Language skills and earnings among legalized aliens

Barry R. Chiswick¹, Paul W. Miller²

¹University of Illinois at Chicago, Department of Economics (M/C 144), 601 South Morgan Street, Chicago, IL 60607-7121, USA (e-mail: brchis@uic.edu)
²University of Western Australia, Department of Economics, Nedlands, WA 6907, Australia (e-mail: pwm@kroner.eceel.uwa.edu.au)

Received: 13 February 1998/Accepted: 9 July 1998

Abstract. This paper uses the data on males and females from the 1989 Legalized Population Survey (LPS), a sample of aliens granted amnesty under 1986 Immigration Reform and Control Act, to analyse English language proficiency and earnings. We use a model of English language proficiency that is based on economic incentives, exposure and efficiency variables that measure the costs and benefits of acquiring English language skills. Consistent with the model, in this sample of former illegal aliens, English language proficiency is greater for those with more schooling, who immigrated at a younger age, who have been in the United States longer, with a more continuous stay, and who have less access to other origin language speakers where they live. Earnings are higher by about 8% for men and 17% for women who are proficient in both speaking and reading English, compared to those lacking both skills.

JEL classification: J24, J31, J61, J15

Key words: Immigrants, illegal aliens, earning, language skills, legalized aliens

The research for this paper was funded, in part, by the Bureau of International Labor Affairs (ILAB), U.S. Department of Labor. We appreciate the comments from Shirley Smith, the ILAB Project Officer. We wish to thank Richard Hockey, Department of Public Health, The University of Western Australia, for assistance with the SAS package. Helpful comments were received when this paper was presented at the American Economics Association Annual Meeting, New Orleans, January 1997, The Midwest Economics Association Annual Meeting, Chicago, March 1998, and the Human Resources Workshop, University of Illinois at Chicago, 1997. Responsible editor: Thomas Staubhaar
1. Introduction

Language skills are a key aspect of the immigrant labor market adjustment process that has dominated analyses of immigrant well-being by economists. It has been shown using decennial census data that immigrants in the United States who are proficient in English earn about fifteen to twenty percent more than immigrants who have not mastered the English language (see Chiswick and Miller 1992, 1997). The immigrants who are more likely to master the English language are readily identifiable. Among other characteristics they arrive in the United States when they are young, are well educated, have lived in the United States for a relatively long period of time, live away from concentrations of individuals with whom they share a non-English second language, have a lower probability of emigrating back to the origin, have an origin language linguistically closer to English, and come from a country that is further from the United States (see, for example, Chiswick and Miller 1992, 1998). Moreover, the major findings carry over to analyses conducted for immigrants from individual countries or regions, including immigrants from Europe, Mexico, other parts of Latin America, and Asia. Analyses for countries such as Australia, Canada, Israel and Germany show that immigrants in these countries have many experiences in common with immigrants in the United States (see, for example, Chiswick and Miller 1995; Chiswick 1998; Chiswick and Repatto 1998; Dustmann 1994; and Kee 1993). Thus, the model developed to explain dominant language proficiency appears to be robust across countries of origin, countries of destination, and time periods when applied to samples representative of all immigrants. It has also been shown that the model can be used to account for language skills among apprehended illegal aliens in a specific geographical region (see Chiswick 1991).

This paper has four main purposes. First, the applicability of the model of language fluency, developed and tested largely for the large, random samples of immigrant populations in census data, is examined for a random sample of illegal aliens who attained “temporary legal status” under the Immigration Reform and Control Act of 1986. The data are from the Legalized Population Survey (LPS) conducted in 1989. These immigrants are less educated than the typical immigrant, have been in the United States for a shorter period of time, had been in an illegal status, and are more likely to be from Spanish-speaking countries than immigrants in general.

Second, the survey of legalized aliens that is analysed in the current study contains details not collected in alternative data sets, such as the 1990 Census, that may influence language outcomes. For example, information was collected on the number of family members living in the same household in the United States at the time the individual applied for amnesty, and on the number of times the individual had entered the United States prior to applying for temporary legal status. Examination of the links between these variables, among others, and language skills will further develop the model that has been successfully applied to a range of countries, time periods and situations (see Chiswick and Miller 1995).

Third, information was collected on English-reading proficiency as well as English-speaking proficiency. This permits examination of the robustness of the model to a wider range of language skills than has generally been possible to date. Chiswick (1991) shows that similar processes enhance speaking and reading skills among a sample of apprehended illegal aliens in the Los Angeles...