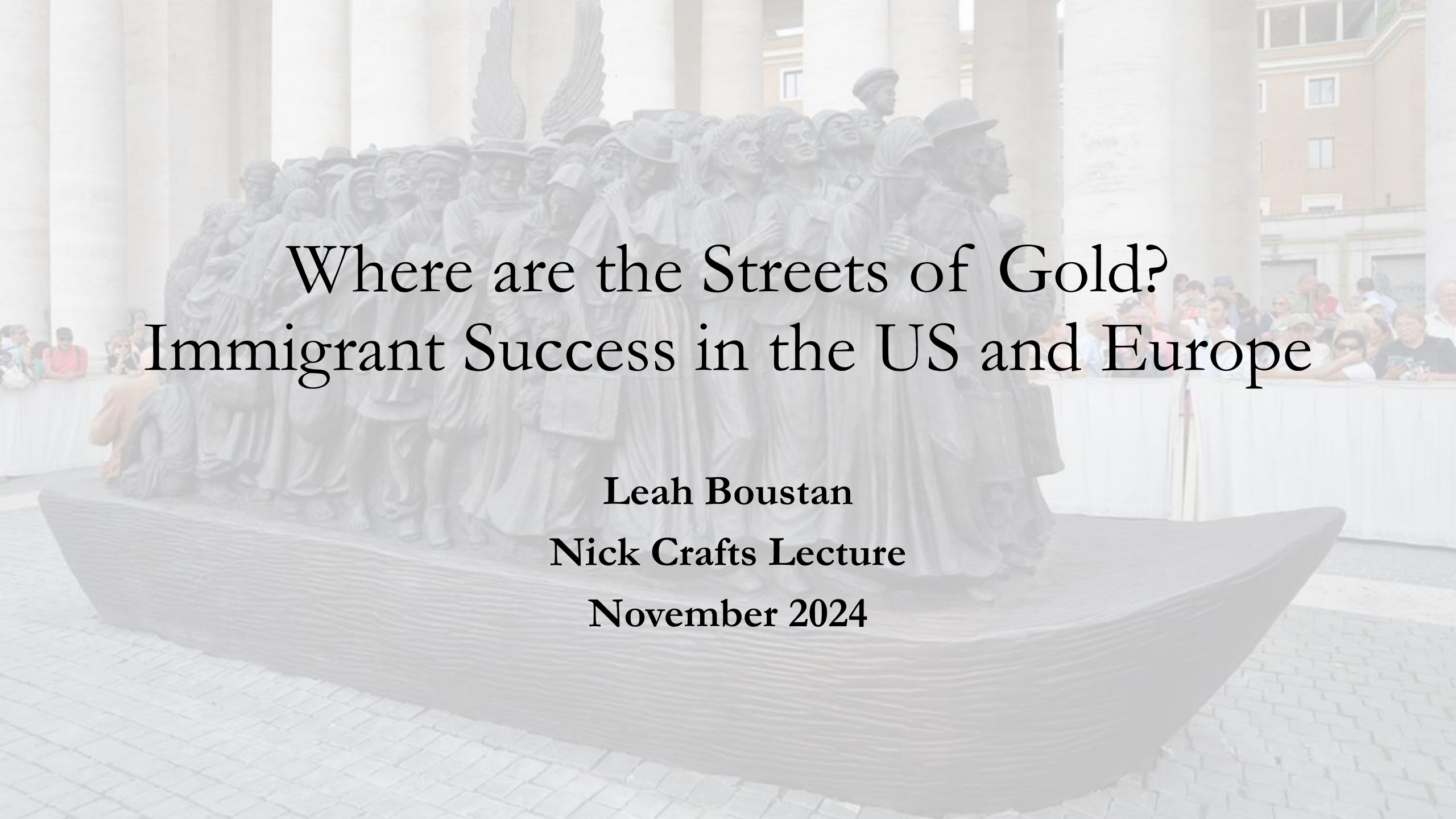


Where are the Streets of Gold? Immigrant Success in the US and Europe

Leah Boustan

Nick Crafts Lecture

November 2024

7 Globalization in History

A Geographical Perspective

From the book Globalization in Historical Perspective

Nicholas Crafts and Anthony J. Venables *2003*

The Location of the UK Cotton Textiles Industry in 1838: A Quantitative Analysis

2014

NICHOLAS CRAFTS AND NIKOLAUS WOLF

We examine the geography of cotton textiles in Britain in 1838 to test claims about why the industry came to be so heavily concentrated in Lancashire.

Where is the upward mobility of immigrants highest?

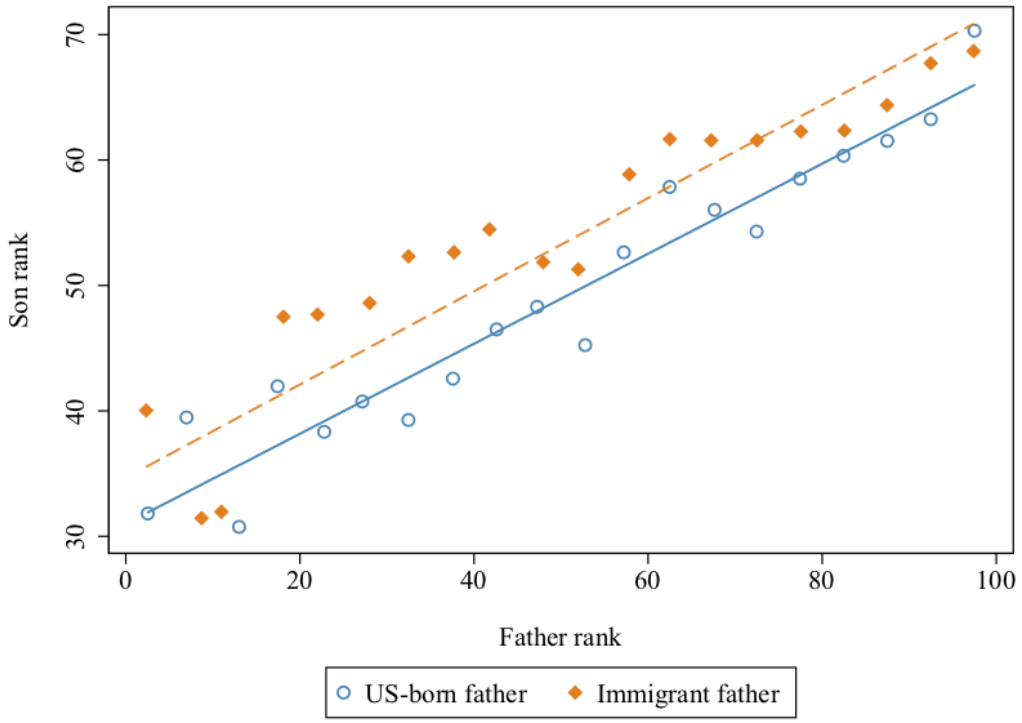
- In the past, immigrants to the US settled in highly mobile regions, contributing to high upward mobility for their children

- **Zooming in to neighborhood**: Immigrants were also likely to live in enclaves which hindered economic mobility

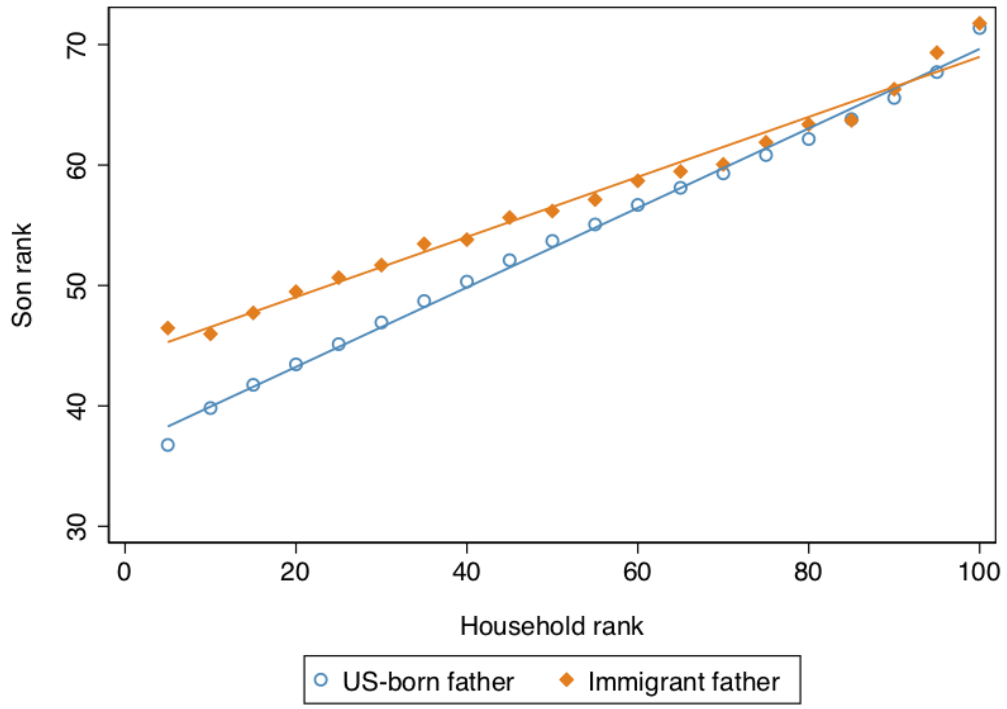
- **Zooming out to destination country**: Immigrants who move to historically immigrant-receiving countries (US/Canada/Australia) today are more mobile than immigrants to 'new' destinations

Children of immigrants more upwardly mobile than children of US-born (Abramitzky, Boustan, Jacome, Perez *AER* 2021)

1910-1940, Census



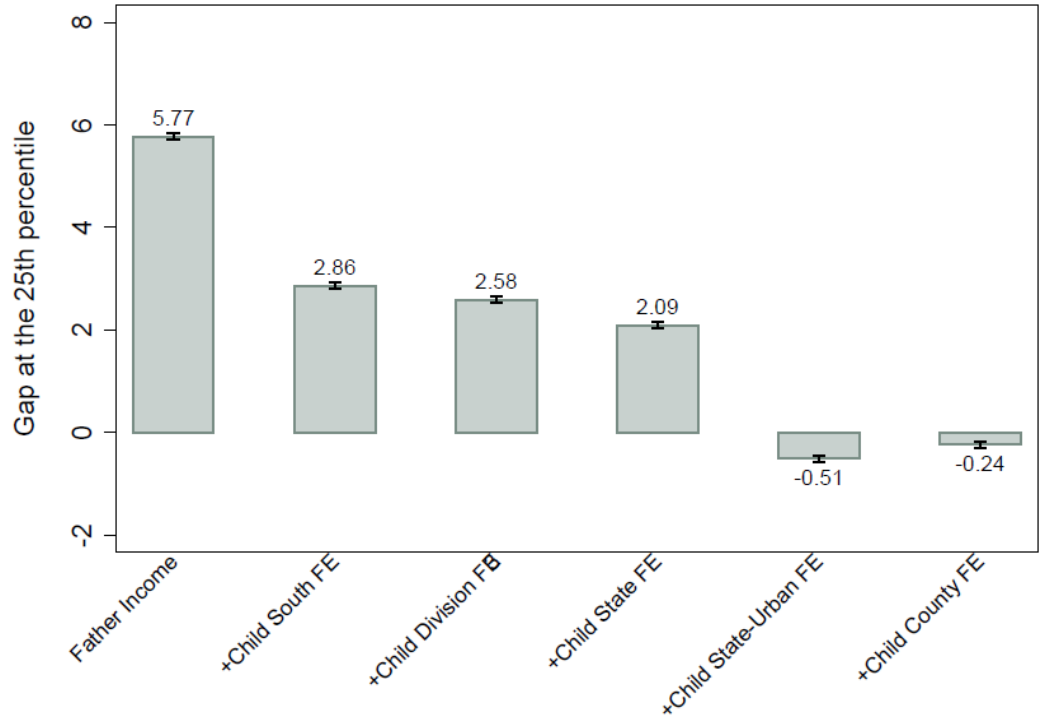
Opportunity Insights, 1980-2010



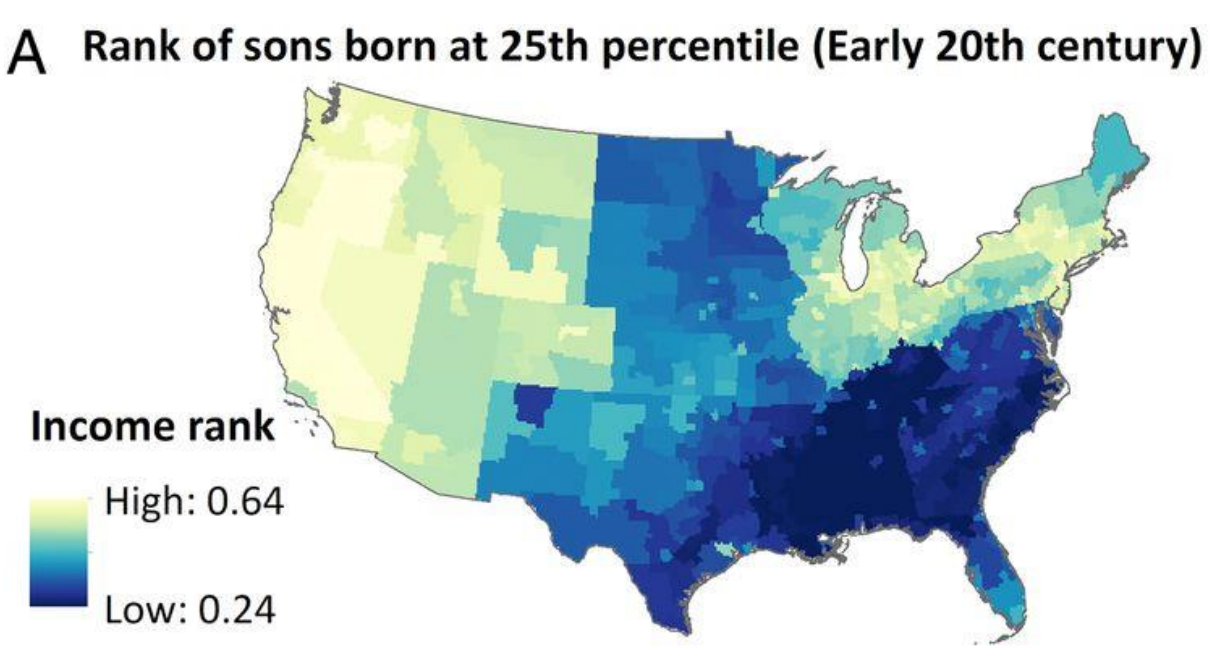
How did immigrant children catch up?

One important factor in past: Immigrant parents were more likely than US-born to move to areas that offer upward mobility

(b) 1910–1940 Cohort

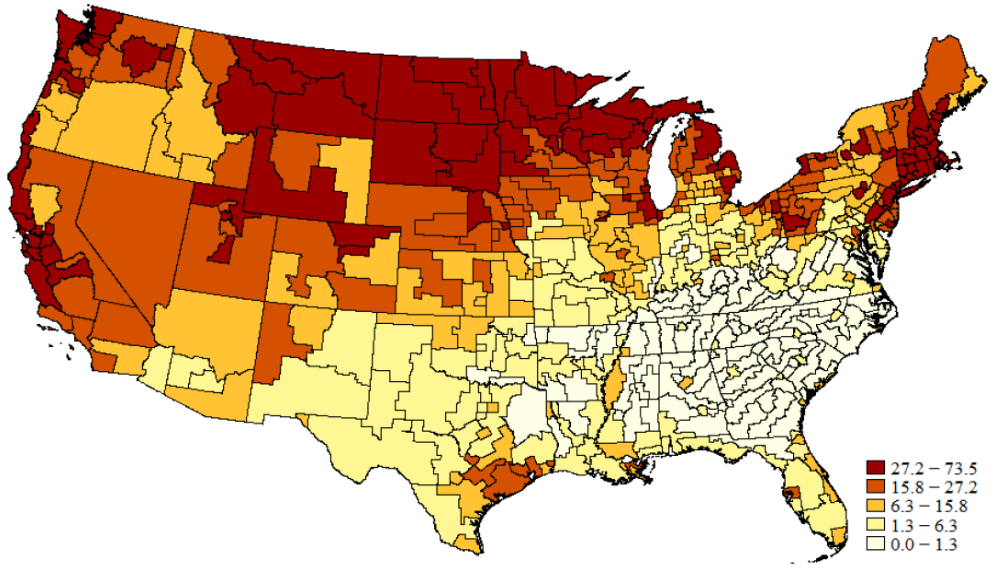


Location matters for upward mobility and immigrants choose best locations



Connor and Storper *PNAS* 2020

(c) Share of sons that are second-generation (1920–1940)



Abramitzky, Boustan, Jacome, Perez, *AER* 2021

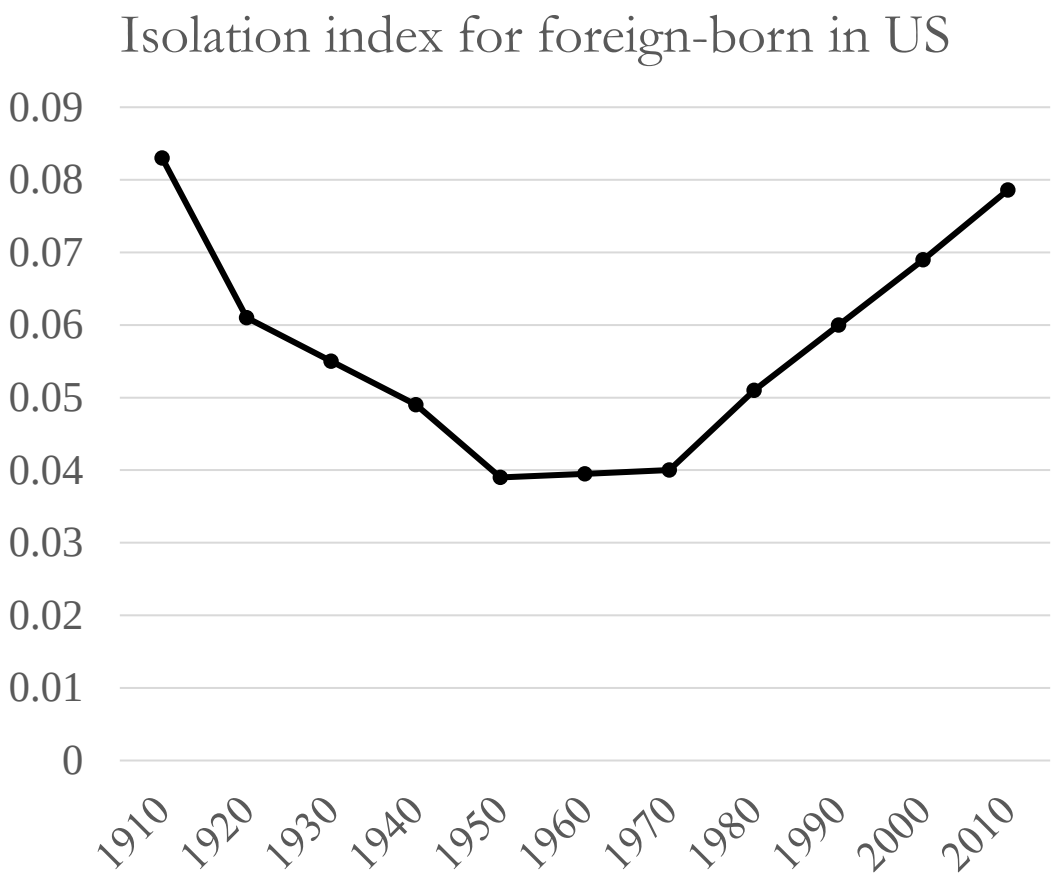
- Region
- Urban status
- Zoom in: What about neighborhoods?
- Zoom out: What about destination country?

Zoom in: Role of neighborhood

- Modern evidence suggests that living in an immigrant enclave improves employment and earnings (Edin et al. *QJE* 2003; Marten et al. *PNAS* 2019)
- These studies are based on small enclaves formed from refugee resettlement
- What about in US history where enclaves were much larger?

Immigrant enclaves through history

(Isolation index = % foreign born in n'hood of average immigrant)



Source: Cutler, Glaeser, Vigdor, *ReStat* 2008 (+ extended)

Highest isolation areas, past and today

Metro Area	Isolation index
1920	
New Bedford, MA	0.44
Passaic, NJ	0.44
New York, NY	0.39
2017	
Miami-Ft Laud.-West Palm, FL	0.48
San Jose, CA	0.43
Los Angeles-Long Beach, CA	0.39

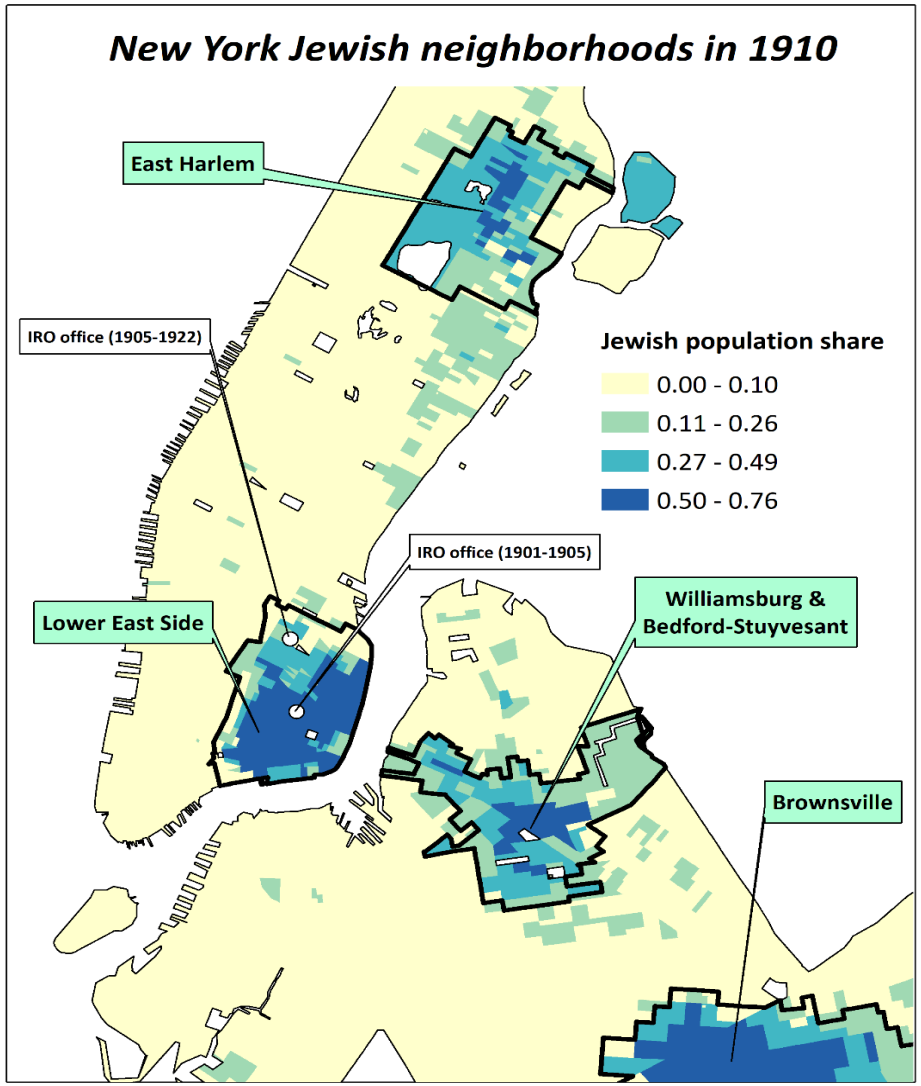
Own calculations from Census/ACS

Industrial Removal Office mobility program
(Abramitzky, Boustan, Connor, *JEH* 2024)

- ~1m Jewish immigrants in NYC in 1910
- 75% lived in enclave (e.g. Lower East Side) and many worked in garment industry
- IRO provided train fare + short-term lodging to move to ~200 cities/towns

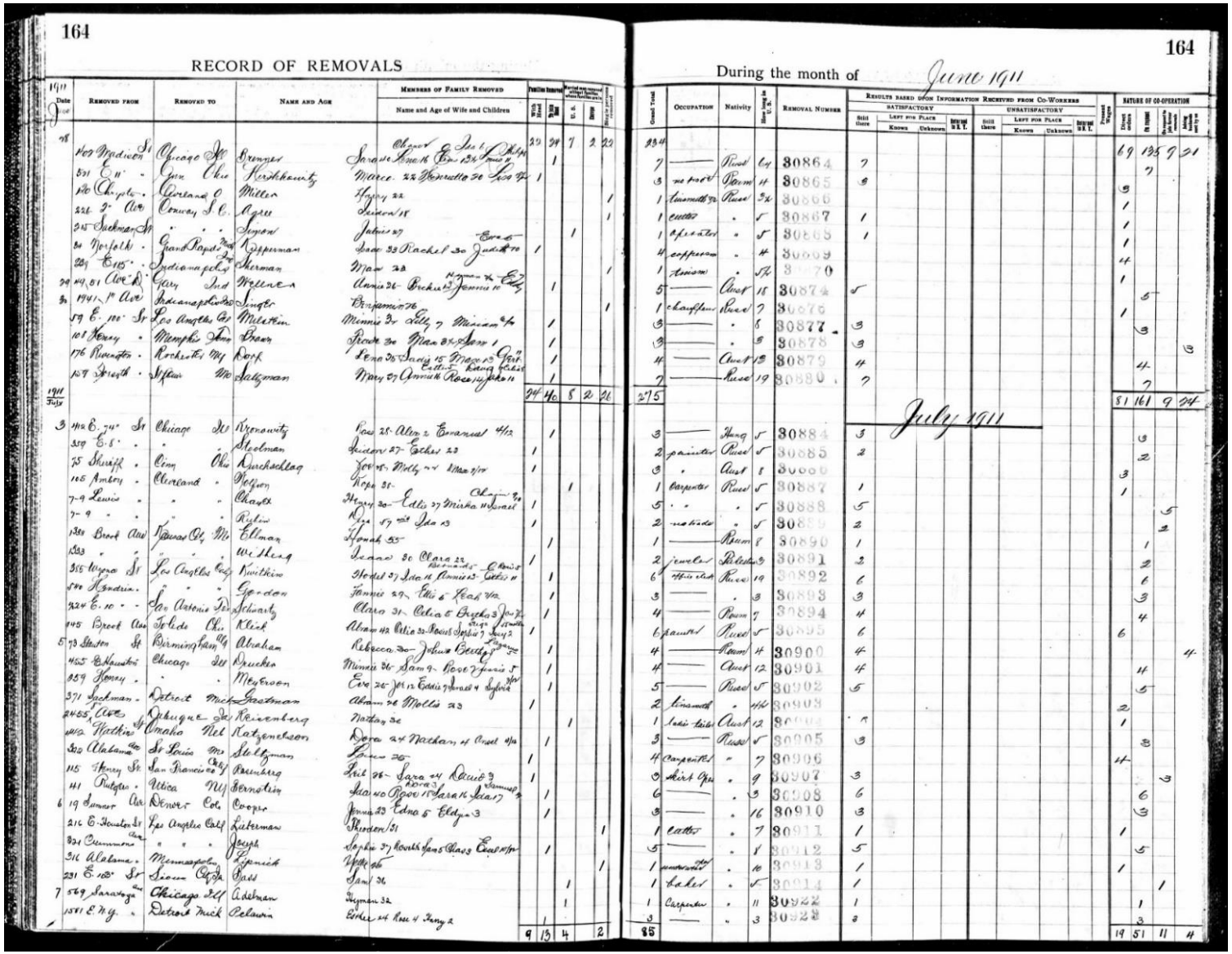
"Packed together in the Jewish quarter, the newcomers endured filth, poor sanitation, disease, and soaring rates of delinquency and crime. Dispersing the immigrants would alleviate some of these problems." (Rockaway, 1998)

Jewish enclaves in New York in 1910

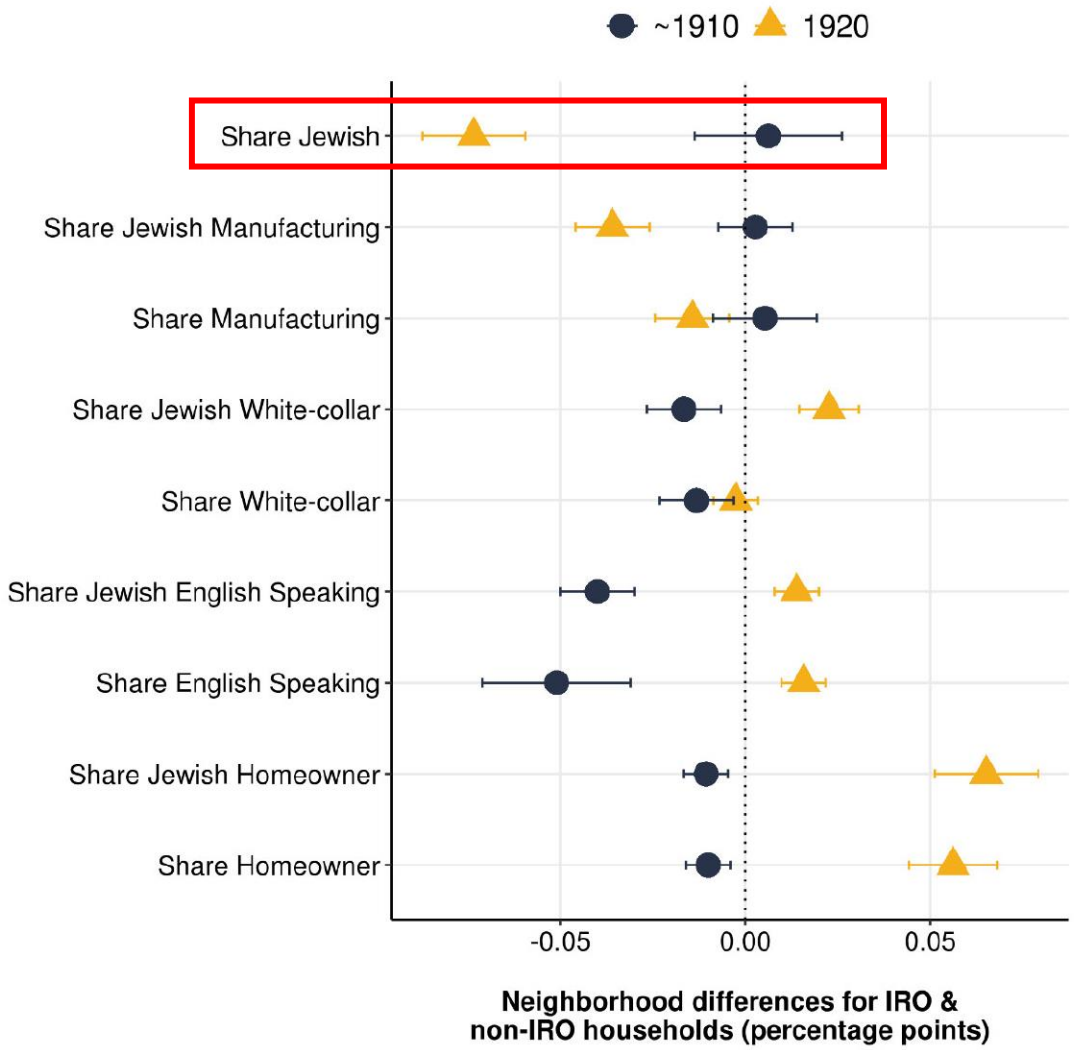


Note: Thanks to Allison Shertzer for sharing her New York ED shape files

Database on IRO participants from American Jewish Historical Society



Participants live in less Jewish neighborhoods by 1920



Leaving enclave associated with higher income in both first/second generation

Outcome = Occupation-based income

	~1910-1920	~1910-1920
A. First generation		
IRO	-0.212***	-0.0224***
	(0.007)	(0.003)
In 1920	0.922***	1.478***
	(0.023)	(0.039)
IRO *x* In 1920	0.226***	0.0440***
	(0.011)	(0.009)
N	44216	44216
	~1910-1940	~1910-1940
B. Second generation		
IRO	-0.185***	-0.0103
	(0.013)	(0.006)
In 1940	-4.945***	-4.649***
	(0.399)	(0.472)
IRO *x* In 1940	0.216***	0.0633
	(0.040)	(0.044)
N	9108	9108
Controls		
Birth cohort	Y	Y
Arrival Year	Y	Y
Russian birthplace	Y	Y
~1910 Occ.	N	Y
~1910 Inc. rank	N	Y

- Comparison: Male, household head, Jewish name index > 1.4, foreign born, age 16-49, lives in Jewish enclave of NYC in 1910
- Participants negatively selected – income score 21% lower in 1910
- Control for baseline occupation (2% lower in 1910)
- By 1920: IRO participants 4% higher earnings. By 1940: sons 6% higher earnings (n/s)
- Was IRO positively selected on *unobservables*? Compare men who entered program earlier/later. Early movers gain more (longer exposure)

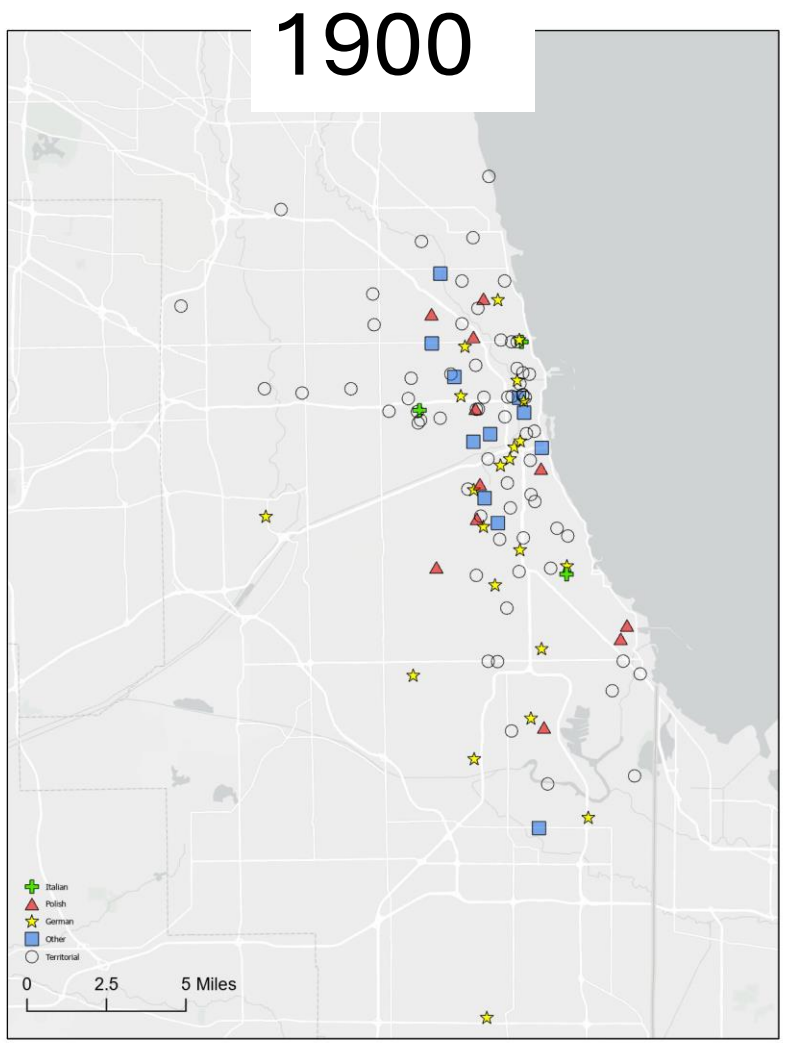
- One source of variation is moving immigrants to more integrated neighborhoods (this is rare)

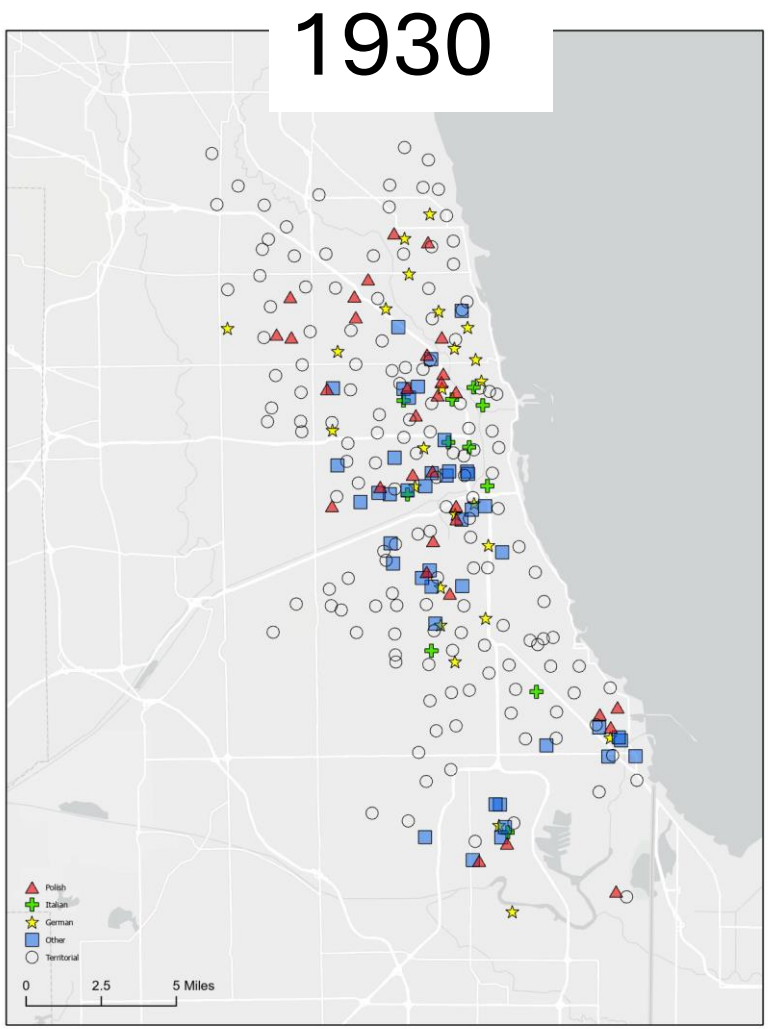
- Another is placing ethnic amenities in some locations, not others

- Placement is often endogenous – we use the centralized decisions of Catholic diocese to place ethnic churches

Spread of ethnic churches (e.g., Chicago)

Abramitzky, Boustan, Giuntella, 2024





Neighborhood Polish churches in Chicago

> "Catholic neighborhoods were created, not found… the Catholic parish itself… helped define what neighborhood would mean" (McGreevy, 1996, p. 20)

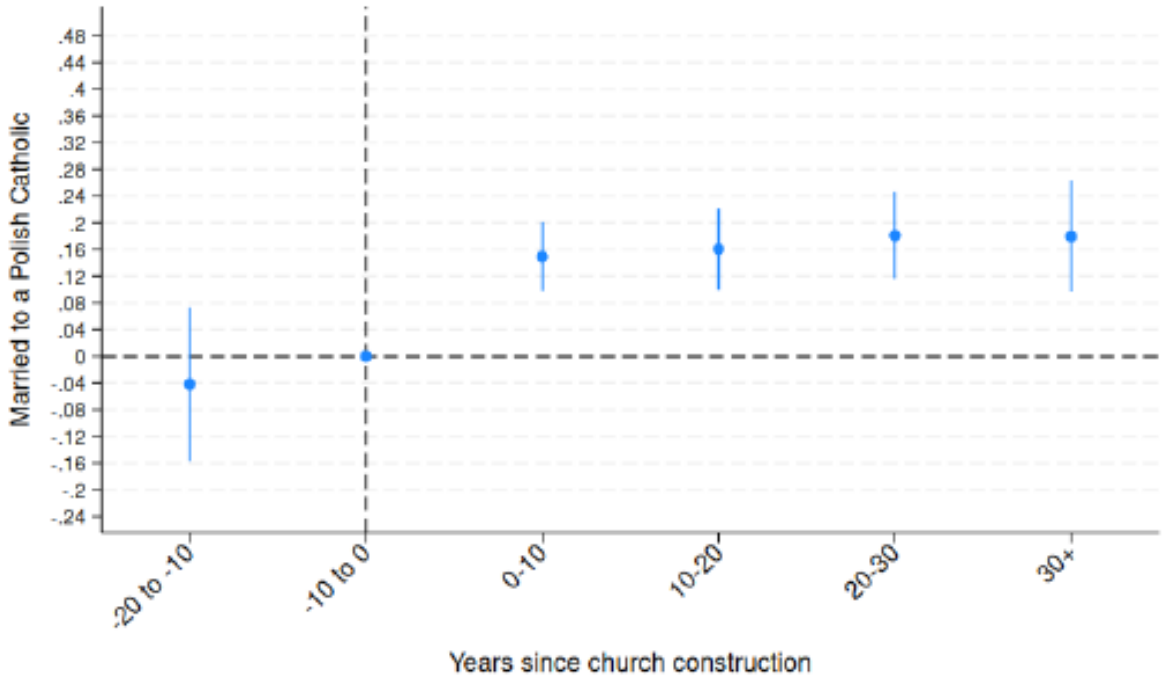
St. Mary of the Angels (1899) , Bucktown, Chicago

St. Mary of Częstochowa (1905), Cicero, Illinois

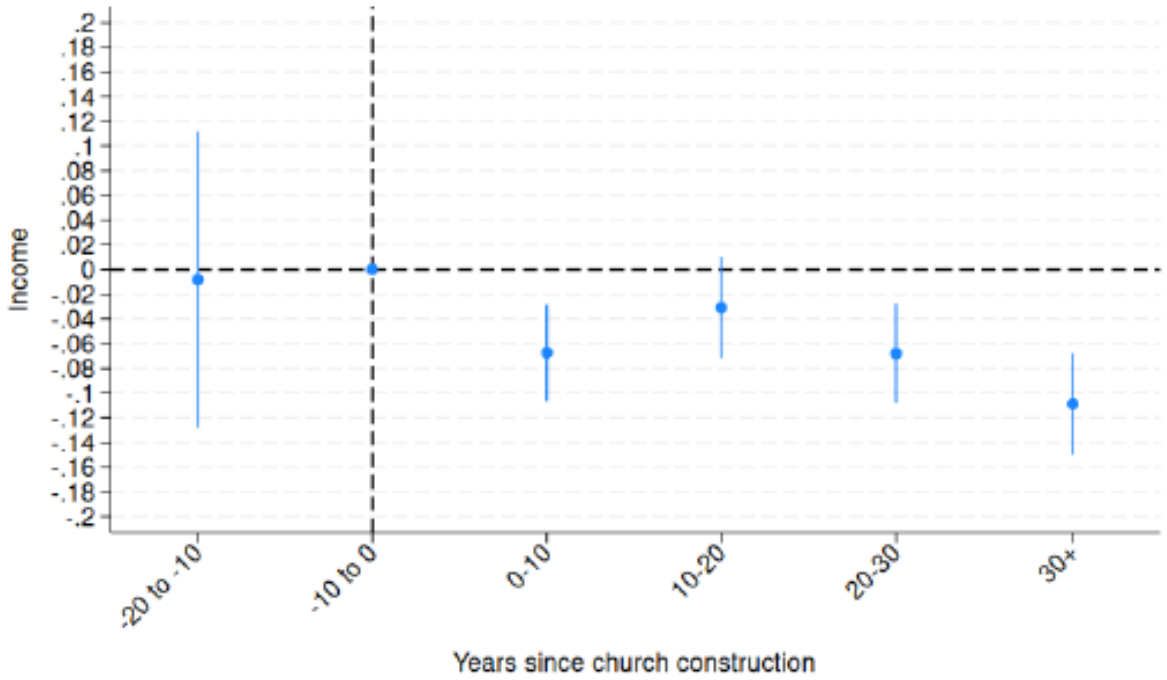
- Data from Official Catholic Directory, 1900-30
- 4 cities: Chicago + Boston, NYC, Philadelphia
- Focus on Polish*, Italian
- Geocode churches, link to census geography, collect church construction dates
- Compare treated district before/after church opens, compared to matched district with similar baseline attributes

Effect of church opening on immigrant outcomes

Married to Polish Catholic

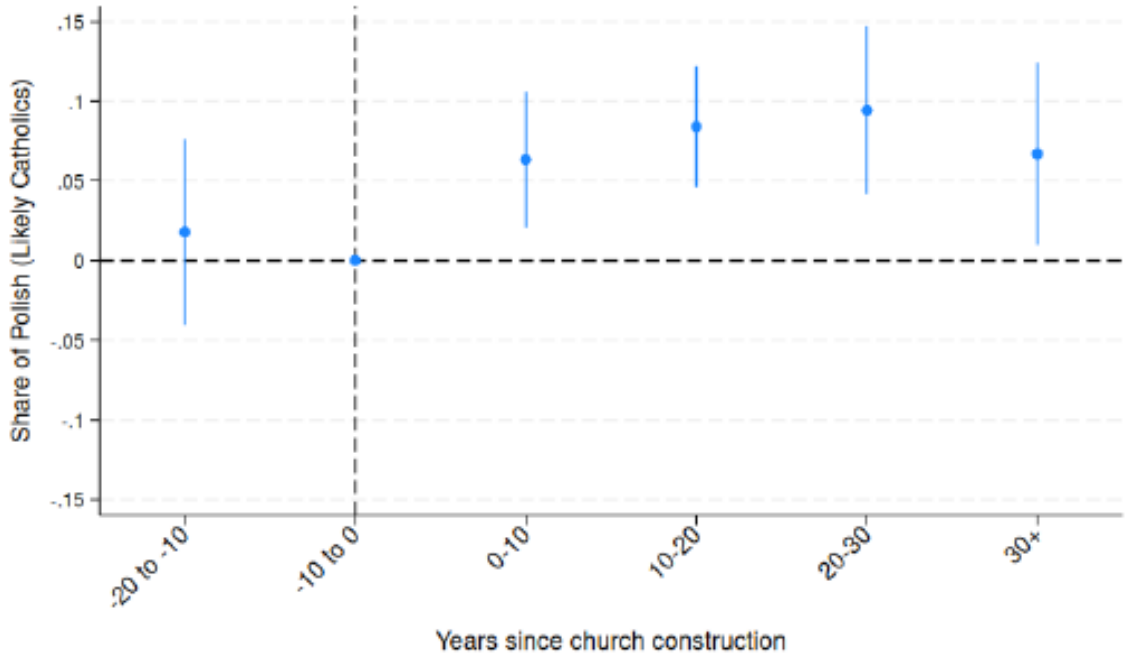


Occupation-based income

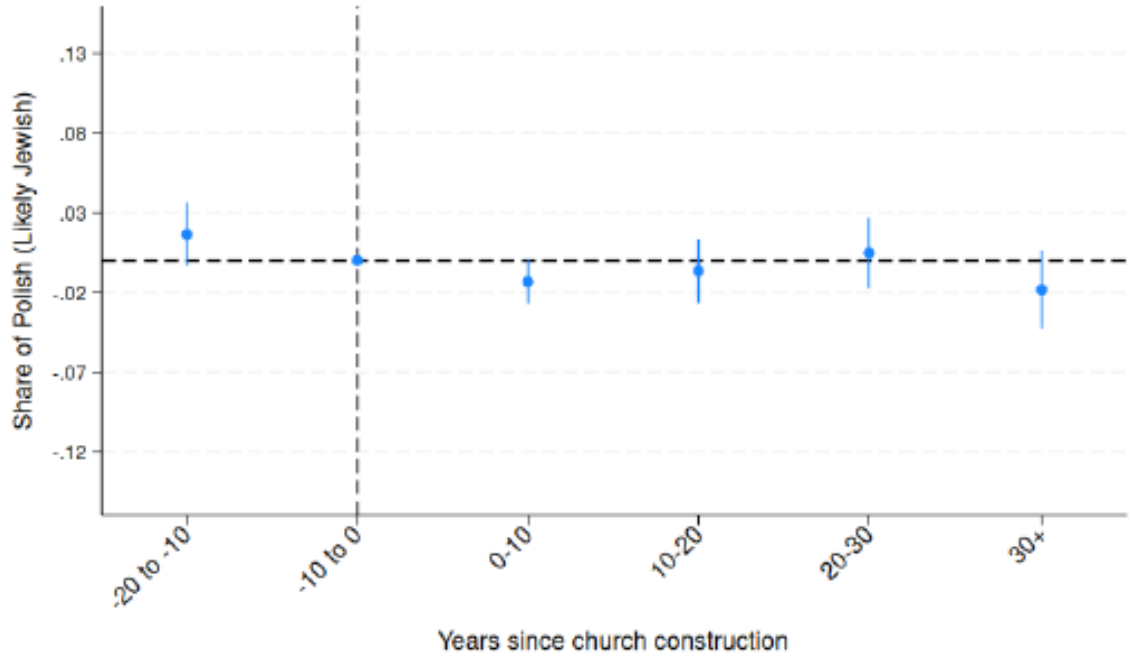


Growth of enclave is likely mechanism

Share Polish Catholic



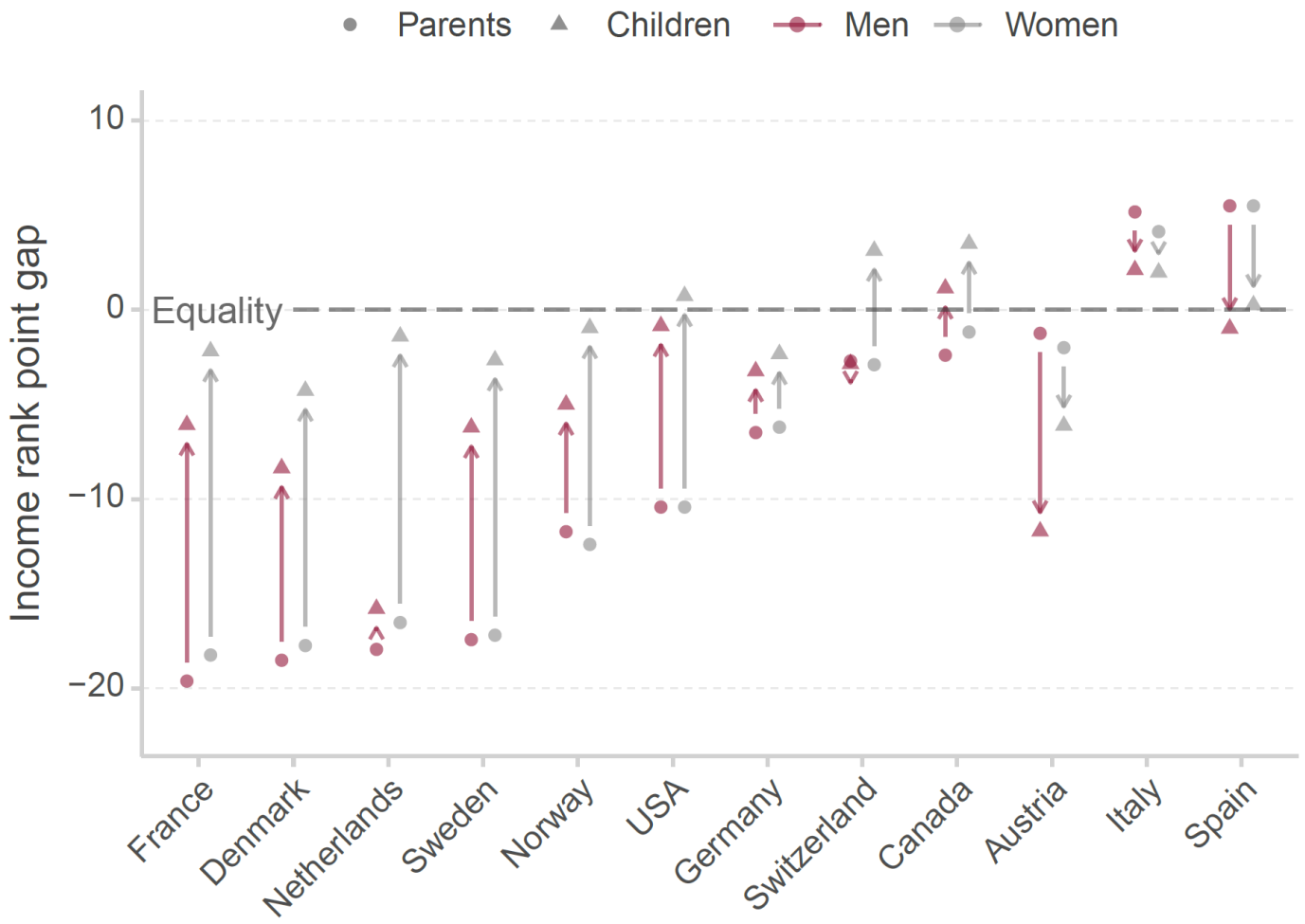
Share Polish Jewish



- IRO: % Jewish down 7 pp; income up 4%
- Churches: % Polish Catholic up 10 pp; income falls 7%
- 10pp increase in own group share → 6-7% decline in income
- Contrasts with modern evidence based on small refugee pockets. Is there an optimal enclave size?

Zoom out: Role of destination country

- Do countries like US and Canada with a history of immigration have more success in immigrant incorporation today?
- 15 country project comparing the upward mobility of children of immigrants (Boustan, Jensen, et al. 2025)
- Access to parent-child links from tax records for 13 countries and surveys from 2 countries



1. First-generation earns less than local born (except ITA and ESP)

2. Substantial second-gen convergence (except sons in AUT, NLD, CHE)

3. Larger convergence for daughters than for sons

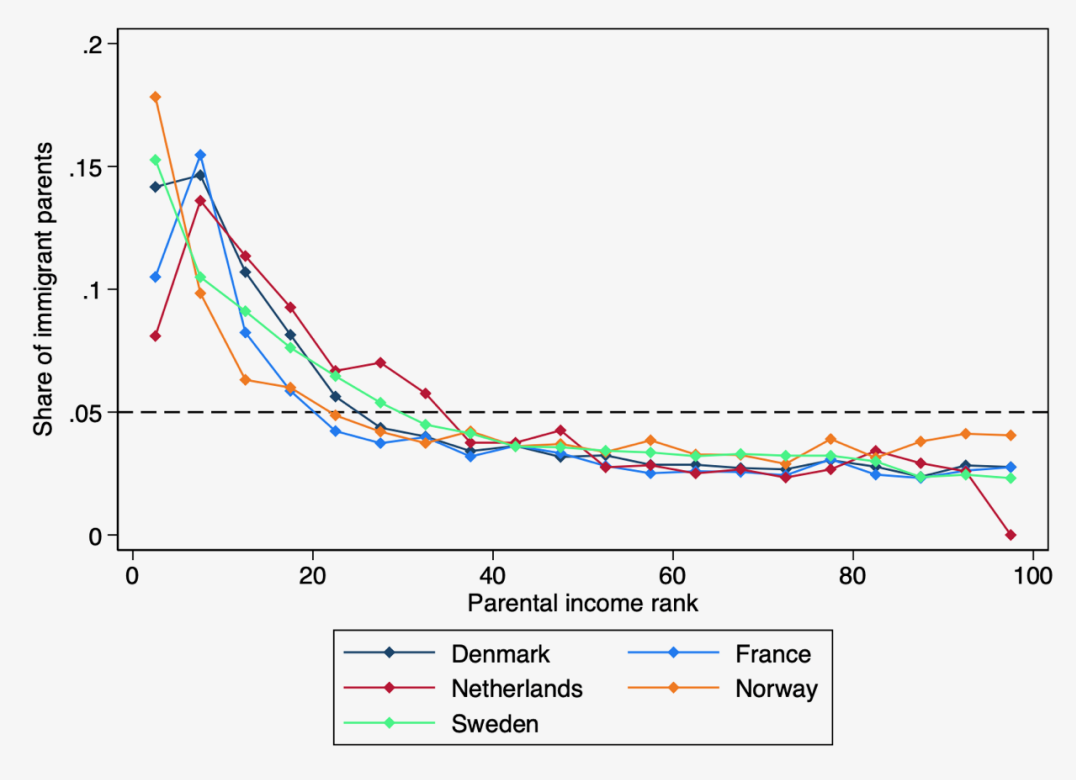
Two causes of second-generation income gaps

- In some destinations, children of immigrants more likely to be raised in poor households

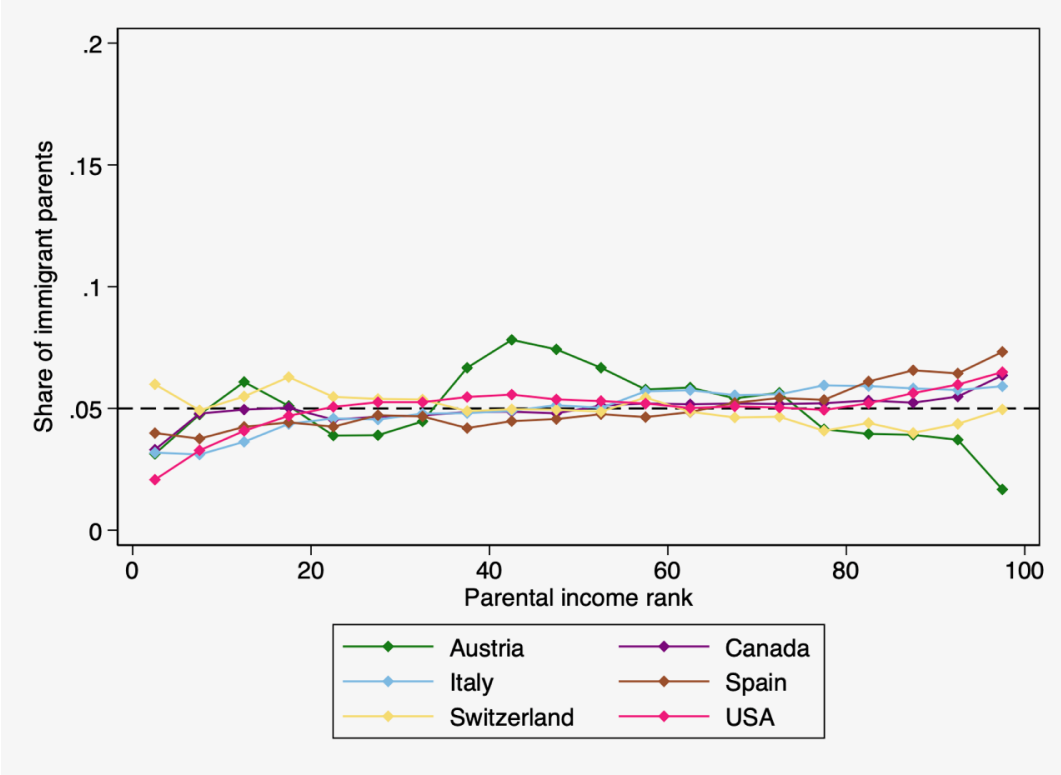
- After controlling for parental income:
  - Higher absolute mobility for children of immigrants in US/Canada
  - Sons have lower absolute mobility than local born in most European destinations

Lower parental income for children of immigrants in many European destinations

(a) Over-representation in lower ventiles

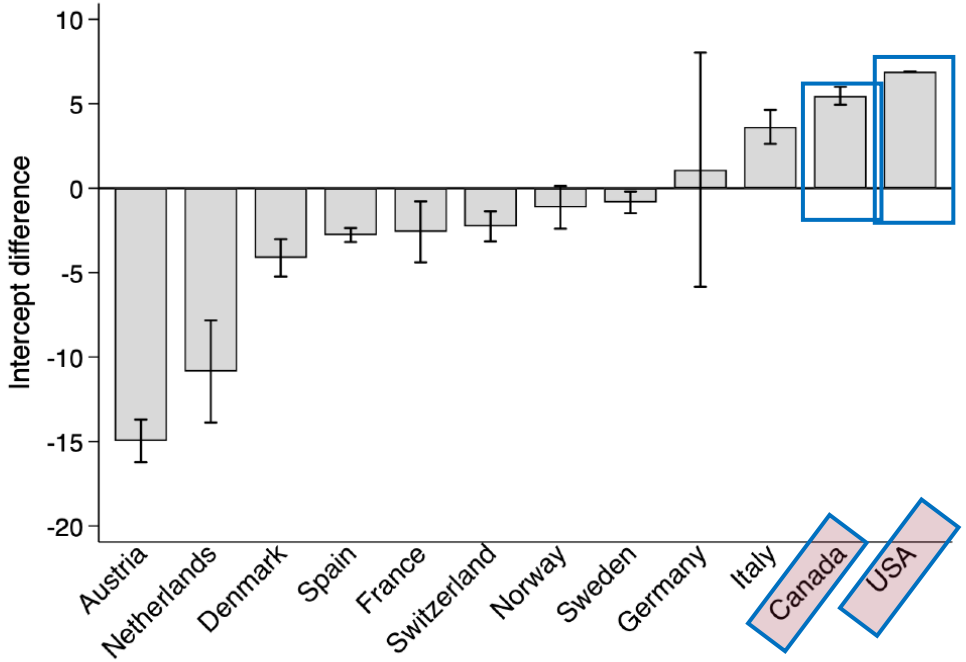


(b) Near equally distributed

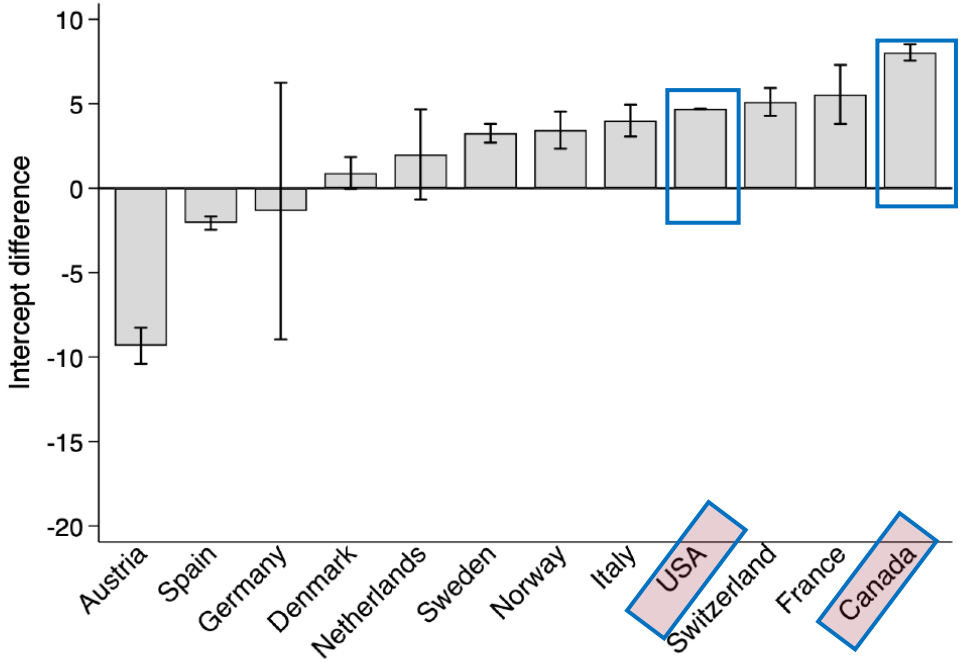


Higher absolute mobility in US/Canada. Lower absolute mobility for sons in European destinations

(a) Absolute mobility, sons



(b) Absolute mobility, daughters

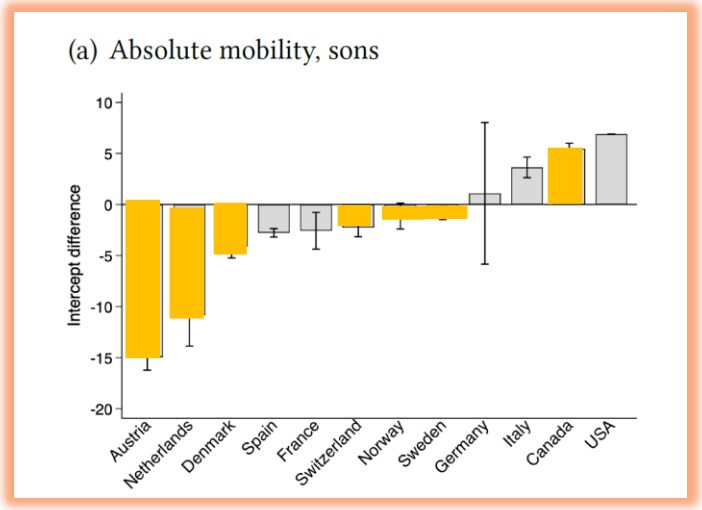


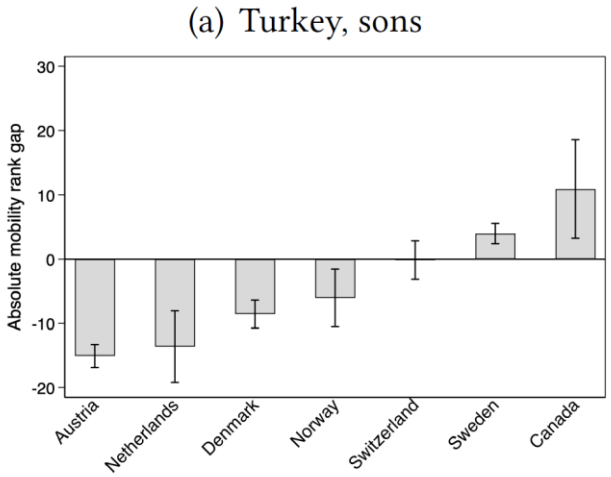
Is variation in absolute mobility due to sending country mix?

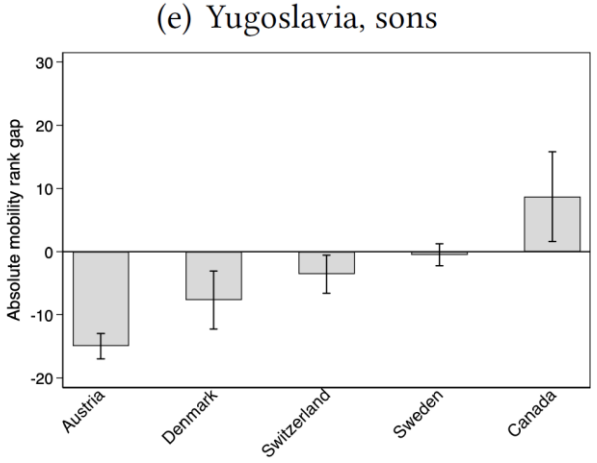
1. Keep in mind that we already control for parental income, so we are looking for sending country effects in absolute mobility (immigrant disadvantage)
2. One test: Observe immigrants from same sending country in different destinations. Do children do equally well/poorly in all destinations? **Then: sending country matters**. Or are children's outcomes destination-specific? **Then: destination matters more** [or selection…]
3. Challenge is that we only have 5 sending countries observed in multiple destinations!

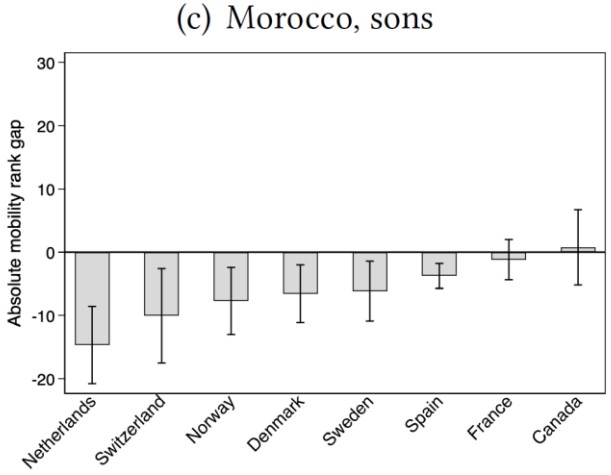
Destination	Top sending 1	%	Top sending 2	%
Austria	F Yugoslavia	34	Turkey	17
Canada	UK	11	China	6
Denmark	Turkey	11	Germany	9
France	Algeria	14	Portugal	14
Italy	Romania	18	Albania	8
Netherlands	Suriname	13	Turkey	12
Norway	Sweden	12	Denmark	8
Spain	Morocco	16	France	11
Sweden	Finland	23	F Yugoslavia	8
Switzerland	Italy	16	Germany	12
US	Mexico	30	Philippines	4

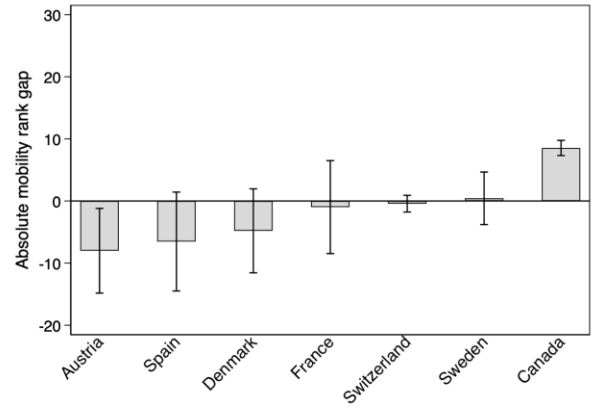
Compare immigrants from same sending country in different destinations (Destination country seems to matter more)









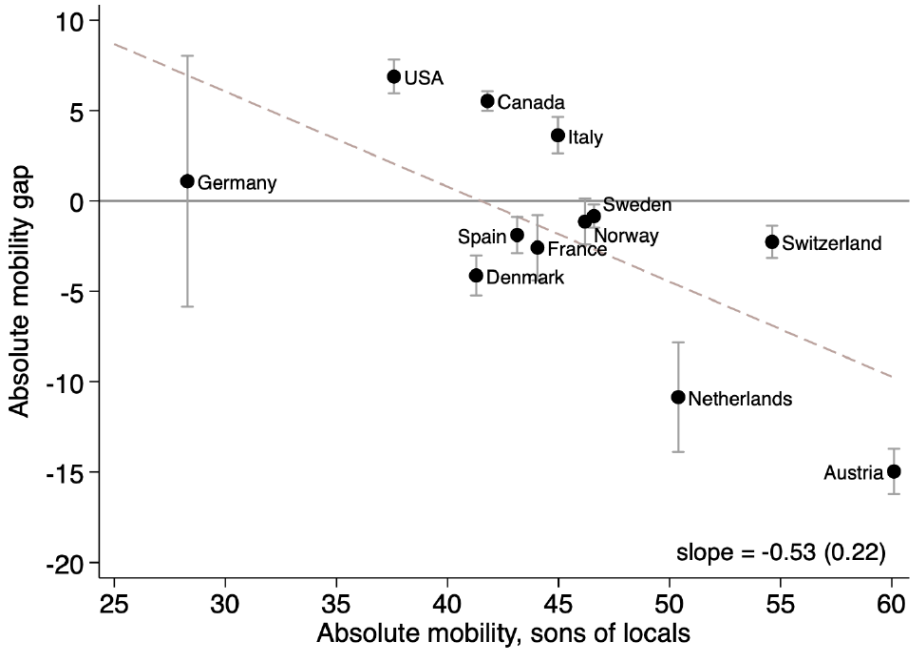


Similar pattern for Germany (sending) = not shown

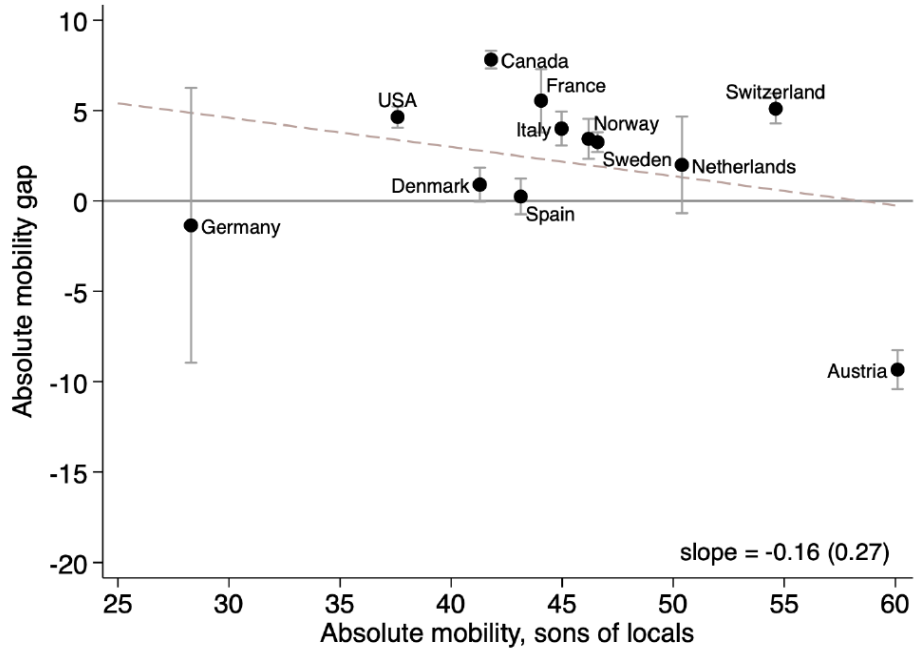
Absolute mobility and upward mobility for local born

(Sons of immigrants do *not* benefit from high upward mobility places)

(a) Abs. mobility relative to sons of locals, sons



(b) Abs. mobility relative to sons of locals, daughters

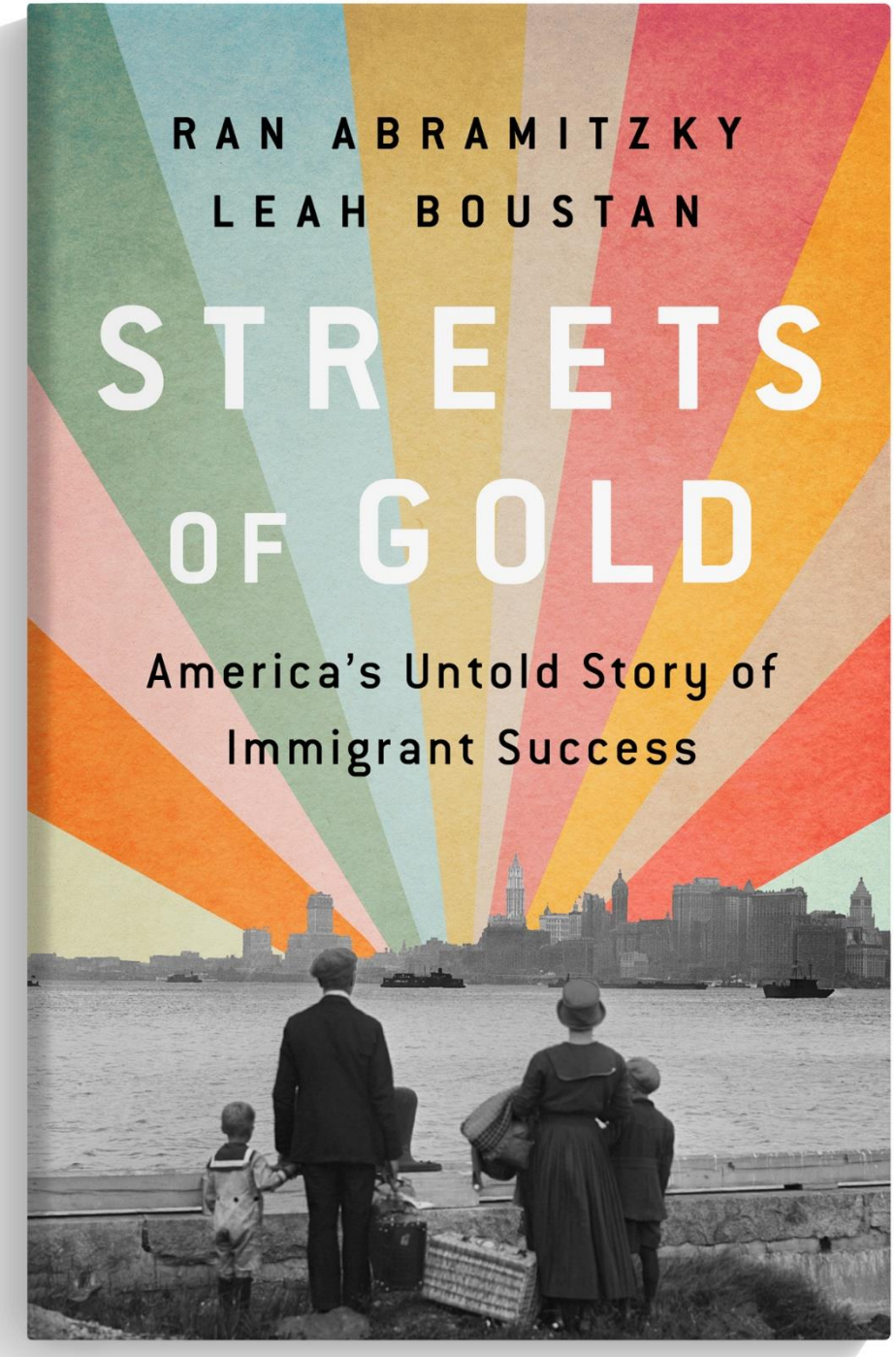


Where are the Streets of Gold?

- In the past, immigrants settled in high mobility regions – not in the US South, in urban areas with plentiful manufacturing jobs

- Large immigrant enclaves of the past were not sites of high opportunity but immigrants quickly left for more integrated neighborhoods

- Perhaps because of this immigration history, moving to New World, historically immigrant receiving areas (US/Canada/ Australia) leads to greater success into second generation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America's Untold Story of Immigrant Success