

**Poverty and Reliance on Public Assistance of
the Second Generation Children in the United States**

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Whether immigrants are costs or benefits to American society is one of the biggest controversies in the United States due to its strong policy implications (Smith and Edmonston 1998). The argument over dependency of immigrants on welfare payments gets its momentum especially when economy is not expanding, because U.S. immigration policy prohibits the entry of persons likely to become “public charges.” In other words, increases in welfare use among immigrants and the gap in welfare payment usage between migrants and natives are thought to indicate the failure of U.S. immigration policies (Bean et al. 1997). Ever since the reform of immigration laws in 1965, past studies have documented drastic changes in the characteristics of immigrants, most notably in a shift toward poorer countries of origin (Martin and Midgley 1994). The dramatic increase in the number of immigrants from Latin America and Asia in the 1980s’ and 1990s’ fueled the old worries regarding the likelihood of new immigrants to rely on public assistance.

While characteristics and circumstances of “new immigrants”¹ are well documented, the experiences of their children have only more recently begun to be explored. For example, majority of the past studies that compare poverty and reliance on public assistance between immigrants and natives focused on the first generation, the adult men and women who came to the United States.² The study focusing on the children of immigrants is important given their size and speed of increase in the U.S. population. Estimates by Jensen (2001) indicate that the number of second

generation children – defined as native-born children under age 18 who have at least one foreign-born parents - increased from 10.1 million in 1994 to 11.5 million, an increase of 13.9 percent over just four years. By contrast, the third generation children and higher – defined as native-born children under age 18 whose parents are also native-born – grew by just 0.4 percent during the same period. Along with the first generation children – children under age 18 who were born abroad – children of immigrants account for about 20 percent of all children. The long-term effects of contemporary immigration on American society are increasingly dependent on the prospects and outcomes of immigrants' children.

In addition, the focus on the second generation children will provide us with new insights on assimilation process of immigrants into American society. Due to the dramatic changes in the countries of origin of post-1965 immigrants, some scholars argue that experiences of the second generation at the turn of the century cannot be assumed to hold for the today's second generation (Gans 1992; Portes and Zhou 1993; Rumbaut and Portes 2001). According to the conventional assimilation model developed based on the experiences of immigrants from Europe, immigrants are assimilated into American mainstream over the course of three generations. However, recent changes in the composition of immigrants themselves and industrial restructuring of American society, raise serious doubts to this straightforward assimilation model (Rumbault and Portes 2001). A study of the well-being of today's second generation children is crucial to see how they will be assimilated into the American mainstream.

In this paper, I analyze and compare economic circumstances of native and the second generation children, using children in a family as the unit of analysis. Rather than using the conventional definition of the second generation children – children with at least one immigrant parent, I define the second generation children as children

with both parents as immigrants.³ Children with native-born and foreign-born parents are considered to be close to native-born, with constant exposure to English language. The definition as I adopted is more restrictive, yet it more clearly reflects the situation of native-born children of immigrants.

Past research on poverty and welfare use of immigrants paid little attention to their diversity⁴ despite the fact that today's immigrants are coming increasingly from various countries in Latin America and Asia. Previous studies on economic circumstances of children of immigrants also did not analyze the extent to which public assistance helps to alleviate poverty (Jensen and Chitose 1997). Thus, I analyze economic circumstances of native and the second generation children giving due attention to the children's country of origin using the 1990 census data. In specific, I address following three questions: (1) to what extent the second generation children of immigrants in the United States is poor and reliant on public assistance, (2) how reliance on public assistance among poor children differs across country of origin, and (3) how important the public assistance is in poor children's family income and ameliorating their poverty. The comparison is made between the second generation children and native children, classified by parent(s)' year of immigration, and by an area of origin.

Usage of public assistance among immigrant population has become major concern with the enactment of the 1996 Welfare Reform Act.⁵ After the passage of the Welfare Reform Act, welfare use declined especially for immigrants (Fix et al. 2001).⁶ However, it is still too early to assess the effects of the Welfare Reform Act. Rather, my objective here is to grasp the economic circumstances of immigrant children before the 1996 act, so that the future comparison between before and after passage of the Act may be possible.

Data and Methods

The Public Use Microdata Sample (PUMS) 5 percent from the 1990 U.S. Census of Population and Housing is used as data. The unit of analysis is children. The information of a child's household, householder and spouse were appended to child's records. The analysis is restricted to children aged 0-17 who are own children of a householder. There are two advantages for using the PUMS data. First, the PUMS are based on census and considered to be highly representative of the U.S. population. Second, the PUMS is the only data source that is large enough to produce reliable estimates for the second generation children by areas of origin.

However, the 1990 PUMS is not without a flaw. The most important constraint is that the 1990 PUMS do not contain information on the nativity of the parents for all individuals in the sample. Although the question was included in the 1960 and 1970 PUMS, it was dropped from the questionnaire in the 1980 and the 1990 census. This feature of the 1990 PUMS constrains researchers to limit the sample to children who are still residing with parents. For children living independently from their parents, there is no way to identify whether a person is native-born or the second generation, because no information on parents' nativity is available. Consequently, the best that researchers can do is to restrict the analysis to children still living with parents. Because of this restriction, the results have to be looked at with caution due to possible selectivity bias. However, the age of children (0-17) suggests that the children included in the analysis is largely at the life stage in which children live together with their parents, and the risk of selectivity may be low.⁷

The 1990 PUMS is a hierarchical file. From this file, two data sets are created; one for the second generation children and the other for native children. First, own children ages between 0 and 17 of household heads headed by a foreign-born head and a foreign-born spouse of the household head, were selected. To these children's data,

selected person records of children themselves, person records of their parent(s), and household records were appended. The same procedure was used for constructing a native-born children file. Since native-born children constitute very large share of all children, these children were sampled at 10 percent from the PUMS. In total, there were xxxxx children of immigrants, and xxxxx native-born children. The statistics presented in the following are weighted by the person-weight on the child's record.

The second generation children are classified by areas of origin of their parent(s). The areas of origin are broadly classified into three groups: Europe, Asia, and Latin America. Africa was omitted from the analysis because of the small number of observations.⁸ Further, the second generation children were classified by the year of immigration of their parent(s). The year of immigration is divided into four groups; 1985-1990, 1975-1984, 1965-1974, and before 1965.⁹

Children are defined as in poverty if their total family income in 1989 is less than the official poverty line. Whether children are on welfare or not is determined by the receipt of public assistance. The definition of public assistance as used by Census Bureau includes; (1) Supplementary Security income payments made by Federal or State welfare agencies to low income persons who are aged (65 years old or over), blind or disabled, (2) aid to families with dependent children, and (3) general assistance.

The importance of the public assistance in a child's family income is measured by two methods. One measure is to calculate the percentage of children who are brought at or above the poverty threshold with the receipt of public assistance, whose pre-welfare family income is below the poverty line. The second measure is to calculate the percentage of poverty gap closed. Poverty gap refers to the difference between family income and poverty threshold. This indicator measures the percentage of poverty gap that is closed with the receipt of public assistance.

Findings

Measure of Poverty and Welfare Receipt of Children by Generation

Table 1 shows differences in children's family's economic circumstances by generation and by areas of origin. Panel A shows poverty status and the level of welfare receipt by generation. Panel B lists median income by generation, and Panel

Table 1

A. Measure of Poverty and Public Assistance by Generation

	Native	All 2G	Immigrated Year			
			85-90	75-84	65-74	<65
Poverty Rate (%)	15.7	25.4	36.4	28.4	20.2	16.1
% with PA	9.1	10.8	15.1	12.2	8.0	8.5
% of poor with PA.	42.6	28.9	30.1	29.5	26.3	30.6

B. Median Income by Generation

	Native	All 2G	Immigrated Year			
			85-90	75-84	65-74	<65
Total (\$)	34000	27400	20000	25000	31111	36000
Poor (\$)	7000	9405	8451	9761	9600	9000
Non-poor (\$)	38612	35600	30746	33000	38000	42000

C. Measure of Poverty and Public Assistance by Place of Origin

Area of Origin	Poverty Rate (%)	Relative Pov Rate*	% with PA	% of Poor w/ PA
Europe	11.7	16.8	6.4	33.4
Asia	17.6	20.3	14.0	53.4
S. America	16.8	25.4	6.3	25.5
Caribbean	25.1	33.1	15.1	44.3
C. America	35.9	41.0	9.7	18.5
N. America	12.6	19.5	7.2	33.0
All 2nd G	25.4	30.3	10.8	28.9
Natives	15.7	22.0	9.1	42.6

* Relative poverty rate measures the percentage of children with family income less than or equal to the half of median income of native children families.

Source: Public Use Microdata (PUMS) Sample A of the 1990 U.S. Census of Population and Housing

C documents poverty status and welfare receipt by areas of origin for the second generation children. As a group, the percentage of children in poverty is higher for the second generation children – about one in four second generation children are in poverty, compared to one in six for native children. The rate is comparable with research results conducted by Van Hook and Fix (2000). Consistent with past studies, as the length of stay in the United States for parents gets longer, the percentage of poverty among immigrant children decreases (Jensen and Chitose 1994). Poverty rate drops to 16.1 percent, the level comparable to that of natives for those immigrant children whose parents migrated before 1965.

The share of children receiving public assistance is slightly higher for the second generation children (10.6 % and 9.1 % respectively). For both groups of children, about one in ten children are receiving public assistance. Among the second generation children, the percentage receiving public assistance decreases monotonically and reaches at minimum (8.0 %) for those immigrated between 1965-74, but increases slightly for the group migrated before 1965. However, their level of public assistance is lower than that of native children.

In the literature of poverty and usage of public assistance among immigrants, it is commonly found that immigrants were more likely to receive public assistance than natives in a simple comparison, but the inclusion of controls (variables such as poverty status, education, race) reverses the situation (Bean et al. 1997; Butcher and Hu 2000; Jensen and Chitose 1997). In other words, immigrants are less likely to use these programs when compared with natives with similar socio-economic characteristics. Consistent with past findings, the percentage of children in poverty receiving public assistance is lower than that of native children (30 % and 43% respectively). This holds for all immigrant groups classified by immigrated year. Although percentage in poverty and percentage of welfare receipt are highest for the most recent immigrant

groups, they are not necessarily prone to receive public assistance compared to native children. Here again, the percentage of poor second generation children with public assistance declines for earlier cohorts and increases slightly for pre-1965 group.

The economic well-being of children depends also in part by the actual amounts of family income. Panel B shows median total income receipt (in 1989 dollars) for children in families reporting positive income from a given source. The median income of native children is 34,000 dollars, higher than that of the second generation children by more than 6,000 dollars. The median income increases as year of immigration gets earlier. The amount of income gets higher than that of natives and reaches at 36,000 dollars for the pre-65 group.

When the group is decomposed into poor and non-poor, interesting differences between native and second generation emerge. Among poor children, median income of the second generation children (\$9,405) is higher than that of native children (\$7,000) by more than 2000 dollars. However, among non-poor children, median income of the second generation children (\$35,600) is lower than that of native children (\$38,612). Median income of poor native children is even lower than that of most recent immigrant groups. When examined across immigration year, median income of the second generation children increases as immigration cohort becomes earlier. The same observation holds for median income of non-poor second generation children as well. However, for the poor second generation children, the situation does not hold across immigration year. While the level of median income peaks at 1975-84 group, it decreases for the earlier cohort. This implies that with the time in the United States, immigrants are diverged into successful and less successful groups; and the income gap between the two widens over time.

Panel C lists the measure of poverty by areas of origin for the second generation children. As suspected, large variance in poverty measures across areas of origin is

obvious. What is striking is the prevalence and deepness of poverty of the Central American and Caribbean second generation children. More than one-third of Central American children are in poverty, and more than 40 percent of them are in families with median income less than or equal to the half of median income of native children families.

However, the poorest is not the most prone to receive public assistance. Overall, Caribbean has the highest percentage of those receiving public assistance (15.0 %), followed by Asian (14.0 %) and Central American (9.7 %). When the analysis is restricted to poor children, the most benefited group from public assistance is Asian; more than half of them are receiving public assistance. The high percentage of Asian children in receiving public assistance may be due to high presence of refugees in this group (De Vita 1996). Caribbean follows Asian with 44 percent, and then European with 33 percent. Although Central American is the poorest group, they are least likely group to receive public assistance (18 %). When compared with native poor children, all groups except for Asian and Caribbean, are less likely to receive public assistance.

Income Packaging of Children by Generation

Table 2 presents information on relative contribution of four income sources – parental earnings, public assistance, Social Security, and other family income combined – to total family income among children. Panel A shows the percentage of children whose families report any positive income from a given source, and Panel B indicates the average percentage of total family income accounted for by a given source.

Compared to non-poor children, poor children are heavily reliant on public assistance, and less reliant on parental earnings regardless of generation. Especially,

Table 2

A. Percentage of Children with Positive Family Income by Source (%)

	Poor						Not Poor					
	Native	Total 2G	Immigrated Year				Native	Total 2G	Immigrated Year			
			85-90	75-84	65-74	<65			85-90	75-84	65-74	<65
Parental Income												
Parental Earnings	64.8	73.3	68.9	74.3	75.7	68.7	98.8	97.0	94.6	96.8	98.1	96.6
Head's Earnings	60.2	68.2	64.5	69.4	70.2	62.9	96.8	94.4	91.9	94.4	95.7	93.4
Spouse's Earnings	16.8	19.9	18.3	20.0	21.2	19.2	63.8	55.0	43.9	56.7	67.5	52.5
Public Assistance	42.4	28.8	29.9	29.4	26.1	30.3	2.7	4.5	6.4	5.2	3.1	3.9
Social Security	5.4	3.4	2.0	2.6	4.4	9.0	2.5	2.7	1.8	2.2	2.8	5.2
Other Income*	34.6	32.4	30.9	30.1	34.8	42.9	56.3	55.8	48.8	53.3	56.9	66.7
N	40,267	64,016	11,936	31,470	15,867	4,743	216,015	187,711	20,846	79,353	62,714	54,798

B. Mean Percentage of Total Family Income by Source (%)

	Poor						Not Poor					
	Native	Total 2G	Immigrated Year				Native	Total 2G	Immigrated Year			
			85-90	75-84	65-74	<65			85-90	75-84	65-74	<65
Parental Income												
Parental Earnings	51.8	62.4	59.9	63.5	64.3	54.8	91.4	83.2	82.3	82.8	85.0	81.0
Public Assistance	30.9	21.5	24.0	22.2	18.4	20.7	0.6	1.6	2.8	2.1	0.8	1.0
Social Security	3.2	1.7	0.9	1.2	2.2	5.0	0.6	0.5	0.3	0.4	0.6	1.2
Other Income	14.0	14.5	15.2	13.1	15.1	19.6	7.4	14.7	14.6	14.8	13.6	16.9
Total	99.9	100.1	100.0	100.0	100.0	100.1	100.0	100.0	99.9	100.1	100.0	100.1

* Other income includes any parental income other than earnings, public assistance, and social security.

Source: Public Use Microdata (PUMS) Sample A of the 1990 U.S. Census of Population and Housing

the difference in the source of family income between non-poor and poor children lies in the contribution of income by spouse. For example, among poor children, only 17 percent of natives and 20 percent of the second generation children report earnings of spouse. On the other hand, among non-poor children, 64 percent of natives, and 55 percent of second generation children have earnings of spouse. As past study indicates, the contribution of spouse's earnings to family income is higher for immigrant children than natives (Jensen 1991).

Given the close association between labor market dislocation and poverty, the lower percentage of poor children with parental earnings is understandable. This tendency is especially evident for native poor children. Among poor children, the second generation children have higher share of them with parental earnings (73 % and 65 %), and have lower percentage of them receiving public assistance (29 % and 42 %) and Social Security (3 % and 5 %) than their counterparts. Given the higher proportion of children in single parent family for native children (Jensen and Chitose 1994), the lower share of native children with both head's and spouse's earnings is partly due to family compositional effect.

There exists a clear pattern in the differences in income packaging across immigration cohorts for the second generation children regardless of poverty status. The percentage of children receiving parental earnings, increases as immigration cohort gets earlier, maximum at the 1965-74 group (76 %), and drops slightly at the pre-65 group. The same pattern is observed for earnings for head and spouse. In accordance with increase in parental earnings, the share of poor children receiving public assistance decreases slightly. Although the share of children receiving Social Security is small, the percent receiving Social Security increases as immigration cohort gets earlier. As explained earlier, immigrant parents who migrated to the United States before 1965 are expected to be relatively old. Age component is considered to be the

reason of high share of children in families with Social Security income.

Table 2 panel B lists the mean percentage of total family income broken down by its source. The result also confirms the above findings. As a group, the poor second generation children have the higher share of mean parental earnings and lower share of mean public assistance out of their parents' income. For the poor second generation children, on average, more than 60 percent of total family income is accounted for by parental earnings, while about 20 percent by public assistance. For poor native children, on average, about half of total family income is contributed by parental earnings, and little less than one-third is from public assistance.

The difference in mean percentage of total family income by source across immigration cohort also confirms the pattern observed in the Panel A. Regardless of poverty status, the share of parental earnings out of family income increases, and the share of public assistance declines with immigration year. For every second generation grouped by immigrated year, reliance on parental earnings is higher, and reliance on public assistance is lower than poor native children. The 1965-74 group is least reliant on public assistance.

Income Packaging of Poor Second Generation Children by Place of Origin

Table 3 documents family income sources for poor children by place of origin. Panel A lists percentage of children with positive family income by source, and Panel B shows mean percentage of total family income by source, broken down by place of origin. For comparative purposes, I divided the second generation children into three groups: Europe, Asia, and Latin America.¹⁰ I did not include Africa due to a small number of observation. There is considerable heterogeneity across area of origin groups in income packaging among children of immigrants. Even among poor children, the percentage of children with parental earnings ranges from 50 percent for

Table 3

Family Income Sources for Poor Children by Place of Origin
A. Percentage of Children with Positive Family Income by Source

	Europe						Asia					Latin America				
	Native	Immigrated Year					Total	Immigrated Year				Total	Immigrated Year			
		Total	85-90	75-84	65-74	<65		85-90	75-84	65-74	<65		85-90	75-84	65-74	<65
Parental Earnings	64.8	65.8	57.1	70.4	73.4	64.8	49.8	45.0	48.6	74.9	59.8	80.1	85.3	82.6	76.1	70.1
Head	60.2	59.4	51.9	61.7	66.2	59.9	44.4	40.7	43.4	65.1	49.6	75.4	81.0	78.0	71.2	64.5
Spouse	16.8	15.2	18.3	15.2	15.5	11.0	15.0	13.5	14.4	22.0	25.0	21.5	21.0	21.8	21.4	20.6
Public Assistance	42.4	33.3	42.3	30.9	26.6	30.9	53.2	53.2	58.9	15.8	38.0	22.0	13.8	20.2	26.8	29.7
Social Security	5.4	4.8	2.3	3.1	5.2	9.4	3.1	2.4	2.9	5.6	11.6	3.4	1.7	2.5	4.1	8.7
Other Income	34.6	34.6	29.9	32.7	37.4	39.4	34.0	33.7	33.1	40.4	40.6	31.8	29.7	29.3	33.9	44.0

B. Mean Percentage of Total Family Income by Source

	Europe						Asia					Latin America				
	Native	Immigrated Year					Total	Immigrated Year				Total	Immigrated Year			
		Total	85-90	75-84	65-74	<65		85-90	75-84	65-74	<65		85-90	75-84	65-74	<65
Parental Earnings	51.8	54.2	47.8	60.0	58.8	52.4	39.3	37.7	36.4	64.4	46.8	69.1	75.1	72.1	64.9	55.6
Public Assistance	30.9	25.8	34.6	23.1	18.6	24.4	43.8	45.1	48.2	11.3	27.5	15.2	9.6	14.0	18.9	19.3
Social Security	3.2	2.9	1.3	2.1	3.2	5.5	1.7	1.1	1.5	4.1	7.5	1.6	0.8	1.1	2.0	4.6
Other Income	14	17.1	16.3	14.8	19.4	17.7	15.2	16	13.9	20.2	18.2	14.1	14.6	12.9	14.2	20.5

Source: Public Use Microdata (PUMS) Sample A of the 1990 U.S. Census of Population and Housing

Asians to 80 percent for Latin Americans. Correspondingly, the percentage with public assistance is highest for Asians with 53 percent, and lowest for Latin Americans with 22 percent. Among poor Asians, the percent of those with public assistance is slightly higher than percent with parental earnings. For Europeans, the percentage of poor children with parental earnings is about the same level with that of native poor children. However, the share of poor children receiving public assistance is about 10 percentage points lower for European children (33 % and 42 % respectively).

Relative disadvantage in receiving public assistance for the poor second generation children is also apparent here. A comparison with poor native children shows that only Asians have lower share of children with parental earnings than native children. Concerning earnings of head and spouse, only Asians and Europeans have lower share relative to native children. All groups, except for Asians, have lower share of children with public assistance and Social Security compared to native poor children. Moreover, results indicate that overall, the percentage of children with parental earnings increases as immigration year becomes earlier. For example, although the share of children with parental earnings are lower than native poor children for the most recently immigrated group (50 %), the share jumps to 75 % for those immigrated between 1965-74.

The performance of Latin Americans deserves mention. As a total, Latin Americans have the highest contribution of parental earnings and lowest reliance on public assistance. Even for the most recent immigrant group, 80 percent of poor children have parental earnings, 81 percent have head's earnings, and 21 percent have spouse's earnings. The share of children with public assistance is only 14 percent. However, the contribution of parental earnings gradually decreases as immigration years get earlier. Correspondingly, the share of public assistance is lowest for the most recent immigrant cohort, but increases with immigrated year. The increase, however,

is never sufficient enough to offset the native-second generation differences.

Panel B shows mean percentage of total family income by source broken down by place of origin. The result confirms the pattern observed in Panel A. Asians are most reliant on public assistance among the group and the only group whose reliance on public assistance is heavier than poor native children. On average, more than 40 percent of family income is from public assistance and about 40 percent of family income is from parental earnings. Latin Americans are most reliant on parental earnings and least reliant on public assistance. On average, 15 percent of family income is from public assistance, and 70 percent is from parental earnings. A comparison across immigrated year confirms the general pattern observed in Panel A.

Table 4 documents how effective the public assistance is in ameliorating child poverty. Panel A shows the effects by generation, and Panel B lists the effects by place of origin. For each panel, the first row indicates the percentage of children lifted above the poverty threshold by receiving public assistance. The second row shows the percentage of the difference between poverty threshold and pre-welfare family income closed with the receipt of public assistance.

As a group, the percentage of children lifted above 100 percent poverty threshold is slightly higher for the second generation children than native children (6 %, 4 % respectively). In another measure, ameliorating effect of public assistance is stronger for native children; about 20 percent of the income gap is closed for native children, while little more than 18 percent of the gap is closed for the second generation children.

Panel B documents effects of public assistance by place of origin. There exists a large variance in effects of public assistance in ameliorating poverty by place of origin. The capacity of public assistance to lift poor children above 100 percent poverty threshold ranges from 3 percent for Latin American children to 14.6 percent for Asians.

The percent of income gap closed also ranges from 12.1 percent of Latin America children to 40 percent of Asian children.

Table 4

A. Effects of Public Assistance by Generation

	Native	Immigrated Year				
		All 2G	85-90	75-84	65-74	<65
100% Poverty Line	4.1	5.9	6.1	6.6	4.4	6.2
% Gap Closed	19.6	18.5	19.4	19.6	15.4	18.9

B. Effects of Public Assistance by Area of Origin

	Europe				
	Immigrated Year				
	Total	85-90	75-84	65-74	<65
100% Poverty Line	6.0	7.7	5.7	3.9	6.1
% Gap Closed	20.8	25.1	20.0	16.3	20.5

	Asia				
	Immigrated Year				
	Total	85-90	75-84	65-74	<65
100% Poverty Line	14.6	12.5	17.0	5.4	8.0
% Gap Closed	39.4	37.5	44.3	12.4	21.0

	Latin America				
	Immigrated Year				
	Total	85-90	75-84	65-74	<65
100% Poverty Line	3.3	1.6	2.8	4.3	6.1
% Gap Closed	12.1	6.4	10.6	15.5	18.6

Source: Public Use Microdata (PUMS) Sample A of the 1990 U.S. Census of Population and Housing

The disadvantage of Latin American children is also evident in these measures as well. While Latin American children have the highest percentage of poverty, only 3.3 percent of them whose pre-welfare income is below poverty line, is brought out of poverty when public assistance is factored in. This disadvantage is especially evident among most recent immigrant group; only 1.6 percent of children whose parents immigrated between 1985-90 are lifted above poverty line. Also, only 6.4 percent of the gap between pre-welfare income and after-welfare income is closed.

When effects of public assistance is compared across immigration cohort, Latin American children shows very distinct pattern. Unlike other groups, both measures of poverty alleviation show increasing alleviating effects with immigrated year. Since capacity of public assistance to relieve child poverty is a function of public assistance receipt, generally, the effect is strongest for a group with highest share of public assistance receipt. However, although the ameliorative effect is getting stronger with immigration year for Latin American children, the effect is very modest; even for those immigrated before 1965, only 6.1 percent of children are lifted above poverty threshold, and only 18.6 percent of the income gap is closed.

Summary and Conclusions

Traditionally, studies on poverty and welfare usage among immigrants focused on the first generation – the adult men and women who immigrated to the United States. Immigration scholars paid little attention to children of immigrants, despite the importance of their potential impact on future American society. Research on the second generation children are gaining importance today, with changing composition of origin countries, and with the globalization of economy. In this paper I have addressed following three questions: (1) to what extent second generation children are poor and reliant on public assistance compared to native children, (2) how reliance on public assistance differ across place of origin, and (3) how effective public assistance is, in ameliorating poverty of children. Specifically, I focused on income packaging of families of children – the sources of family income, rather than simply comparing rates of poverty and of receiving public assistance. The results indicate that economic circumstances of immigrant children are highly diverse. Children of immigrants not only differ sharply from one another by generation, but also by area of origin.

The results indicate that as a whole, second generation children are more likely to be poor and to receive public assistance than native children. However, among children in poverty, the share of children receiving public assistance is lower for the second generation children than native children. Moreover, there exists a consistent pattern of overall decrease in poverty and welfare receipt among later immigrant generation. For children whose parents immigrated before 1965, the rates reach almost a par with that of native children.

The income packaging of poor children indicates that poor second generation children are more likely to rely on parental earnings and less reliant on public assistance than poor native children. The reliance on public assistance further decreases, and reliance on parental earnings increases with immigration year except for the pre-1965 group. The slight increase in reliance on public assistance and decrease in reliance on parental earnings for the pre-1965 group children is probably due to their parents' older age.

The results show that ability of public assistance in relieving child poverty is rather modest for all children, and moreover, there is no big difference in ameliorative effects between the second generation and native children. While percentage of children lifted above poverty threshold is slightly higher for the second generation children regardless of immigration cohort, the percentage of income gap between pre- and after-welfare income is higher for native children.

The analysis also indicates that there exists a large variance in prevalence and deepness of poverty and in the effect of public assistance in alleviating poverty by area of origin. In general, prevalence and deepness of poverty is most severe among Latin American children, yet they are less likely to rely on public assistance than Asian or European children. In accordance with likelihood of receiving public assistance, the ameliorative effect of public assistance in relieving poverty is stronger for European

and Asian children than Latin American children. The result is not surprising given that ameliorative effect is a function of public assistance receipt; lower the percentage of children receiving public assistance, lower the ameliorative effect.

The final caveat to note is that the picture of children depicted here is a snap shot of one point of time in 1990. Because of the nature of cross-sectional data, the conversion of economic well-being of total second generation children to that of native children by their parents' year of immigration, cannot be ascribed to the length of time stayed in the United States. In a same manner, increasing reliance of poor second generation children on parental earnings rather than public assistance, cannot be reasoned as time effects in this analysis. The changing pattern of economic well-being as well as income packaging across immigrant groups classified by immigration year, can be both time effects - length of time stayed in the United States, and cohort effects - the different characteristics of immigrant groups possibly due to changes in immigration policy. The description that I presented above does not indicate the processes of change in the economic well-being of children over time.

Also, the general measure of poverty described here masks the real heterogeneity of poor families in the United States today. Children's families in poverty can be female-headed household, racial minorities, disabled household heads, working poor and many more. It is important to keep in mind that the analysis here depicts the aggregate picture of these diverse groups of people.

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Notes

¹ This term is commonly used to refer immigrants admitted into the United States after the 1965 amendments.

² The studies on the second generation children have not been subjects of great concern. Reasons include the relative youth of the children of immigrants who arrived in the U.S. after 1965, and the difficulties in studying them on the basis of census and other official data. See Alejandro Portes, ed., *The New Second Generation* (New York, Russell Sage Foundation, 1996).

³ In the case of single-parent family, children are classified as the second generation if the parent is foreign-born.

⁴ For a few exceptions, see R.S. Oropesa and Nancy S. Landale, "Immigrant Legacies: Ethnicity, Generation, and Children's Familial and Economic Lives," *Social Science Quarterly* 78, no.2 (1997):399-416.

⁵ The Personal Responsibility and Work opportunity Reconciliation Act, often referred as PRWORA.

⁶ For detailed explanation on changes in eligibility and its impacts on immigrants, see Fix and Passel (1997, 1999), and Espenshade et al. (1997).

⁷ Jensen and Chitose (1994) also noted this risk, and analyzed the PUMS data.

⁸ When parents are not from same area, then the area of origin associated with the parent who immigrated earlier was selected for the classification.

⁹ If parents did not immigrated in the same year, then the year associated with the parent who immigrated to the United States earlier was selected for the classification.

¹⁰ Considering the number of observation, I included Caribbean into Latin American group.