare the younger cohorts of Fig. 6.2 with older cohorts who completed their schooling during the 1950s (Fig. 6.3) when "Operation Wetback," the last massive deportation of Mexican nationals, took place. The older cohorts are now 45 to 54 years of age. Approximately 50 percent of the older cohorts of both generations failed to complete high school, in contrast to about 20 percent for the same age group statewide. More significant, the dropout rates for the younger cohorts of both generations are about the same as those for the entire state, 18 to 20 percent. The Latino population is making good educational progress, and they are making it more rapidly today than they did 30 years ago. Nonetheless, even with this progress,

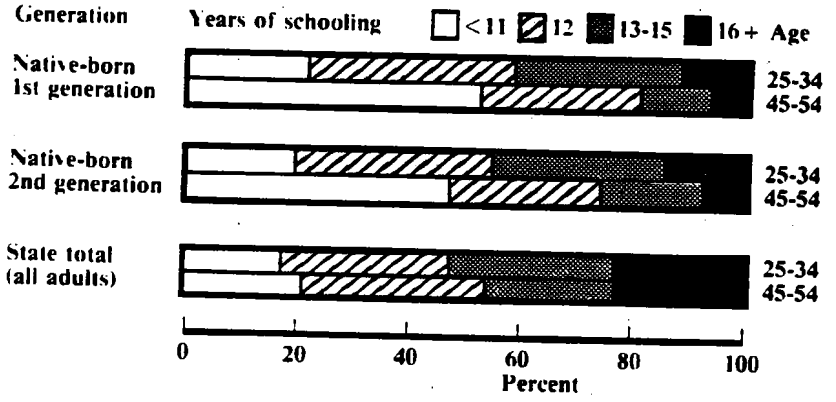

Fig. 6.3—Rapid educational progress in the past generation

second-generation Latinos still lag behind other adults in the state in educational achievement, most notably in the rate of post-secondary training.

The different educational experiences of the younger and older cohorts of first- and second-generation natives shown in Fig. 6.3 suggest that the pace of integration has not been constant over time. Older native-born Latinos, for example, have made considerably less progress than those who were born 20 years later. Several factors could account for this difference. First, most of the older native-born cohorts are the children and grandchildren of immigrants who came to California before the new wave of Mexican immigration that began in the mid-1940s. Thus, their educational and occupational aspirations, as well as their interaction with non-Latino Californians, may differ from those of the children and grandchildren of more recent immigrants. In addition, public attitudes toward Mexican immigrants and their native-born offspring, as well as the educational and occupational opportunities available to Mexican-Americans, may have changed substantially over the last 30 years. As a result, the more recent cohorts may be more inclined and better able to pursue further schooling.

During the past 15 years, the number of Mexican immigrants in the state has increased more rapidly than it did in the preceding 30 years, and this change could also have affected the pace of integration. Comparisons of educational achievement among those who are no longer in school cannot, of course, address this issue. Table 6.1 shows school enrollment rates for the school-age population of various generations of Latinos and for all Californians. The enrollment pattern here is consistent with the pattern of educational achievement among recent graduates. Primary-school enrollment for all Latinos, whether Mexican- or U.S.-born, is virtually identical to that for all Californians. At higher grade levels, the rate for the Mexican-born begins to diverge sharply, and by the end of high school, it is only half that of the state total. Rates for the native-born remain close to the state average until mid-high school, when enrollments of first-generation native-born begin to fall. But rates for the second-generation native-born remain close to the total until the college years. Thus, the pattern of integration among the current school-age population appears similar to that of the cohorts who have recently completed their schooling.

Our estimated dropout rate for native-born Latinos of about 20 percent differs dramatically from many published estimates, which range from 40 to 50 percent and which both Latino and Anglo leaders cite

Table 6.1

SCHOOL ENROLLMENT RATES

(Percent of age group enrolled in school)

Age	Mexican-Born	First-Generation Latinos	Second-Generation Latinos	All Californians
≤4	15	11	14	41
5–6	83	88	89	90
7–13	97	98	99	99
14–15	89	95	97	98
16–17	62	76	86	88
18–19	27	32	46	51
20–21	12	17	27	33

SOURCE: 1980 Census, Public Use Files for California.

with dismay.[3] The integration model explains the discrepancy. The higher estimates reflect the educational achievement of the earlier cohorts of U.S.-born Latinos shown in Fig. 6.3 and the enrollment rates of the Mexican-born, who constitute a large proportion of the current Latino population in the state. Once we assess the educational achievement of each generation separately, we see that later cohorts and native-born Latinos are doing nearly as well as other Californians, at least through the high school years.

These comparisons indicate that an exclusive focus on dropout rates seriously oversimplifies the educational problems of Latinos. High dropout rates are much more characteristic of the Mexican-born than they are of U.S.-born Latinos. The dropout rates among the U.S.-born are not much higher than those for all Californians. Of course, many people would view 20 percent as an unacceptably high rate for any group. And given the importance of education in moving immigrants up the occupational ladder, this rate should be a source of concern to both policymakers and the Latino community. But it is not a problem peculiar to U.S.-born Latinos. Rather, the principal educational

[3]The dropout rates computed by most school districts are not very good measures of either enrollment or educational achievement. They usually either compare the number of students who start first grade in a district with the number who complete the twelfth grade, or compare the number who start school on the first day of the school year with the number present on the last day of the school year. In both cases, the numerator and the denominator of these rates do not necessarily refer to the same population. There are also other problems with using these rates for the Latino population, e.g., moves between districts, returning to Mexico, etc.

challenge is that of increasing the rate at which native-born Latinos obtain post-secondary training, especially college educations, because this is the key to qualifying for top-level white-collar jobs. And native-born Latinos continue to lag behind all Californians in the percentage who complete college.

TRANSLATING EDUCATIONAL PROGRESS INTO OCCUPATIONAL MOBILITY

The key question for assessing integration is whether Mexican-Americans are effectively translating their educational achievement into occupational mobility. Our analysis shows that they are. Figure 6.4 compares the occupational profiles of native-born Latinos according to their years of schooling. The vast majority of those with less than an eighth grade education hold unskilled jobs. (This is the group most likely to be displaced by incoming Mexican immigrants.) Those who have completed high school are concentrated in the middle of the occupational ladder—craft, sales, and clerical jobs. The vast majority of those who complete college are in white-collar jobs, and more than half hold managerial and professional positions.

These comparisons support the applicability of our intergenerational integration model to the Mexican-origin population. As each succeeding generation moves up the occupational and educational ladders, its social characteristics and behavior change. Some of the most important of these changes are in English usage, fertility and intermarriage patterns, degrees of residential segregation from other ethnic groups, and political participation.

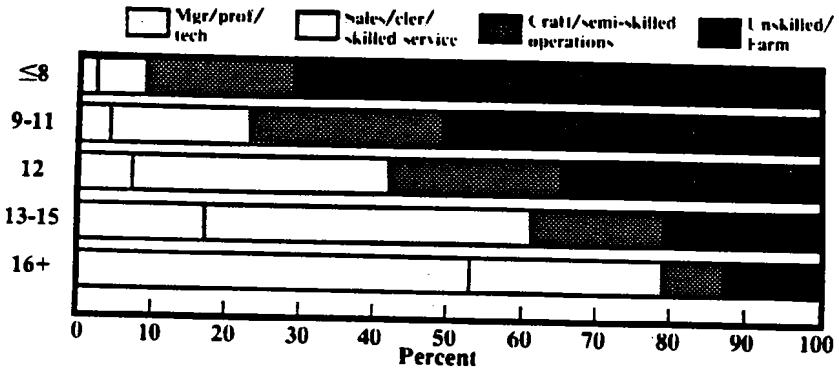

Fig. 6.4—Education is the key to mobility

THE TRANSITION TO ENGLISH

People generally view acquisition of English as a critical measure of willingness to assimilate and integrate into American society. Given the critical role that education plays in the occupational mobility process, with its accompanying social changes, speaking English may indeed be the first—and the essential—step toward full participation in U.S. society.

Figure 6.5 compares levels of English proficiency among foreign-born immigrants—short-term, cyclical, and permanent—and between these groups and the first- and second-generation native-born. The transition to English actually begins among the foreign-born.[4] Less than 25 percent of the short-termers have a working knowledge of English; about 40 percent are monolingual Spanish-speakers. In contrast, nearly half of the permanent immigrants speak good English, and less than a quarter of them speak only Spanish. The most dramatic difference, however, is between the foreign- and the native-born: Most of the first-generation native-born are bilingual, and more than 90 percent are proficient in English; among the second-generation, more than half are monolingual English speakers. Thus, the transition to English begins almost immediately and proceeds very rapidly.

This pattern of English usage is what we would expect, given our model of the immigrants' occupational mobility. Proficiency in English

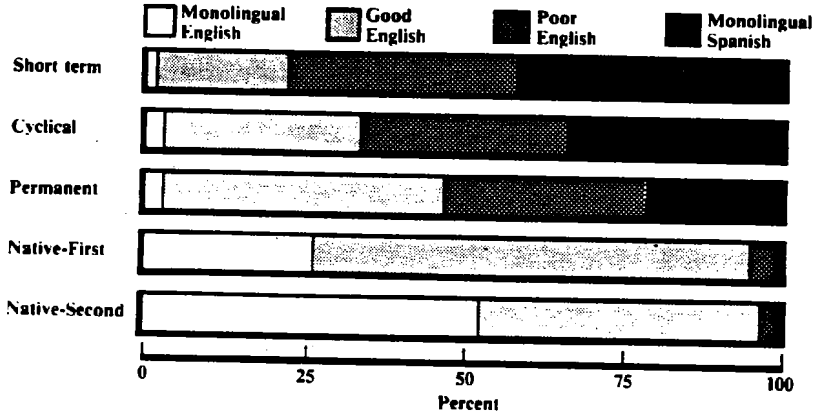

Fig. 6.5—The transition to English, by generation

[4]These comparisons are based on Census data describing English usage.

is both a key and a response to educational and occupational mobility. To move up the occupational ladder, the children of immigrants must also obtain more schooling than their parents, and English-language skills are essential to that educational progress. Increasing educational achievement among successive generations, in turn, speeds the transition to English predominance. A potential irony of this progress is that the grandchildren of immigrants lose their facility in Spanish, which Mexican-Americans, like other immigrant groups, view as the most important vehicle for transmitting their culture to their children (Yankelovich et al., 1981).

FERTILITY

Fertility levels have traditionally been higher among Latino and especially Mexican-American women than among the rest of the population (Uhlenberg, 1973; Bradshaw and Bean, 1972). However, the large proportion of Mexican immigrants among California's Latino population tends to obscure the considerable variation among the state's Latinos. Among immigrants, for example, fertility levels are higher for those who begin their families in Mexico than for those who start their families in the United States (Cornelius et al., 1982). Similarly, U.S.-born Latinos have lower fertility than women born in Mexico (Bean et al., 1984; Gurak, 1980). But the most marked drop in Latino fertility levels occurs among the native-born as their educational levels increase (Bean and Swicegood, 1982). Indeed, adjusting for differences in generation and education levels substantially reduces, although it does not totally eliminate, the difference in fertility rates between Latinos and Anglos (Jaffe et al., 1976).

INTERMARRIAGE

Intermarriage is another important behavioral pattern that increases sharply among the native-born (Schoen and Cohen, 1980). Studies of intermarriage patterns among Latinos suggest that the likelihood of a Latino marrying a non-Latino not only increases for each succeeding native-born generation (Grebler et al., 1970; Alba, 1976), but also may have been increasing over time, especially in large urban centers like Los Angeles (Grebler et al., 1970; Schoen and Nelson, 1978). These patterns are important because intermarriage is considered to be the key manifestation of an ethnic group's social acceptance (Gordon, 1964; Murguia and Frisbie, 1977). In this context, it is interesting to note that some researchers report that in some urban centers the social

distance between native-born Mexican-Americans and Anglos may actually be smaller than that between Mexican immigrants and Mexican-Americans (Mittlebach and Moore, 1968; Grebler et al., 1970).

RESIDENTIAL SEGREGATION

Finally, whereas primary and secondary immigrants settle in immigrant enclaves (barrios), subsequent generations are more likely to follow the traditional tenement trail: from ghettos and barrios to the suburbs. This process of residential dispersion (which actually begins among longer-term immigrants) substantially reduces the social isolation of Latinos and helps expedite their integration into the wider society. Census data provide good evidence for this process. In Los Angeles, for example, where Latinos represent at least 5 percent of the population in 85 percent of all Census tracts, Latinos are considerably more segregated from blacks than they are from Anglos.[5] Similar results have been reported for wider samples of cities using data from 1960 (Grebler et al., 1970) and 1970 (Massey, 1979a). Massey's research is particularly instructive about the process of residential segregation of Latinos. His results indicate, for example, that the degree of residential segregation between Anglos and Latinos is directly related to the proportion of immigrants in the Latino community and to the average socioeconomic levels of Latinos. The higher the proportion of native-born and the higher the status of Latinos, the more integrated Latinos and Anglos are (Massey, 1981; Massey, 1983). Moreover, unlike the pattern for blacks, an influx of Latinos into an area does not appear to precipitate an outflow of Anglos. Thus, with increasing exposure to U.S. society and continued upward mobility, Latinos blend spatially into the larger society.

POLITICAL PARTICIPATION

By its very nature, the assimilation process is multidimensional, and one of the most symbolically important dimensions is allegiance to the American political system. Participation in the U.S. electoral process is an important indicator of that allegiance. In this context, California's Latinos present something of a contradiction. Despite the potential political power represented by their current numbers and

[5]Indexes of dissimilarity, a standard measure of residential segregation (Taeuber and Taeuber, 1969), calculated at the tract level for Los Angeles County in 1980 show the following values: Latinos from Anglos, 54.9; Latinos from blacks, 72.2; blacks from Anglos, 80.2.

continued rapid growth, they are generally underrepresented among elected officials in the state. In the city of Los Angeles, for example, Latinos constitute almost 30 percent of the population but hold only 1 of 13 city council seats. One of the major reasons for this is that Latinos are less likely to participate in the electoral process. We estimate that while Latinos constituted almost 20 percent of the population statewide in 1980, they constituted less than 8 percent of the voters in the November elections. The comparable percentages for Los Angeles County were 28 percent and 8 percent, respectively. We next examine the source of these discrepancies and attempt to identify what they suggest about the integration of Mexican immigrants and their offspring into the political process.

While increasing numbers contribute to heightened public visibility, they do not translate directly into increased voting power. Residents must meet a series of legal requirements before they can exercise political power in an election. First, they must be old enough; second, they must be citizens; third, they must be registered to vote; and finally, they must actually cast their ballots.

As Table 6.2 makes clear, the potential political power of Latinos is diluted at each stage. About one-quarter of their reduced representation among voters is directly attributable to their youth. About half of California's Latinos are under the voting age. The largest single factor, accounting for over 40 percent of the differential, is that a much higher fraction of Latinos than other groups are simply not eligible to vote: Many are undocumented, and the naturalization rates among those who are legal resident aliens is very low. Indeed, legal Mexican immigrants are more likely to return to their homeland and are slower to naturalize than other immigrant groups (Jasso and Rosenzweig, 1982).[6] Even among Latinos who are eligible to vote, a substantial portion simply do not register, and this accounts for about a third of the total differential. Once registered, however, Latinos vote at about same rate as the general population. The differences in political participation among otherwise qualified electors stem largely from the lower average income and education levels of Latinos. A number of studies indicate that voter turnout among Latinos increases markedly with increasing education and income (de la Garza et al., 1984; Antunes and Gaitz, 1975).

Because over half of the voting differential can be attributed to age and failure to register, as more Latinos reach voting age and as

[6]This same pattern of high emigration and slow naturalization is also found among Canadian immigrants, suggesting that proximity to one's native country (and perhaps the ability to go back and forth relatively easily) makes the decision to become a citizen more difficult.

Table 6.2

LATINOS AND THE VOTING PROCESS

Item	Calif.	L.A.
Percentage of:		
Total population	19.2	27.7
Population of voting age	16.1	23.3
Eligible voters	11.2	14.5
Registered voters	8.1	8.2
Actual voters	7.6	7.9
Difference (total vs. actual)	−11.6	−19.8
Differential (%) due to:		
Age	27	22
Citizenship	42	44
Registration	27	32
Voting	4	2
Total	100	100

SOURCE: Share of total, voting age, and eligible voting population estimated with 1980 Census data. Estimates of registered and actual voters based on U.S. Bureau of Census, Current Population Reports, P-20, No. 383.

succeeding generations experience continued upward mobility, their political power can be expected to increase accordingly. However, this will not necessarily result in a monolithic ethnic voting bloc, for two reasons. First, the lack of spatial concentration among Latinos, especially among the more educated who are more likely to participate in the political process, may reduce the tendency toward strictly ethnic voting. Second, there appears to be considerable variation in political attitudes within the Latino community—variation that increases with economic position (Cain and Kiewiet, 1986). This pattern resembles the variation found among other ethnic groups.

SUMMARY

Contrary to what many believe, the integration process among Mexican immigrants and their offspring is very similar to that of earlier European immigrants. Integration (in the form of acquisition of English and familiarity with the labor market) begins among the immigrants themselves and is largely a function of length of residence. The process accelerates rapidly in succeeding generations (indicated by lower fertility, more intermarriage, and increased political

participation). But full integration and participation in the social, economic, and political life of the state is tied to educational achievement and occupational mobility. Given recent educational progress among the Latino population, this process appears to be working better now than it did 20 or 30 years ago.

VII. PROJECTIONS OF THE FUTURE

Our discussion to this point has focused exclusively on the current situation: what the immigrants look like, how they are affecting the state, and how much progress have they made toward full integration into California society. In this section we look beyond the current horizon: How large will future Mexican immigration flows be? What will future immigrants look like? How will future events alter the integration process?

Our model of the immigration process provides the analytical structure for these projections by identifying the different factors that drive the separate components of the settlement process and by linking future events and conditions in Mexico and California to the volume and characteristics of the immigrant stream.

PROSPECTS FOR FUTURE IMMIGRATION LEVELS

The immigration process described in Fig. 3.1 begins with the pool of potential primary immigrants in Mexico—basically, young males, 15 to 34 years of age. Some fraction of this pool attempts to enter California and becomes short-term immigrants. In turn, a portion of these short-termers become cyclical immigrants, and some fraction of these cyclicals decide to become permanent immigrants and settle in the state. After they have decided to settle, these primary permanent immigrants bring their wives and minor children up from Mexico.

Each stage of this settlement process is determined by different factors. Events and conditions in Mexico determine the size of the potential pool and the fraction of that pool at risk to become short-term immigrants. The size of the potential pool, for example, is determined by Mexico's demographic structure. The likelihood that a member of that pool will attempt to immigrate and become a short-term immigrant depends on Mexico's political economy—that is, the balance of economic, demographic, and political factors that determines potential immigrants' employment and earnings prospects in Mexico. In contrast, events in California are more important in determining how many short-termers will either journey back and forth across the border on a regular basis or decide to settle permanently in California. The chance of moving from short-term to cyclical status, for example, is largely determined by California's demand for temporary, low-skilled workers. Finally, the amount of permanent Mexican immigration to

California is determined both by California's demand for low-skilled, year-round workers and by family reunification among permanent immigrants.

The interplay of these factors helps explain why most studies report that few primary Mexican immigrants initially enter the United States with the intention of relocating permanently (Dinerman, 1982; Reichert and Massey, 1979a and 1979b).[1] They typically feel compelled to emigrate because of the lack of economic opportunity in Mexico. The decision to settle in the United States is typically made only after several trips back and forth between California and Mexico have enabled the migrant to establish enough capital and experience to make permanent relocation not only feasible but desirable.

Using this framework as a guide, we have estimated the current size of each component of the process and projected how these numbers could change in the future. Table 7.1 shows our estimates of how the potential pool and the number of short-term immigrants have changed over the past 30 years, along with our projections for the remainder of the century.

The most predictable component of Mexican immigration is the potential immigrant pool, because it depends on the current age structure of Mexico, which is determined by its rate of population growth. Not surprisingly, the pool has been growing steadily over the last 30 years (from approximately 4 million in 1950 to over 11 million in 1980) as a result of Mexico's rapid population growth. Given the momentum of that population growth, we expect the pool to grow even more rapidly in the future, adding another 5 million by 1990, then doubling again by the turn of the century. This rapid growth will continue despite the apparent success Mexico has had in reducing its fertility levels in the last few years, because all those who will be between the ages of 15 and 35 at the turn of the century have already been born.

The fraction of the pool that will attempt to become short-term immigrants depends on employment and earnings prospects in Mexico which are in turn a function of the three components of Mexico's political economy: the rate of economic growth, the size and growth of the labor force, and the distribution of economic resources across Mexican society. In the 20 years prior to the economic crisis of the early 1980s, Mexico's economy grew at an average annual rate of over 6 percent—among the fastest growth rates in the world. This rapid growth facilitated Mexico's transition from a predominately agrarian to an increasingly urban industrial economy and in the process absorbed a

[1]Family members of permanent immigrants (i.e., secondary immigrants), on the other hand, typically enter with the expressed purpose of settling permanently.

Table 7.1

ESTIMATES OF THE IMMIGRANT POOL IN MEXICO AND OF POTENTIAL SHORT-TERM MEXICAN IMMIGRANTS, 1950–2000

Year	Pool in Mexico[a]	Lifetime Probability of Immigrating[b]	Potential Short-Term Immigrants[c]
1950	4,000,000	0.42	850,000
1960	5,350,000	0.41	1,100,000
1970	8,100,000	0.42	1,700,000
1980	11,050,000	0.47	2,600,000
1990			
Low	16,400,000	0.30	2,500,000
High	16,400,000	0.44	3,625,000
2000			
Low	34,000,000	0.30	5,050,000
High	34,000,000	0.43	7,350,000

SOURCE: *Mexico Demografico*, 1981.

[a]Estimates based on population of Mexican males 15 to 35 years of age.

[b]Based on Massey's (1985) estimates of probability of lifetime migration for 1950 to 1980.

[c]Based on highest and lowest historical rates for urban and rural areas, assuming continued urbanization of Mexico's population. Projections assume that California remains the destination for half of all Mexican immigrants.

substantial portion of the country's expanding labor force. It did not, however, stop the flow of immigrants into California. Indeed, we estimate that the number of short-term immigrants more than doubled during this period, primarily because much of Mexico's economic growth was concentrated in the urban sector, especially in capital-intensive industries, and thus it did not directly address the problems of rural areas, where population growth was the most rapid. In addition, agricultural land holdings, upon which most of the peasantry depend, became even more concentrated and capital-intensive (Jenkins, 1977) during that period. In the face of declining demand for their unskilled agricultural labor, Mexico's peasants increasingly sought employment in Mexico's cities and in the United States.

Subsequent to the crisis of the early 1980s, during which total production and employment in Mexico actually fell—although both have since recovered somewhat—Mexico's longer-term growth prospects remain uncertain. Although it is impossible to determine what Mexico's future economic growth rate will be (projections range from 2

to 6 percent), the economy must overcome a number of major problems before it can resume growth at anything close to earlier rates. These problems include repayment of a massive and growing foreign debt, a severe shortage of investment capital, unfavorable terms of trade, and an export sector heavily dependent upon a single commodity, oil (Diaz-Alejandro, 1984; Enders and Mattione, 1984). If these problems are not solved, Mexico can expect continued shortages of employment opportunities and a continued movement of short-term immigrants into the United States.

Even if Mexico's economy resumes more rapid growth, the country will still face the problem of absorbing a very rapidly expanding labor pool. At current labor force participation rates, four times as many new workers enter as retire from the labor force each year (Bradshaw, 1976). Moreover, labor force participation rates could increase, especially among women. Increasing educational levels among Mexican women, continued movement from rural to urban areas, and a trend toward lower fertility, may well cause more Mexican women to seek market employment in the future. Currently, only 20 percent of Mexican women of working age are in the paid labor force (as contrasted to over 50 percent of American women); indeed, the pattern of Mexican women's labor force participation resembles that of American women at the turn of the century. If the economy is unable to generate enough jobs to satisfy the additional demand created by women, we could see an increase in the number of short-term Mexican immigrants—including women immigrants.

The third factor that will influence the volume and character of the short-term immigration flow from Mexico to California is the distribution of productive resources and investment between Mexico's urban and rural sectors. Currently, income and resources are very unevenly distributed among Mexico's population. Those sectors of the population and the country that receive the least income produce the majority of the immigrants, although the immigrants themselves are generally not the poorest within those areas. Massey (1985), for example, estimates that Mexicans from rural areas are three times more likely to try to enter the United States sometime during their lifetimes than are their counterparts from urban areas. Unless employment and earnings prospects improve substantially in rural Mexico, immigration to California can be expected to continue, even if Mexico is able to resume its overall rapid economic growth.

In light of the considerable uncertainty about the future of these factors, we have projected both high and low estimates of the number of short-term immigrants that may try to enter California between 1986 and the end of the century. Both estimates assume continued

urbanization of Mexico's population, although at a somewhat slower rate.[2] The high estimate, however, assumes that future immigration rates will match the highest level recorded during the last 40 years, while the low estimate assumes the reverse. The lifetime probabilities shown in Table 7.1 represent weighted averages of these high and low rates, with the projected proportions of urban and rural residents used as the weights. Thus, the stability in future probabilities of immigrating reflects our assumption of continued rapid urbanization of Mexico's population, rather than changes in underlying immigration rates. Based on these assumptions, we estimate that the annual number of individuals at risk to become short-term immigrants in 1990 could range from roughly 2.5 to 3.6 million, depending upon Mexico's economic conditions. By the end of the century, even under the most optimistic scenario, the number of short-term immigrants is likely to double.[3]

How many of the prospective short-termers subsequently become cyclical and permanent immigrants will depend not on conditions in Mexico but rather on California's future demand for temporary and permanent low-skilled labor. If that demand remains as strong as it was during the 1970s, we can expect a continuing inflow. Whether the immigrants are cyclical or permanent will have a major effect on the size of the total immigrant population, because of the multiplier effect of family reunification: Every primary permanent immigrant causes an average of approximately three secondary immigrants to enter the state.

The state's current and projected occupational distribution is shown in Table 7.2. We have divided occupations into three categories: low-skilled jobs that could be filled by temporary workers; semi-skilled jobs typically associated with regular year-round employment; and skilled service and white-collar jobs, for which most Mexican immigrants are not qualified. Our model indicates that cyclical immigrants are likely to be concentrated in the first category, and permanent immigrants in the second.

The first two columns of Table 7.2 show how the different categories of Mexican immigrants were distributed across these occupations in 1980. Contrary to our expectations, there is substantial overlap in the occupational distributions of cyclical and permanent immigrants. This

[2]Between 1950 and 1980, the share of Mexico's population living in urban areas increased from 35 to 59 percent. We expect that proportion to reach 67 percent by the turn of the century.

[3]Not all of those who attempt to enter will succeed, and short-termers typically spend only a few weeks in California. Thus, only a fraction of these projected increases will be in the state at any one time.

Table 7.2

CURRENT AND PROJECTED OCCUPATIONAL PROFILE OF MEXICAN IMMIGRANTS

	1980 Distribution (%)		Projection: 1980–1995	
Occupation	Short-Term/ Cyclical	Permanent	Percentage Change	Percent of New Jobs
Unskilled service	18	11	30	12
Farm	18	15	−11	−2
Laborer	11	10	13	3
Unskilled mfg.	23	24	8	3
Skilled mfg.	5	6	13	3
Skilled craft	11	15	18	9
Skilled service	2	3	36	7
Sales/clerical	8	11	30	29
Prof./tech./mgr.	4	5	36	36
Total	100	100	30	100

SOURCE: 1980 Census, Public Use Files for California.

suggests that the most important employment difference between these two groups is not the kinds of jobs that they hold, but the way they fill them. Cyclicals move in and out of the labor force and in and out of occupations; permanents fill their positions on a more-or-less year-round basis.

The last two columns of Table 7.2 show projected employment growth in these occupations between 1980 and 1995.[4] Overall, employment is projected to increase in California by about 30 percent—approximately 3 million new jobs. This growth rate is about half that of the 1970s. Approximately 70 percent of these new jobs will be in the white-collar and skilled service sector, for which most Mexican immigrants will not be qualified. The remaining 1 million jobs will be evenly divided between those that could be filled by temporary (short-term and cyclical) immigrants and those suitable for permanent immigrants.

Although not all these jobs will be filled by Mexican immigrants, the important point is that there will be a continuing demand for the type

[4]These projections were derived from U.S. Department of Commerce (1981), Kimball (1983), Silvestri et al.(1983), and Personick (1983). While differing somewhat in specifics, these sources project essentially similar trends. The two factors driving these trends are expected changes in the nation's industrial mix (particularly the shift from manufacturing to services) and expected changes in occupational mixes by industry (Silvestri and Lukasiewicz, 1985).

of labor that Mexican immigrants have traditionally supplied. Indeed, this demand could increase, for two reasons. First, although we have not included this possibility in our projections, California's industries could respond to the projected increase in the supply of temporary Mexican immigrants by increasing their demand for such workers beyond the levels reflected in Table 7.2.[5] Second, Mexican immigrants might fill a progressively larger share of the low-level jobs because the number of entry-level U.S.-born workers will drop sharply when the children of the baby-bust generation reach working age. If the demand for immigrant workers does increase, future numbers of cyclical and permanent immigrants could exceed our estimates.

The low-skilled jobs could, of course, be filled by either cyclical or permanent immigrants. If the projected 1 million new jobs are evenly split between these two groups, the number of cyclical immigrants could increase by half a million by 1995, and the number of permanent immigrants could increase by 2 million (half a million primary immigrants and 1.5 million family members). But if the share filled by permanents increases, the total size of the permanent population will grow accordingly. This is a real possibility, given the recency of large-scale Mexican immigration to California and the cumulative nature of the settlement process. That is, as more short-term immigrants enter the state, the number of potential permanent immigrants increases.

Table 7.3 summarizes the prospects for future immigration flows and compares them with the current situation. We can expect a moderate increase in the supply of short-term immigrants in the next five years and a potentially more rapid increase later in the century. California's economy will continue to generate a demand for the types of jobs traditionally filled by both temporary and permanent workers, although this demand will grow more slowly than it has in the recent past. The proportions of future cyclical and permanent immigrants will have a very important effect on the overall size of the Mexican immigrant population in California because of the multiplier effect of family reunification among permanent immigrants.

Finally, neither the private sector nor the public sector will have much leverage on the factors driving this process. The size of the potential immigrant pool and the number of short-term immigrants will be determined primarily by events and conditions in Mexico (e.g.,

[5]This possibility is greatest in areas where the presence of an abundant supply of low-wage labor prompts firms to alter their production mix to realize production savings. To some extent, this may have already occurred in California agriculture, where growers may have either delayed mechanization or increased their production to take advantage of the availability of a substantial low-wage labor pool. The occupational projections we have used do not explicitly consider this possibility.

Table 7.3

ESTIMATES OF FUTURE MEXICAN IMMIGRATION TO CALIFORNIA

Year	Pool in Mexico	Short-Term Immigrants	Cyclical Immigrants	Permanent Immigrants	Permanent Immigrants' Families
1980	11,000,000	2,600,000	350,000	300,000	900,000
1990	16,000,000	2,500,000–3,600,000	250,000–165,000	250,000–335,000	750,000–1,005,000
2000	34,000,000	5,100,000–7,400,000	500,000–250,000	500,000–750,000	1,500,000–2,250,000

NOTE: The projections of the pool in Mexico and the population at risk to become short-term immigrants represent total future stocks. The projections for cyclicals, permanents, and permanents' families represent additions to the current stocks.

internal development policies, the price of oil on the world market, and Mexico's ability to generate foreign exchange earnings, repay its foreign debt, and obtain investment capital). California has no control over these factors. Similarly, the macroeconomic factors determining California's future labor demand are not generally amenable to individual or legislative action.

Major changes in federal immigration policy, including commensurate changes in enforcement efforts and budgets, could, of course, affect future immigration levels. These policy changes, however, must be implemented at the national rather than the state level, and California's public and private sectors represent only two of the many actors that might influence such policy changes.

PROSPECTS FOR CONTINUED INTEGRATION OF THE NATIVE-BORN

Continued or increased flows of Mexican immigrants into California could well affect the integration prospects for native-born Mexican-Americans. In view of the fact that current immigrants primarily compete for jobs with the poorly educated native-born Latinos, what do these projected flows imply for the integration process? Table 7.4 compares the current occupational profile of native-born Latinos with the projected pattern of employment growth in the state. To add perspective to this comparison, we also include the current occupational distribution of Mexican immigrants and that of all California workers.

Representation of the native-born Latinos in mid-level occupations is similar to that of all California workers; the native-born are underrepresented at the managerial and professional levels and overrepresented at the bottom of the occupational ladder. The pattern reflects the recency of large-scale Mexican immigration to California, the resulting concentration of the state's native-born in the first generation, and the low education levels of earlier cohorts of native-born Latinos. The considerable overlap between the native-born and the immigrants at the bottom of the occupational distribution reflects the continuing competition between these two groups for unskilled jobs.

The changes projected in the occupational structure of California's economy between 1980 and 1995, shown in Table 7.4, may slow down the traditional occupational transition process. The occupational structure is projected to grow very rapidly at the top and substantially at the bottom, but only modestly in the mid-level craft and semi-skilled positions that have traditionally been critical to the occupational mobility of the first-generation native-born. Because many of the jobs in the rapidly growing white-collar sector require skills and qualifications that are beyond the reach of either immigrants or the first-generation native-born, these economic changes could slow their occupational mobility.

If this occurs, a continued inflow of new immigrants could displace increasing numbers of native-born Latinos in low-level jobs. If occupational mobility is slowed, the social changes that normally accompany it—lower fertility, residential dispersion, increasing political

Table 7.4

GROWTH RATES OF CALIFORNIA'S OCCUPATIONAL SECTORS, 1980–1995

Sector	1980 Distribution (%)			Projected Share of New Jobs, 1980–1995 (%)
	Mexican-Born	Mexican-Origin Native-Born	All Californians	
Prof./tech./mgr.	5	12	27	36
Sales/cler./skilled service	14	33	34	36
Craft/semi-skilled	21	20	19	12
Farm	15	6	3	−2
Unskilled	45	29	17	18
Total	100	100	100	100

SOURCE: 1980 Census, Public Use Files for California.

participation, rising incomes, etc.—may also slow. Moreover, because the native-born, unlike the immigrants, qualify for welfare and other social services, slower occupational mobility could have serious fiscal and social implications for the state.

Thus, while the integration process is working well now, continued immigration, together with projected changes in the state's occupational structure, may impede its functioning in the future. One way to avoid this potential problem is to accelerate the educational advancement of native-born Latinos so that they will be able to qualify for jobs in the white-collar sector, where the greatest growth is going to occur. Education will play an even more important role in the successful integration of Latinos in the future than it has in the past,[6] and this could cause substantial problems for the integration process, because accelerating the educational progress of the native-born in essence involves skipping a step in the intergenerational educational achievement process. While California's public and private sectors cannot significantly affect future immigration flows, they can do a great deal to facilitate the educational advancement process.

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[6]The central importance of education to the successful integration of immigrants into American society today contrasts sharply with the situation at the turn of the century. The rapid growth of unskilled and semi-skilled manufacturing jobs in that earlier era made education far less important than individual initiative and hard work.

VIII. CONCLUSIONS

This study was undertaken to provide an objective assessment of the current situation of Mexican immigrants in California and an appraisal of future possibilities. The comprehensiveness of its coverage—from the roots of California's Mexican immigrants in Mexico to the integration of their grandchildren into California society—precludes the level of detail needed to develop specific action recommendations; therefore, the study is intended to be informational rather than prescriptive.

Because many of our findings run counter to common perceptions, the first informational role this research serves is to dispel some current myths about Mexican immigration. Our findings indicate that:

- Mexican immigrants are not homogeneous either in their characteristics or in their effects on the state. It is particularly important to distinguish between temporary (short-term and cyclical) and permanent immigrants. Failure to recognize this distinction seriously distorts assessments of the current immigration situation.
- Although we cannot precisely determine how Mexican immigration has affected the California economy, the preponderance of evidence suggests that Mexican immigration may well have been an overall economic asset to the state, stimulating employment growth and keeping wages competitive. Potential displacement effects seem to have been relatively minor except perhaps among low-skilled native-born Latinos.
- Although immigrants' use of public services appears to be increasing, their contribution to public revenues exceeds the costs of their service usage, with the exception of educational services. However, in local jurisdictions with substantial concentrations of immigrants, the service costs may well exceed the revenues; thus these areas may be implicitly subsidizing other areas of the state and nation.
- Mexican immigrants are following the historical pattern of integration into U.S. society, a pattern that is tied to occupational mobility across generations. Intergenerational advances in education play a critical role in that process.
- Native-born Mexican-Americans are not only making substantial economic and social progress, they are making it more rapidly today than their counterparts did 30 years ago.

- The combination of continued rapid Mexican immigration and projected shifts in the industrial and occupational structure of California could disrupt the traditional mobility process and displace low-skilled native-born Latinos.
- These projected changes will make educational achievement increasingly important as the key to occupational and social mobility among succeeding generations of Mexican-Americans.

A second informational role of this report is to identify the key policy issues and actors. Our assessment suggests that the following questions should be on California's policy agenda: (1) How can we facilitate educational advancement among native-born Latinos? (2) How can we reduce the potential for displacement of poorly trained and less-well-educated native-born Latinos by new immigrants? Focusing attention on these kinds of issues will enable policymakers to design effective strategies to address them. It can also serve to identify some of the problems that such strategies might face.

Since education is the cornerstone of the occupational mobility process, the active involvement of the education community is a necessary condition for effective policy. That community faces a challenging task, because expediting the educational progress of first-generation native-born Latinos to enable them to qualify for rapidly increasing white-collar jobs amounts to skipping a rung on the occupational mobility ladder.

Programs designed specifically to expedite educational attainment of native-born Latinos could run into a host of problems. To begin with, the current public emphasis on raising educational standards may mean that programs aimed at providing for more than students' basic educational needs will not be supported. Moreover, as the ethnic diversity of California's schools increases, programs that are viewed as targeted at one specific minority group may engender considerable opposition from other groups. Finally, such programs will be competing for public monies with a number of other educational priorities, including the first major need for school construction in the state since the early 1960s.

Of course, not all native-born Latinos can be expected to acquire the educational credentials necessary for white-collar jobs. Thus, the business community could play a vital role in providing training for those who do not receive an adequate education as well as reinforcing the importance of increased education, particularly post-high school education, to career success in a changing job market. How would such training programs be financed? If industry does the training, labor costs will rise. If government finances the training, taxes may have to

be increased. Finally, whether business provides training for low-skilled Latinos or not, if it responds to the availability of a growing pool of low-wage labor by delaying capital investments, how might this affect the long-term competitiveness of California's economy?

The business community may find itself divided about the necessity for an expanded role in training and education. Immigrants have traditionally supplied the nation's demand for cheap, low-skilled labor, and many of the firms that rely on Mexican immigrants may see no benefits to increased efforts in this area. However, California's markets for such labor, as we have noted, are no longer growing very rapidly. Their place in the state's economy has been usurped by services and high-technology manufacturing, which require more skilled workers. It is these firms that are expected to spur California's future economic growth, and it is in their interests to support programs that insure an adequate supply of skilled labor.

State and local government must be involved because they are the major funders of the educational system, and they can design and support training programs for both immigrants and native-born Latinos who lack formal education. Moreover, governmental antidiscrimination efforts may have been instrumental in increasing the educational attainment of the native-born over the last 20 years, and continuation of such efforts may be required in the future.

State and local governments must, of course, balance the educational and training needs of Latinos against other educational and non-educational priorities. These tradeoffs are complicated by the tension between the high costs of education and the critical importance of education in the Latino mobility process. Resources expended on education for immigrants and their offspring clearly provide social and economic benefits to the state as a whole. However, there are other pressing demands for resources. The state's health care system faces increasing challenges as California's older population continues to expand, for example, and these additional demands will be felt unevenly across the state. Even though Mexican immigrants appear to contribute more in taxes than they consume in services, with the exception of education, some jurisdictions bear a disproportionate share of the public service burden. This pattern raises questions about the ability of the most affected areas to finance additional services and the willingness of the remainder of the state (and indeed the country) to pay part of the bill. If the size of the permanent immigrant population and the costs of educating their offspring continue to grow, public opposition to funding services in "immigrant" communities may also increase.

Immigration policy is a federal responsibility, so the federal government must play a central role in determining future immigration levels. California's public and private sectors have only limited ability to influence national immigration policies and must adjust to their effects. Local jurisdictions that are bearing a disproportionate share of immigrants' public service costs would seem to merit federal relief, but the federal government, the traditional funder of programs for such groups, has significantly diminished its role in this area. This policy shift could affect the ability of local governments to respond to the needs of Mexican immigrants and their native-born offspring.

An additional critical player in the entire process is the Latino community itself. Without substantial support from that community, the educational and occupational aspirations that stimulate social mobility cannot be sustained.

The final informational role this research serves is to emphasize the need for ongoing monitoring of the educational, occupational, and social progress of the Latino population. Although our analysis indicates that the integration process is working reasonably well for current immigrants and their offspring, it also suggests that this process could slow. Keeping track of the system's "blood pressure" will make it possible to identify and diagnose problems before the integration process suffers serious damage. It will also allow policymakers to base decisions concerning some of the tough tradeoffs that may be required on an objective assessment of how the situation is changing, rather than on subjective perceptions of those changes.

Appendix

ESTIMATION PROCEDURE FOR IMMIGRANTS' TAX CONTRIBUTIONS AND PUBLIC SERVICE COSTS

This appendix describes the procedure used to estimate the tax contributions and cost of service delivery to Mexican immigrants. First, immigrants' tax contributions are estimated. Then we estimate the costs of service delivery. Finally, we compare the two sets of estimates to derive the net costs of service delivery.

ESTIMATING THE IMMIGRANTS' TAX CONTRIBUTIONS

Three factors determine the tax contributions of immigrants: (1) the number of full- and part-time workers within the immigrant population; (2) the wages of those workers; and (3) the tax rates that apply to them. We estimated the number of workers in the permanent and cyclical categories, using 1980 Census data and our adjustment of the 1980 Census population counts. We then estimated the gross incomes of both classes of immigrants by multiplying the worker estimates in the first step by average wage estimates based on 1980 Census data (see Table 4.7). Finally, we estimated the actual tax contributions by multiplying the appropriate tax bases by a set of tax rates.

The Number of Immigrant Workers

To estimate the number of workers in the two immigrant classes, we multiplied the number of working-age immigrants by the appropriate employment and labor force participation rates. We used a single set of rates for cyclical immigrants; for permanent immigrants we applied separate rates for male household heads, other males, and females, because the rates differed substantially for each of these groups. The product of the population of working-age immigrants and the employment rate gave the number of full-time workers. We subtracted that number from the number of labor force participants to obtain the number of part-time workers. Because these estimates are approximate, we rounded all numbers to the nearest large number. The calculations are shown in Table A.1.

Table A.1

EMPLOYMENT STATUS OF MEXICAN IMMIGRANTS, 1980

Characteristic	Cyclical Immigrants	Permanent Immigrants		
		Male Heads	Other Male	Females
Year-round population	260,000		1,200,000	
% working age	77		74	
No. working age	200,000	400,000	50,000	450,000
Employment rate (%)	80	88	70	45
No. employed full-time	160,000	350,000	35,000	200,000
Labor force participation (%)	90	95	75	52
No. in labor force	180,000	380,000	37,500	235,000
No. employed part-time	20,000	30,000	2,500	35,000

Calculation of Gross Income

The gross incomes of each group of immigrants are calculated by multiplying the appropriate population of full- and part-time workers by a set of adjustment factors. These adjustment factors represent an assumed number of hours worked per year multiplied by the appropriate wage rate for each category of immigrants. Two separate adjustment factors were used: We assumed that full-time workers worked an average of 40 hours per week and 48 weeks per year. Although these assumptions do not capture the experience of immigrants who worked more than 40 hours or worked more than one job, they do allow for short periods of unemployment during the year. We assumed that part-time workers (those who were in the labor force but not employed when the Census was conducted) worked an average of 20 hours per week and 26 weeks per year. Thus, we assumed that full-time workers (or their year-round full-time equivalents) worked 1,920 hours per year and that part-time workers were employed 520 hours per year. The wage rates were based on the data in Table 4.7. The calculations of gross income are shown in Table A.2.

Table A.2

GROSS INCOME OF IMMIGRANTS WORKING FULL-TIME AND PART-TIME, 1980

Immigrant Category	Hours Worked	Wage Rate ($/hr)	Gross Income ($ thousands)
Cyclical			
Full-time	1,920	4.15	1,275,000
Part-time	520	3.85	40,000
Total cyclicals	—	—	1,315,000
Permanent			
Male heads			
Full-time	1,920	5.70	3,830,000
Part-time	520	5.00	52,000
Total	—	—	3,882,000
Other males			
Full-time	1,920	4.70	315,840
Part-time	520	4.00	5,200
Total	—	—	321,040
Females			
Full-time	1,920	4.00	1,536,000
Part-time	520	3.85	70,070
Total	—	—	1,606,070
Total permanents	—	—	5,809,110

Calculations of Tax Contributions

We estimated tax payments by multiplying the appropriate base (gross earnings, net taxable purchases, or total population) by an assumed tax rate. The tax rates are those for 1982, the year used for comparison with social service costs. Although gross incomes were calculated separately for the different classes of permanent immigrants, all earned income was assumed to be taxed at the same rates. Because some immigrants' earnings are not subject to taxes, we make two different assumptions about the percentage of workers whose earnings are subject to withholding and social security taxes. The assumed withholding rates are 90 and 66 percent, respectively. Given the concentration of Mexican immigrants in urban employment, especially in the manufacturing sector, these rates may well be conservative. In calculating sales taxes, we assumed that 50 percent of the immigrants' gross earnings were not subject to taxes, i.e., they were used for non-taxable purchases or for remittances back to Mexico. Thus, the assumed tax rate (6.5 percent) was divided by 2 to calculate the effective tax rate. Our assumed per capita figure for miscellaneous taxes and fees ($125) is little more than a guess. This category includes a wide variety of fees and taxes, including automobile registration fees, property taxes, excise taxes, users' fees, business fees and taxes, etc. Many of these taxes are paid indirectly, e.g., some property taxes are paid as a portion of rent. The detailed calculations are shown in Table A.3. The tax contributions are summarized in Table A.4.

Table A.3

TAX CONTRIBUTIONS OF IMMIGRANTS, 1982

Tax	Taxable Income ($)	Tax Rate (%)	Taxes Paid ($)
Social Security taxes			
Cyclical immigrants			
90% withholding	1,183,500,000	7.1	84,028,500
66% withholding	875,790,000	7.1	62,181,090
Permanent immigrants			
90% withholding	5,228,199,000	7.1	371,202,000
66% withholding	3,868,867,300	7.1	274,689,600
Federal income taxes			
Cyclical immigrants			
90% withholding	1,183,500,000	7.3	86,395,500
66% withholding	875,790,000	7.3	63,932,700
Permanent immigrants			
90% withholding	5,228,199,000	7.3	381,658,500
66% withholding	3,868,867,300	7.3	282,427,300
State income taxes			
Cyclical immigrants			
90% withholding	1,183,500,000	1.0	11,835,000
66% withholding	875,790,000	1.0	8,758,900
Permanent immigrants			
90% withholding	5,228,199,000	1.0	52,282,000
66% withholding	3,868,867,300	1.0	38,688,700
Sales taxes			
Cyclical immigrants			
90% withholding	1,132,741,000	3.25	36,814,100
66% withholding	1,315,000,000	3.25	42,737,500
Permanent immigrants			
90% withholding	5,003,967,500	3.25	162,629,000
66% withholding	5,213,304,400	3.25	169,432,400
Miscellaneous taxes[a]			
Cyclical immigrants	—	—	32,500,000
Permanent immigrants	—	—	150,000,000

[a]Cyclical immigrants (population = 260,000) and permanent immigrants (population 1,200,000) were both estimated to pay an average of $125 per person in miscellaneous taxes.

Table A.4

SUMMARY OF TAX REVENUES FROM IMMIGRANTS

(In dollars)

	Cyclical Immigrants		Permanent Immigrants	
Tax	Low	High	Low	High
Social Security	62,181,100	84,028,500	274,689,600	371,202,000
Federal income	63,933,700	86,395,500	282,427,300	381,658,500
State income	8,758,900	11,835,000	38,688,700	52,282,000
Sales	42,738,500	36,814,100	169,432,400	162,629,000
Miscellaneous	32,500,000	32,500,000	150,000,000	150,000,000
Total	210,112,200	251,573,100	915,238,000	1,117,771,500
Average per capita	808	968	763	932

CALCULATION OF SERVICE COSTS

There are two approaches to estimating the costs of service delivery to Mexican immigrants. Separate estimates of the immigrants' use of detailed public services can be multiplied by the respective per capita costs of those services. Alternatively, data on total per capita state and local government expenditures for general service categories can be applied with various assumptions about Mexican immigrants' use of those services, relative to the state averages. Because we lack detailed data on Mexican immigrants' use of public services as well as the per capita costs of those services, we have used the second approach in our estimates.

The estimates of statewide per capita service costs were taken from California Department of Finance (1984) and include only direct general state and local government expenditures in 1982.[1] The services represented include: education, highways, public welfare, health and hospitals, and other government expenditures. California's state and local governments spent $2,243 per resident to provide these services. We made four separate estimates of the costs of providing these services to Mexican immigrants. High and low estimates were made, first excluding and then including the costs of educating the immigrants' children. These estimates differ primarily in their assumptions about the immigrants' use of individual services for which we have no specific

[1]These estimates exclude federally supplied services as well as the indirect state and local service costs of immigrants, e.g., unemployment compensation paid to native-born workers who may have been displaced by immigrants.

information, e.g., highways. The high estimates assume that immigrants use these services proportionately, while the low estimates assume less than proportionate use (50 percent for cyclicals and 80 percent for permanents).

Since we have specific information on immigrants' use of the other three service categories (education, welfare, and health services), we have made separate high and low estimates of the costs of providing each of these services to Mexican immigrants.[2] To estimate the education costs for immigrants, we first calculated an adjustment factor which we then multiplied by the average state per capita cost of education. This adjustment factor controls for the differences in the number of school-age children and school enrollment rates between the total state population and the permanent and cyclical immigrant populations. The adjustment factors are 1.4 for permanent immigrants and 0.4 for cyclical immigrants. We also assumed that the welfare costs for permanent immigrants are approximately one-third of the state per capita total, based on the fact that the immigrants are only one-third as likely as native-born Latinos to receive some form of cash assistance. We further assumed that cyclical immigrants are only half as likely to receive cash transfers as are permanent immigrants, given their age, sex, and absence of dependent children. Finally, comparing rates of health service usage among different categories of Mexican immigrants reported in Chavez et al. (1985) with usage rates among the general population, we estimated that the per capita costs of providing health services to permanent immigrants are two-thirds those of providing those same services to all Californians, and the costs for cyclical immigrants are one-half. The detailed per capita cost estimates are shown in Table A.5.

ESTIMATE OF NET COSTS

Finally, we compared the tax contributions of Mexican immigrants with the costs of service delivery. Because our revenue estimates were based on 1979 wage data and our cost estimates were for 1982, we converted the revenue data into 1982 totals, using the ratio of 1979 to 1982 consumer prices (U.S. Census, 1982). The results are shown in Table A.6 for cyclical and permanent immigrants. High and low revenue estimates are compared with comparable cost estimates including and excluding education costs.

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[2]Together, these three services account for 60 percent of all direct state and local government expenditures.

Table A.5

COSTS OF PROVIDING PUBLIC SERVICES

Service Category	State Average ($)	Cyclicals		Permanents	
		Low	High	Low	High
Highways	99	45	99	80	99
Welfare	379	63	63	125	125
Health	200	100	100	133	133
Other	809	404	809	647	809
Subtotal	1,487	612	1,071	985	1,166
Education	756	302	302	1,058	1,058
Total	2,243	914	1,373	2,043	2,224

Table A.6

REVENUE AND COST COMPARISONS

Item	Cyclicals		Permanents	
	Low	High	Low	High
Revenues/capita, 1979 ($)	808	968	763	932
Conversion	1.32	1.32	1.32	1.32
Revenues/capita, 1982 ($)	1,070	1,282	1,011	1,235
Per capita cost, excluding education ($)	612	1,071	985	1,166
Difference	+458	+211	+26	+69
Per capita cost, including education ($)	914	1,373	2,043	2,224
Difference	+160	−91	−1,032	−989

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