

Session Number: Second Poster Session  
Time: Thursday, August 26, PM

*Paper Prepared for the 31st General Conference of  
The International Association for Research in Income and Wealth*

**St. Gallen, Switzerland, August 22-28, 2010**

**Immigrants, Assimilation and Wealth Portfolios**

Chung Choe  
Vincent A. Hildebrand  
Eva Sierminska

For additional information please contact:

Name: Eva Sierminska  
Affiliation: CEPS/INSTEAD, Luxembourg and DIW Berlin

Email Address: [Eva.Sierminska@ceps.lu](mailto:Eva.Sierminska@ceps.lu)

**This paper is posted on the following website: <http://www.iariw.org>**

# Immigrants, Assimilation and Wealth Portfolios

**Chung Choe\***

CEPS/INSTEAD, Luxembourg

**Vincent A. Hildebrand†**

Department of Economics, Glendon College  
York University, Canada  
and CEPS/INSTEAD, Luxembourg

**Eva Sierminska‡**

CEPS/INSTEAD, Luxembourg and DIW Berlin

August 2010

**Preliminary draft: Comments are welcome  
Please do not quote without permission**

---

\*Chung Choe, CEPS/INSTEAD, Rue Emile Mark 44, B.P. 48, L-4501 Differdange, Luxembourg. Phone: +352 585855607. Fax: +352 585560. E-mail: [chung.choe@ceps.lu](mailto:chung.choe@ceps.lu).

†Vincent Hildebrand, Department of Economics, York Hall 363, Glendon College, York University, 2275 Bayview ave., Toronto, Ontario, M4N 3M6 Canada. E-mail: [vincent@econ.yorku.ca](mailto:vincent@econ.yorku.ca).

‡Contact: Eva Sierminska, CEPS/INSTEAD, Rue Emile Mark 44, B.P. 48, L-4501 Differdange, Luxembourg. Phone: +352 585855409. Fax: +352 585560. E-mail: [eva.sierminska@ceps.lu](mailto:eva.sierminska@ceps.lu).

## **Abstract**

Studies have found that natives and immigrants allocate their wealth differently across various asset types. A selective migration process, the potential for return migration and cultural influences on saving behavior are some of the reasons that help explain these differences. In this paper, we investigate whether immigrants assimilate in wealth portfolio choices. We use the Survey of Income and Program Participation 1991, 1992, 1993, 1996, 2001, 2004 repeated short panels, which contain detailed information on both assets and migration histories. Years since migration (YSM) is expected to influence portfolio choice and be positively correlated with assimilation as has been found with labor market performance variables, conditional on individual and household characteristics, country of origin, entry cohort, and time effects. In addition, we expect the source-region to be an important determinant affecting assimilation in portfolio choices among immigrants. Assimilation patterns need to be considered across various household types (such as single, married, or mixed couples separately), as well as across wealth components. Preliminary results indicate that immigrants assimilate quite well in terms of housing and businesses although there is some variation across ethnic groups. Differences remain in financial investment patterns and retirement accounts among immigrants and natives.

*Keywords:* Immigrants; Wealth; Assimilation; SIPP

*JEL classification codes:* D31; G11; J61

# 1 Introduction

Studies have found that natives and immigrants allocate their wealth differently across asset types. A selective migration process, the potential for return migration and cultural influences on saving behavior are some of the reasons that help explain these differences.

This paper investigates whether immigrants assimilate in wealth portfolio choices and wealth accumulation. We expect years since migration (YSM) to influence portfolio choice and be positively correlated with assimilation, similarly to labor market performance variables, conditional on individual and household characteristics, country of origin, entry cohort, and time effects. We also expect the source-region to be an important determinant affecting assimilation in portfolio choices. In our analysis we consider assimilation patterns across wealth components and focus on specific household types (such as single, married, or mixed couples separately),

First, we model assimilation in wealth accumulation, as well as assimilation in portfolio choices by estimating a reduced form tobit model. We use the Survey of Income and Program Participation 1991, 1992, 1993, 1996, 2001, 2004 repeated short panels, which contain detailed information on both assets and migration histories.

Our results indicate that immigrants assimilate quite well in terms of asset levels and shares in housing and businesses although there is some variation across ethnic groups. Differences remain in financial investment patterns and retirement accounts among immigrants and natives.

Section 2 provides a summary of background literature and theoretical issues. Section 3 discusses the methodology followed by the data section. Next, section 5 provides the empirical results, followed by conclusions.

## 2 Background and Theoretical Issues

Wealth is an important measure of overall economic well-being, which directly influences migrants' ability to successfully integrate into host-country society. Wealth has many functions: it provides direct services to its holders due to the usage of properties (real estate properties), it is positively correlated with recognition and power and it creates income flows via returns from investments. As a stock it provides resources to maintain consumption levels during an unanticipated negative shock (financial or health) and provides security during retirement through consumption smoothing.

## 2.1 Importance of assimilation

There are various reasons why assimilation of wealth portfolios proves important for immigrants. One of the reasons is retirement. Demographic trends and the aging of the population in many countries indicates that retirement benefits will most likely be reduced and there will be a need for all elderly to be able to finance part of their retired years through their own saving. Even though the immigrant elderly may be holding some wealth they may have not invested in a way that would have led them to higher returns making them more vulnerable at older ages compared to the natives. Assimilation in financial assets proves important for example, for home purchases and business loans. Home and business loans are often based on a long-term relationship with a bank and possession of saving or checking accounts. Another reason could be reduction in crime by increasing assimilation in financial services. Those without bank accounts are often targets of crime and are reluctant to report crime (Paulson and Rhine (2008)).

## 2.2 Past research on assimilation

Past research on financial assimilation of immigrants is quite sparse although there have been some studies that examine the assimilation of particular ethnic groups. These have mostly been concerned with financial assets. Paulson and Rhine (2008), for example find that refugee immigrants are more likely to use currency exchanges and are less likely to use savings accounts and credit cards compared to non-immigrant households and indicate that assimilation occurs after 15-20 years. In another paper, Osili and Paulson (2008) find that immigrants from countries with developed financial institutions are more likely to have a bank account and participate more extensively in the financial market regardless of their age of migration. Carroll et al. (1999) investigate whether cultural affects could affect saving behavior. They find that saving patterns of immigrants do not reflect their country-of-origin aggregate saving patterns and conclude that this reflects sample selection effects. In other words, country-specific migrants are not random representatives of their country of origin and do not reflect the saving patterns of their country population as a whole. In terms of housing, Borjas (2002) finds that assimilation in homeownership is quite remarkable particularly for those that have arrived in their twenties and thirties. Nevertheless, over the last 20 years the homeownership gap between immigrants and natives has been widening mostly due to the declining relative skills for successive immigrant waves and their location choice. Cobb-Clark and Hildebrand (2006) look at the differences in accumulated wealth and wealth portfolio choices between natives and immigrants and control for region of origin and time of entry. They point to a relatively

larger effect of regions and relatively unimportant effect of immigration cohort, although the year of entry proves to be associated with a significant variation in the allocation of wealth across asset types. Immigrants with longer tenure exhibit higher levels of real estate equity and lower financial wealth, while more recent immigrants (younger, at the same time) hold less real estate and more financial wealth. Due to the nature of the data the authors cannot distinguish whether this is due to life cycle (aging) effects or to birth cohort effects for the immigrant populations. In our paper by taking advantage of the information on years since migration we examine the assimilation patterns of immigrants in levels and in terms of investment patterns. We distinguish between different immigration cohorts and control for various socio-demographic characteristics.

### 2.3 Differences in wealth accumulation between immigrants and natives

In a simple model of accumulation, assets (wealth) in period  $t+1$  ( $W_{t+1}$ ) can be expressed via the equation

$$W_{t+1} = (1 + r)(W_t + Y_t - K_t) \quad (1)$$

where  $r$  is the gross rate of return on investments,  $Y_t$  denotes income in period  $t$  and  $K_t$  is consumption in period  $t$ . The assets in period  $t + 1$  may differ across units for several reasons. First, of all differences in saving ( $Y_t - K_t$ ) will result in a different accumulation of assets. The amount saved will in turn depend on the level of income, age and risk-aversion. For example, households with the same saving rate will have different outcomes if their saving patterns are based on different levels of income. Younger households are expected to have accumulated less wealth due to their different position in the life cycle compared to the elderly. The presence of risk aversion will affect precautionary saving levels. Due to uncertainty about future income and in case of liquidity constraints that prevent a household from borrowing, risk-averse households are expected to accumulate additional wealth in order to prevent a future drop in consumption caused by a negative income shock. In addition, households differ in their preference for risk, which translates to different rates of return based on their preferred portfolio allocations. Via [eq. 1](#) these choices translate into different levels of assets in period  $t + 1$ . Finally, households may enter the period with different stocks of assets ( $W$ ), possibly due to inheritance resulting in wealth differences in subsequent time periods. Consequently differences in inherited wealth, saving patterns as well as rates of return may explain the differences in the wealth position of immigrants and natives.

Empirical evidence indicates that in fact in some of these areas persistent differences exist. First of all, a large literature shows that new immigrants face a relative earnings gap. This gap tends to disappear over time, although the speed of convergence remains a topic of debate (Borjas (1994)). Not much is known about earnings uncertainty and credit constraints. Institutional barriers associated with ethnicity, nativity, legal status or language skills may result in credit constraints by limiting migrants access to language skills (Osili and Paulson (2004)) Differences in saving patterns have been noted by some authors. For example, Carroll et al. (1994, 1999) find significant country-of-origin variation in saving patterns of US immigrants. Osili and Paulson (2008) find that immigrants from countries with institutions that are more effective in protecting individual property rights are more likely to participate in the US financial markets. Immigrants' limited access to social welfare such as pensions also affects their investment and saving behavior. Shamsuddin and DeVoretz (1998) find that savings of older immigrants in Canada disappear faster and are more sensitive to levels of social security wealth, which is consistent with age and residency requirements that limit immigrants access to the Canadian pension system. Finally, immigrants higher probability of emigration than natives may affect their saving behavior. Economic conditions in the host country and sending country may interact with the anticipated length of stay and influence the saving behavior. Also, the ability to diversify across the two labor markets may reduce immigrants income risk leading to less precautionary savings (very few data sets are able to capture assets held abroad forcing us to speculate on the possible effect this may have on investment patterns and saving behavior).

### 3 Methodology

Prior to the investigation of the assimilation in portfolio choices, we examine whether assimilation arises in wealth levels. To understand how wealth levels vary with household characteristics, we model the determinants of net worth (and each of sub-assets). Models which specify the level of wealth to be linear in income and the demographic variables impose additive separability between income and demographic which is not particularly appealing (Altonji and Doraszelski (2005)). In addition, the distribution of wealth is very skewed and for both reasons many researchers either take a log transformation to obtain a log-normally distributed dependent variable. Given that the log transformation requires discarding nonpositive values we apply the inverse hyperbolic sine transformation instead.

We estimate a reduced-form model of the determinants of net worth (and each of the sub-assets).

$$\begin{aligned} \sinh^{-1}(W_{it}) = & \alpha_0 + Y_{it}\beta + X_{it}\gamma + YSM_{it}\eta_1 + YSM_{it}^2\eta_2 + R_{it}\theta + \\ & + YSM_{it}R_i\xi_R + C_i\lambda + YSM_{it}C_i\xi_C + t\delta + \epsilon_{it} \end{aligned}$$

In equation (2)  $Y_{it}$  is a vector of the household's permanent and transitory income. Demographic and human capital characteristics thought to have a direct effect on savings and consumption behavior are captured by vector  $X_{it}$ , while  $t$  is a vector of time period dummies. Wealth assimilation is captured by the vector  $YSM_{it}$  that contains the controls for the immigrant's year-since-migration to the United States in linear and quadratic form. Since, the effect of nativity on net worth may depend on both when immigrants entered the United States and where they came from our wealth model includes a complete set of year of immigration ( $C_i$ ) and region-of-origin ( $R_i$ ) dummy variables for the head of all foreign-born households. To allow for the possibility that the effect of year-since-migration on wealth differs by nativity and cohorts, in our specification we also include interactions of year-since-migration with source country and migration cohort, and with the entry year of migration. Finally,  $\epsilon_{it} \sim N(0, \sigma^2)$  is a random error term and the remaining terms are vectors of parameters to be estimated. We apply the same specification to estimate the determinants of other assets. However, since some assets are owned by few households, we estimate the tobit model with truncation at zero for the different asset categories.

We focus our analysis on couple-headed households.

## 4 Data

We exploit data drawn from the 1990, 1991, 1992, 1993, 1996, 2001 and 2004 SIPP surveys. Each survey is a short, rotating panel made up of 8-12 waves of data - collected every four months - for approximately 17,700 to 56,500 U.S. households. Thus, a typical panel covers a time span ranging from 2.5 years to 4 years. Each wave contains both core questions common to each wave and topical questions that are not usually updated in each wave. In addition to core module information, we use data from three topical modules. Immigration (including region of origin and year of arrival) and marital history information is drawn from the migration and marital history modules, which are collected in wave 2 in each of the seven panel years used in this study. Wealth data is taken from the assets and liabilities module that is usually collected in waves 4 and 7 of each panel survey under consideration. However, we only exploit data from one assets and liabilities

module because comprehensive data capturing all components of total household asset are only available in a single wave of most SIPP panels. Other relevant variables were obtained from the core modules collected during these waves.

Thus, our preliminary sample includes all respondents present in both the wave in which a comprehensive assets and liabilities module was available and wave 2 during which both migration and marital history data was obtained.

By pooling data from panel years in which the SIPP collected both wealth and immigration information, we are able to build a data set, which contains a much larger number of immigrant households than other data sets such as PSID or NLSY. In this article, more importantly, the assimilation effect on the level and share of each asset is assessed by looking at the coefficients on the 'years since migration' variable. But using cross-sectional data cannot avoid the problem of the confounding cohort effect and time effects. The repeated cross sectional data we use, however, allow us to identify the assimilation effects—time effects—apart from the cohort effects—changes in the "quality" and composition of cohorts of immigrants. While our data will have little to say about the portfolio choice of the very rich, they are quite useful for studying the behavior of the middle class (Wolff, 1998).

Specific asset variables contained in the assets and liabilities module include liquid assets such as interest earning assets (held in banking and other institutions), equity in stocks and mutual funds; pension accounts such as IRAs and KEOGH accounts; own home equity, investment real estate equity, business equity, net equity in vehicles, other assets not accounted for in previous variables (including total mortgages held, money owed for sale of businesses, U.S. savings bonds, checking accounts and other interest bearing assets). Liabilities include both secured and unsecured debts (such as credit card or store bills, bank loans and others). The SIPP module, however, does not cover any future pension rights such as equity in private pension plans or social security wealth and it does not specifically gather information about assets held off-shore, which may be particularly important for immigrant households. While respondents are not explicitly told to exclude any off-shore assets when reporting their asset holdings, it is likely that these assets are disproportionately under-reported and it may be most useful to think of the SIPP data as capturing U.S.-based wealth only. This is a limitation shared by other data sources and a fuller picture of the assets of foreign-born households can be obtained with a survey specifically targeted toward eliciting this information.

To investigate the assimilation in the levels and shares of assets, we distinguish between household financial- and non-financial assets. Financial asset are defined as the sum of the stocks, equity in retirement accounts, interest earning assets (held in banking

and other institutions), equity in other financial assets; non-financial assets include real estate assets, vehicles and businesses. We also consider a more detailed classification: cash, stock/equity, real estate, other asset and total debt. Cash represents interest earning assets held in banking and other institutions. Stock/Equity includes stocks, equity in other assets and IRAs. Real estate assets includes both own home and investment real estate. Debt is the total debt, which includes both secured and unsecured debt. Finally, the other assets category is the sum of vehicle- and business asset. One important issue in studying portfolio shares is how broadly the measure of total asset—that is, the denominator to be used when calculating the shares—should be defined. Different pictures can emerge if one uses financial assets, all physical assets (including homes and vehicles), or physical assets plus human capital as the relevant measure of wealth (Heaton and Lucas (2000)). Total assets in this study are defined as the sum of the financial assets, real estate equity (own home and investment real estate), vehicle equity, business equity, equity in other assets [rhhotast] including total debt (secured and unsecured debt). The share of each sub-asset is calculated by dividing the sub-assets by total assets.

We construct the sample by including both couple-headed native and immigrant households in which the reference person is between 25 years and 75 years old. A married immigrant household is defined as a household in which both partners are born outside of the United States to non-U.S. parents. We have eliminated all married "mixed households" in which one partner is U.S.-born and the other is foreign-born (6,648 households), and Puerto Rican households (776 households). We have also dropped all immigrant respondents (1,417 households) for whom the date of migration to the United States was missing. In this study, since we look at the portfolio shares, we further exclude the households who report negative, zero or very small amount of total asset (5,134 households)<sup>1</sup>. The resulting sample contains respectively a total of 65,553 U.S.-born households and 5,735 immigrant households. All assets and income data were expressed in 2004 constant U.S dollars using the monthly CPI-U index from the Bureau of Labor Statistics (BLS) as deflator.

## 5 Empirical Results

Table 1 presents summary statistics of the household characteristics, including the entry time to the U.S., for both natives, immigrants and by region of origins for the immigrant group.

---

<sup>1</sup>Among those, 8 report negative, 4,679 report zero and 447 report positive, but less than \$100.

Table 2 reports weighted mean asset holdings for the couple-headed households in our sample. The mean net worth of couple-headed, native-born households is \$211,645, while that of immigrant households is \$160,865. A similar differential in total asset, which includes liabilities, is found between native-born (\$289,026) and immigrant (\$241,249) households. Along with the differentials in the total asset between the immigrants and the native-born, the level of the asset accumulation shows significant variations among immigrants across the region of origins. Immigrants from Europe and Asia retain a higher level of total assets than that of the U.S. born population, whereas immigrant households from Mexico, Central and South America, and the rest of the world (primarily the Middle East and Africa) have much lower total asset than U.S.-born households. The unconditional mean statistics also confirm that these differences in net worth and asset are reflected in the portfolio allocations of foreign-born households from different regions of origin. Careful consideration of asset portfolios also reveals a disparity in the asset levels between native-born households and immigrant households from Europe and Asia on the one hand, and Mexico, Central and South America and the rest of the world on the other. For instance, immigrant households from Europe and Asia retain higher levels of sub-assets and those from other areas hold lower levels of those assets.

Table 2 also represents the portfolio shares of each asset by regions of birth, comparing the native-born households to the immigrant households. We begin our exploration of the relationship between nativity and portfolio shares. While married native couples hold an average of 16.6% of their total asset in financial asset, immigrant households retain 14.9%. Furthermore, it appears that, compared to the U.S.-born households (16.6%), the share of financial assets of immigrants from Europe (20.8%) and Asia (19.9%) is significantly higher. In contrast, Mexican immigrants show a much smaller proportion of financial assets (6.4%). Additional variations in the ratio of each of the five-asset classification are found between natives and immigrant, and across the different regions of origin. While immigrant households hold a lower share of stock/equity and real estate assets, their ratio of other asset types is higher than that of native households.

In addition, while the recent immigrant households hold home equity at a very low ratio (23.2%), the established immigrant households increase the shares of home equity as high as the native-born (47.6%). From the comparison between the levels and shares of financial and home equity, we can draw an interesting pattern of the asset portfolio amongst the immigrant households. While immigrant households catch up in levels of both financial and home equity over time, foreign-born households hold significantly higher ratios of financial assets at the early stage of their residency in the U.S., and then they reduce the financial assets ratios and increase the ratio of real estate holdings in their portfolios. [A similar relationship between nativity and portfolio shares holds for single-headed

households.]

Although differences in household characteristics are not adjusted for the descriptive statistics in Table 1 and 2, it is interesting that immigrant households are assimilated in some asset shares to those of the U.S.-born households.

## 5.1 Asset Levels

In table 3 through table 6, sets of estimated coefficients for two specification of the asset determinant functions are reported. Model 1, a basic specification assuming constant time effects across regions of origin; Model 2 allows the effects of year-since-migration to vary across the country of birth. In the following discussions, we will mainly focus on Model 2 by which Model 1 is nested.

The negative coefficients for the four dummies of the entry years in the asset determinant equations show (Table 3 and 4) that all else being equal, those born overseas have a lower level of each asset than those born in the U.S. in Table 5 and 6, we examine the results of the asset accumulation estimation from Model 2 in which we allow the effects of year-since-migration and cohort to be varied across the country of birth. Although, it depends on the entry year and region of origin, on average immigrant households retain lower levels of assets compared to natives. Immigrant households, however, accumulate their wealth faster than the U.S.-born households. More interestingly, faster assimilation rates are found for those from Europe in most of the asset categories. Immigrants from other parts of the world show higher assimilation rates in total debt.

In Figures, we show the results of assimilation for each of the sub-assets. The results are for the following base case: median age and household income, educational attainments with some college or high school grad, and 1990 panel. Immigrant households arrived after 1991 report significantly lower levels of assets. However, all immigrant groups and cohorts tend to report higher levels of asset with the number of years since migration. Moreover, even earlier cohorts seem to assimilate irrespectively of the region of origin. Interestingly, Mexican immigrants do not perform any worse then immigrant households from other regions of origin, conditional on observable characteristics. For financial assets, we do not observe large variations in time effects across regions of origin, except for Asia. Relative to other asset categories, more obvious assimilation in levels are found for real estate assets and total debt.

## 5.2 Portfolio Shares

As described in section 4, we apply Tobit model with truncation at zero to investigate assimilation in portfolio shares because quite a few households do not retain some of the sub-assets. In table 7 through table 10, coefficients for two specification of the portfolio share assimilation equation are reported. In the following discussions, we will focus on Model 2 by which Model 1 is nested.

Table 10 reports the results for the broader classifications: the shares of financial and non-financial assets. Results show that recent immigrant households retain higher shares of financial assets and lower shares of non-financial assets. As immigrants spend time in the U.S., controlling for the cohort effect and region-of-origin, they assimilate in the shares of both asset types. We interpret these results in the following way: although immigrants accumulate financial asset over time, the share of the asset is relatively higher at the beginning of their time in the U.S. and then it decreases –they increase the share of non-financial asset (Figures: FinShare and NonFinShare). In other words, the longer foreign-born households reside in the U.S., the higher proportion of their assets is invested in real estate and debt. It is also notable that the coefficients of interactions of year-since-migration with region-of-origin show prominently significant estimates– assimilation rates in the portfolio shares do vary across country of birth, but the birth-place effect is not found in the share of stocks and equities.

Overall, our findings show that immigrants assimilate in the portfolio shares as well as the asset levels. Although their sub-asset levels are initially lower than those of the native born, their the levels rise more rapidly with time in the U.S. Moreover, the longer the immigrants spend in the U.S., the closer their portfolio choices approximate those of the native-born population particularly with respect to real-estate assets and with some variations across different asset types.

## 6 Conclusions

By having a unique data set at hand we examine the assimilation patterns of immigrants in the US across various asset types. We find that controlling for other characteristics immigrants assimilate in portfolio shares as well as asset levels. Although their sub-asset levels are initially lower than those of the native born, their levels rise more rapidly with time in the U.S. Moreover, the longer the immigrants spend in the U.S., the closer their portfolio choices approximate those of the native-born population particularly with re-

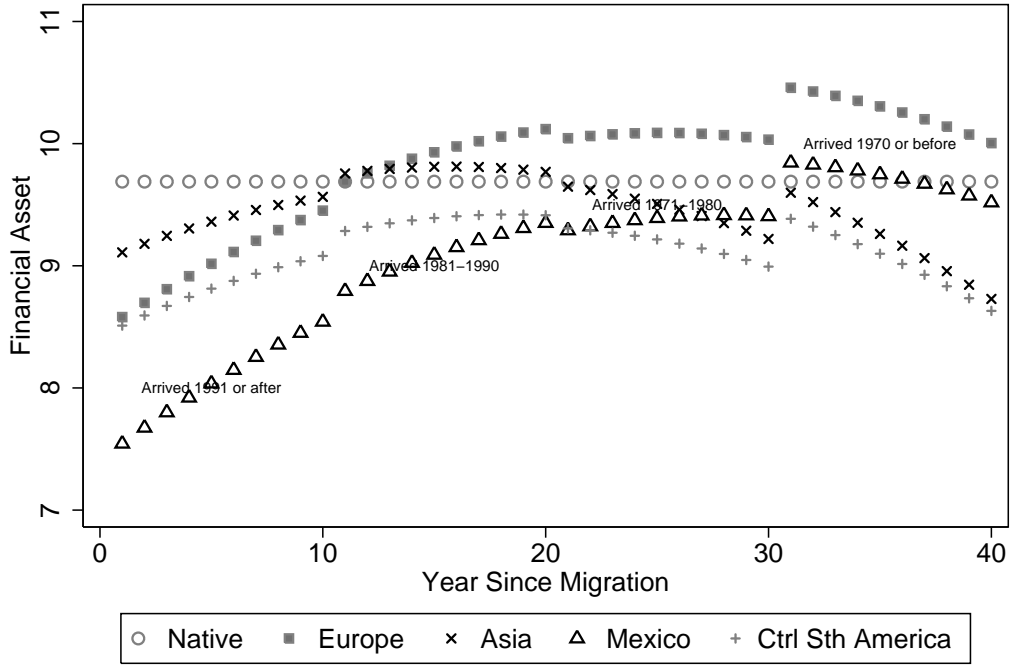
spect to real-estate assets. This is not so much the case for stocks and equities, including retirement accounts yielding possibly policy implication.

## References

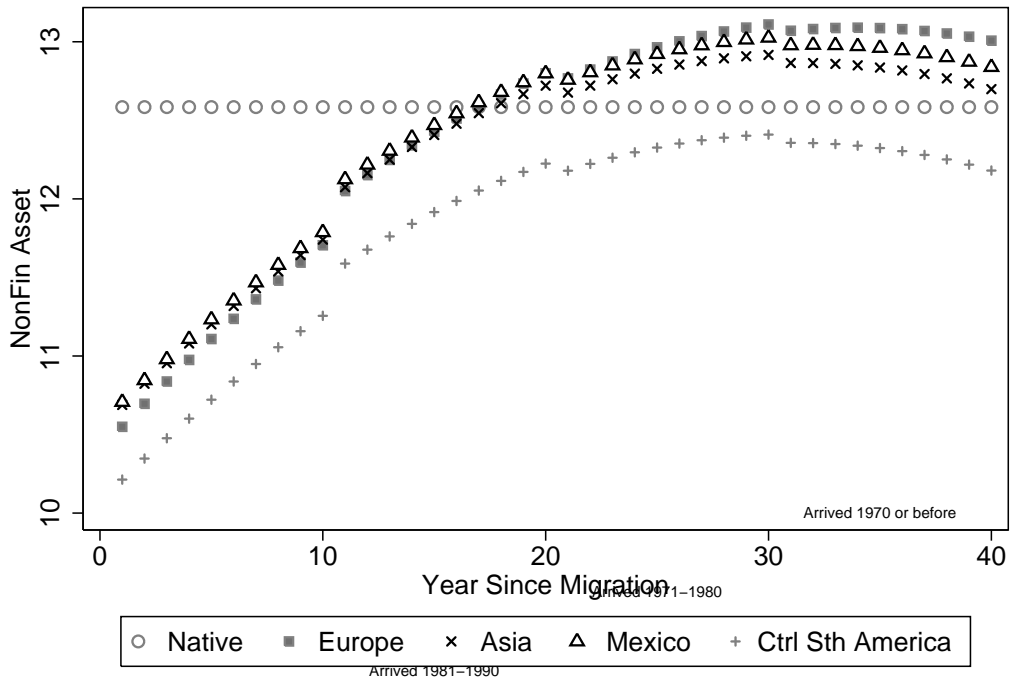
- Altonji, J. G. and Doraszelski, U. (2005). The role of permanent income and demographics in black/white differences in wealth. *Journal of Human Resources*, 40(1). 5
- Borjas, G. J. (1994). The economics of immigration. *Journal of Economic Literature*, 32(4):1667–1717. 5
- Borjas, G. J. (2002). Homeownership in the immigrant population. *Journal of Urban Economics*, 52(3):448–476. 3
- Carroll, C. D., Rhee, B.-K., and Rhee, C. (1994). Are there cultural effects on saving? some cross-sectional evidence. *The Quarterly Journal of Economics*, 109(3):685–99. 5
- Carroll, C. D., Rhee, B.-K., and Rhee, C. (1999). Does cultural origin affect saving behavior? evidence from immigrants. *Economic Development and Cultural Change*, 48(1):33–50. 3, 5
- Cobb-Clark, D. A. and Hildebrand, V. A. (2006). The wealth and asset holdings of U.S.-born and foreign-born households: Evidence from SIPP data. *Review of Income and Wealth*, 52(1):17–42. 3
- Heaton, J. and Lucas, D. (2000). Portfolio choice and asset prices: The importance of entrepreneurial risk. *Journal of Finance*, 55(3):1163–1198. 8
- Osili, U. O. and Paulson, A. (2004). Prospects for immigrant-native wealth assimilation: evidence from financial market participation. Working Paper Series WP-04-18, Federal Reserve Bank of Chicago. 5
- Osili, U. O. and Paulson, A. L. (2008). Institutions and financial development: Evidence from international migrants in the united states. *The Review of Economics and Statistics*, 90(3):498–517. 3, 5
- Paulson, A. and Rhine, S. (2008). The financial assimilation of an immigrant group: Evidence on the use of checking and savings accounts and currency exchanges. *Journal of Family and Economic Issues*, 29(2):264–278. 3
- Shamsuddin, A. F. M. and DeVoretz, D. J. (1998). Wealth accumulation of canadian and foreign-born households in canada. *Review of Income and Wealth*, 44(4):515–33. 5

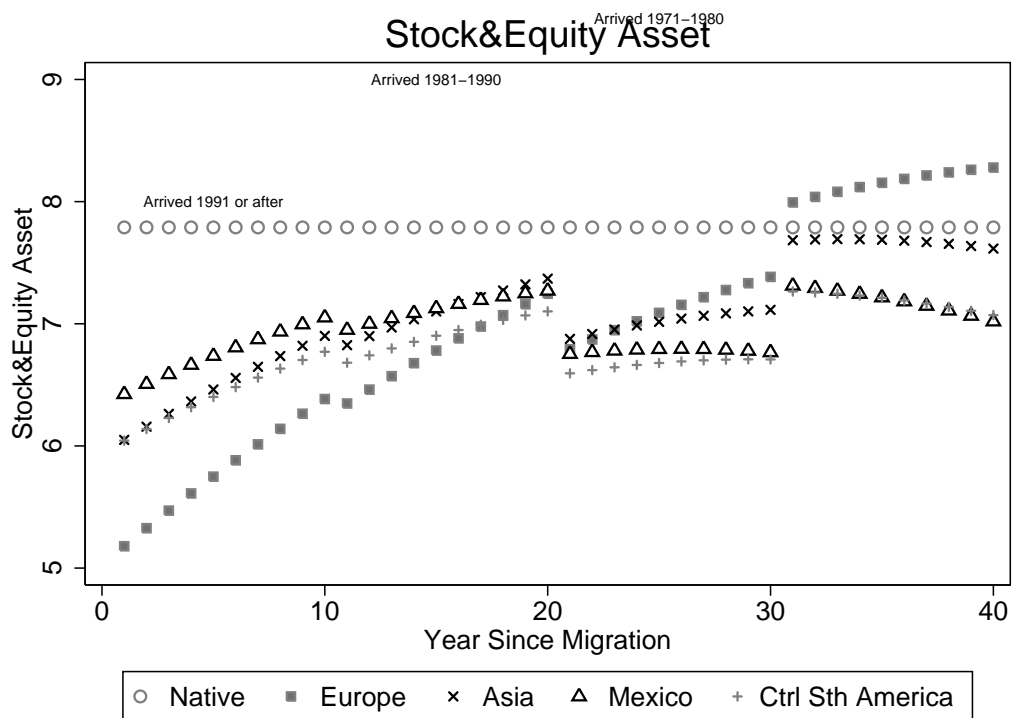
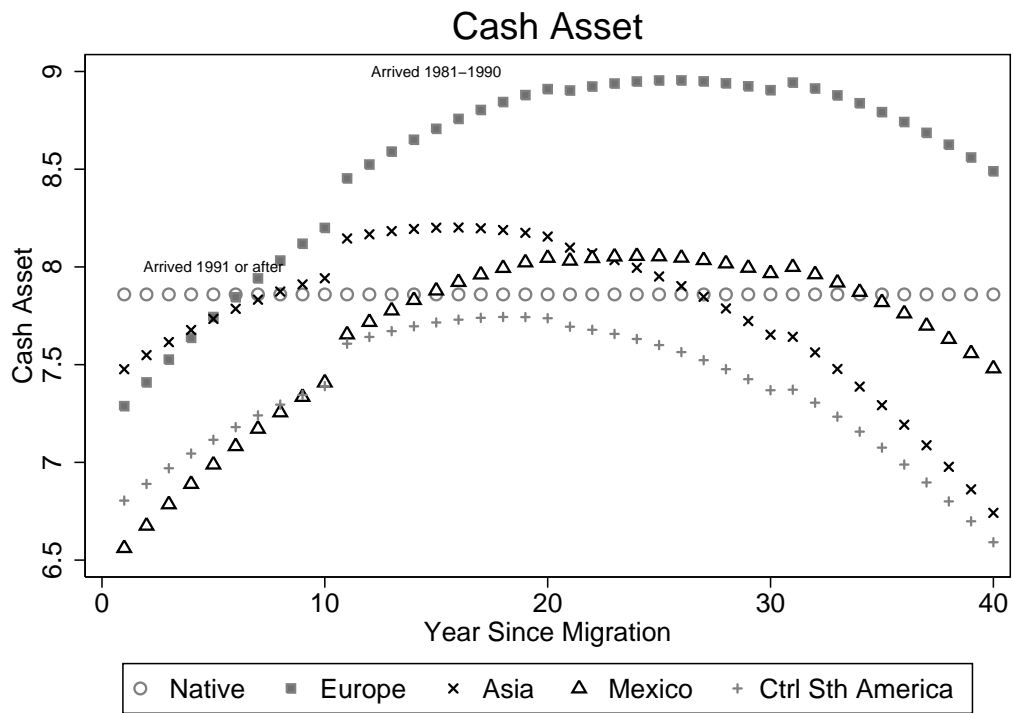
## 7 Tables and Figures

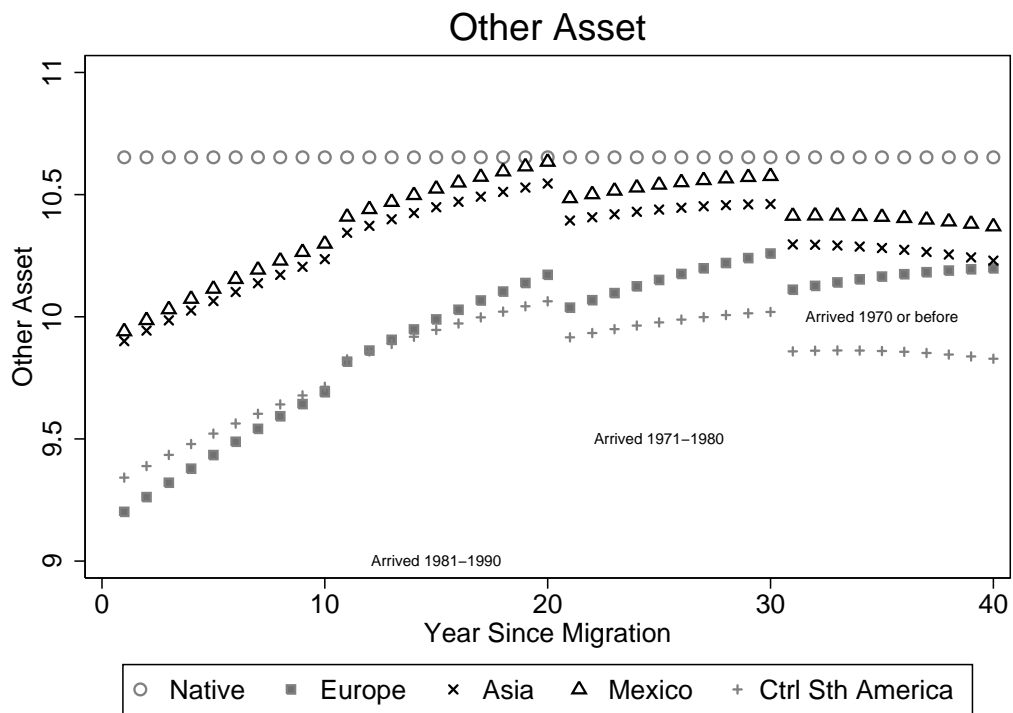
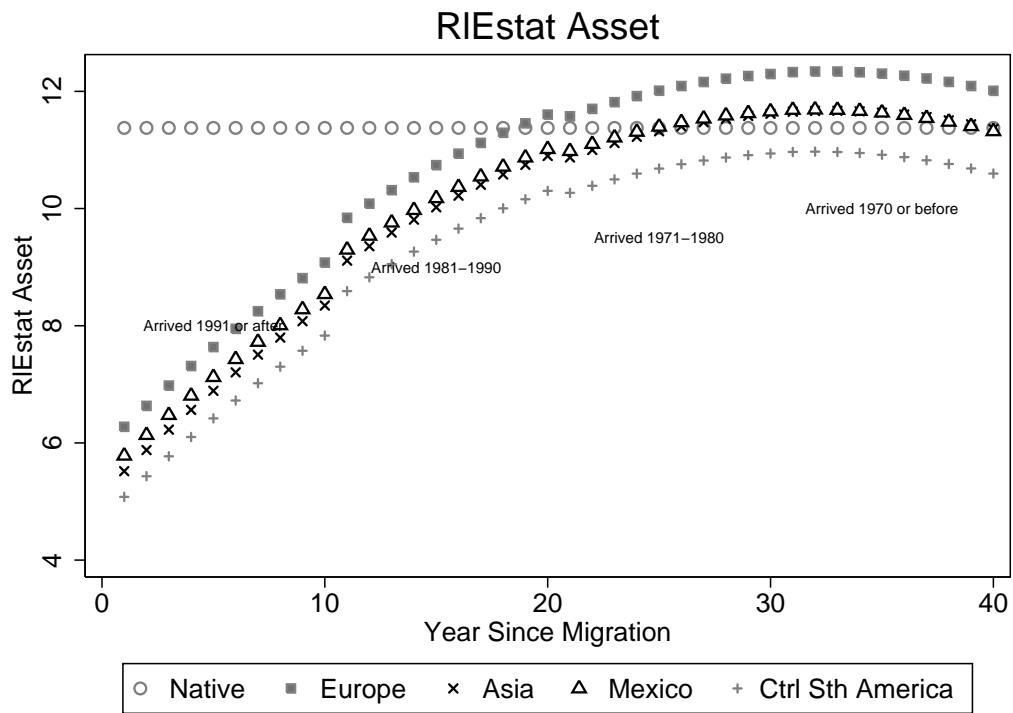
### Financial Asset

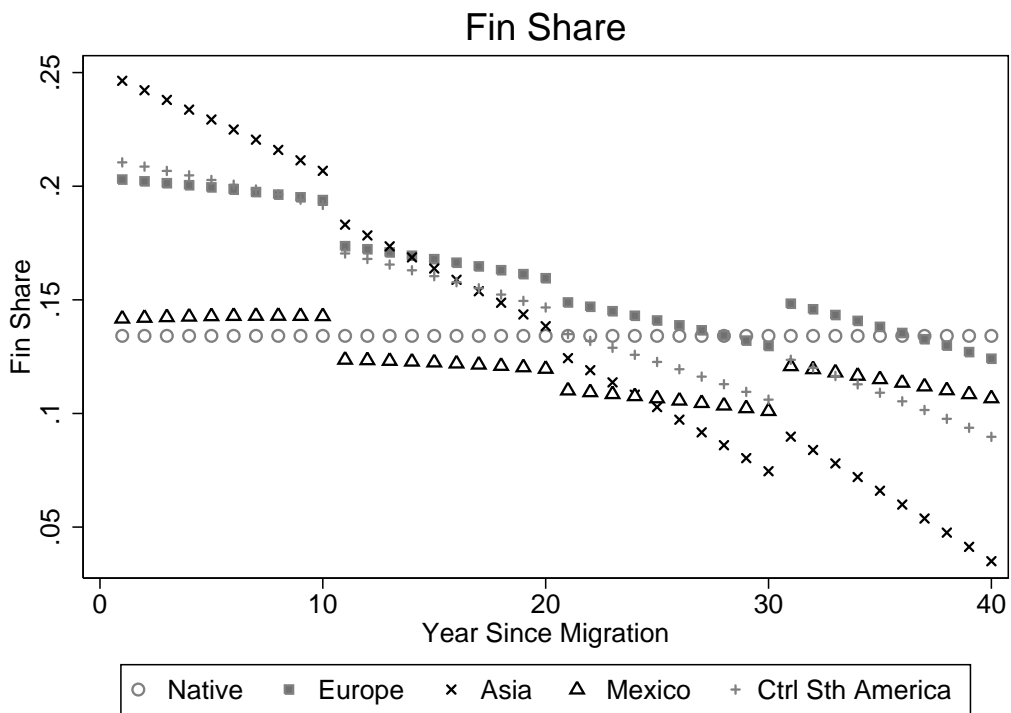
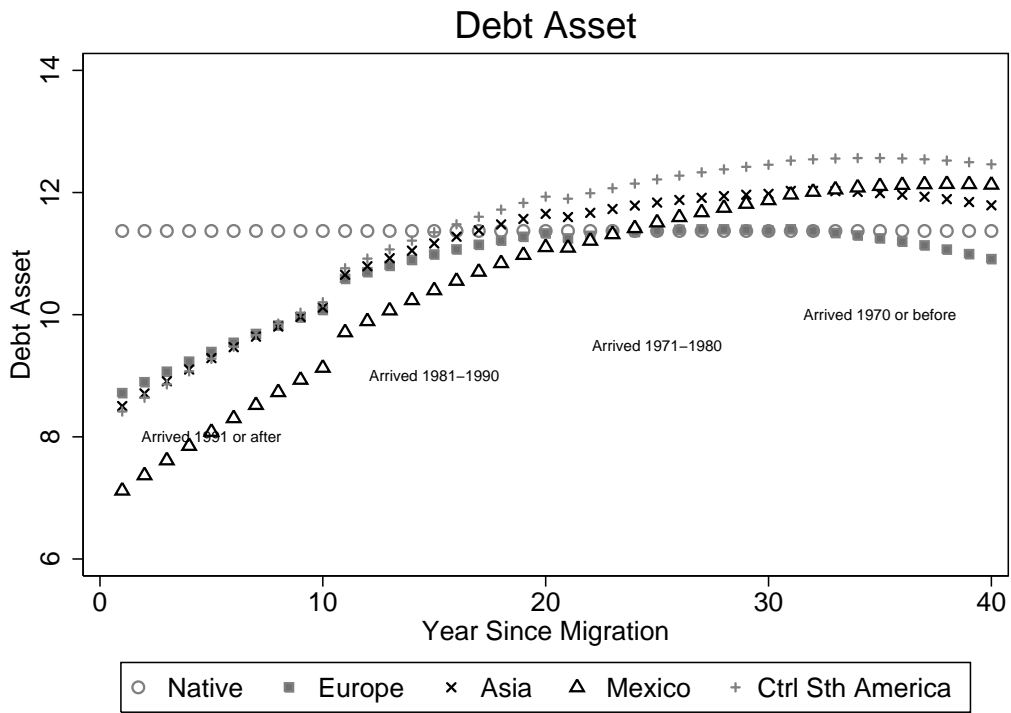


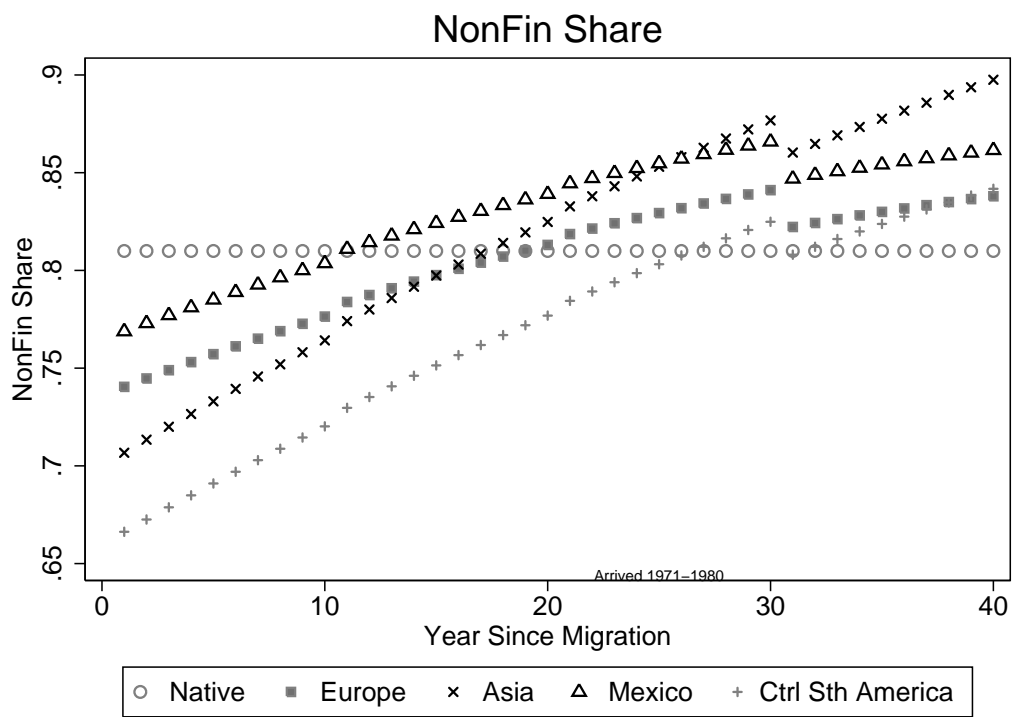
### NonFin Asset





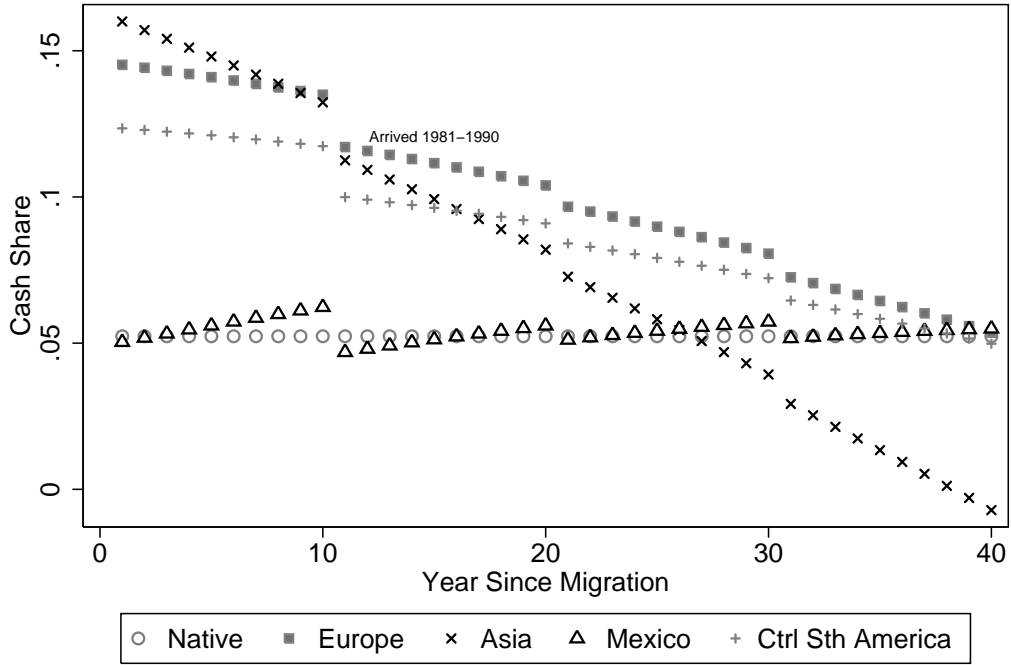




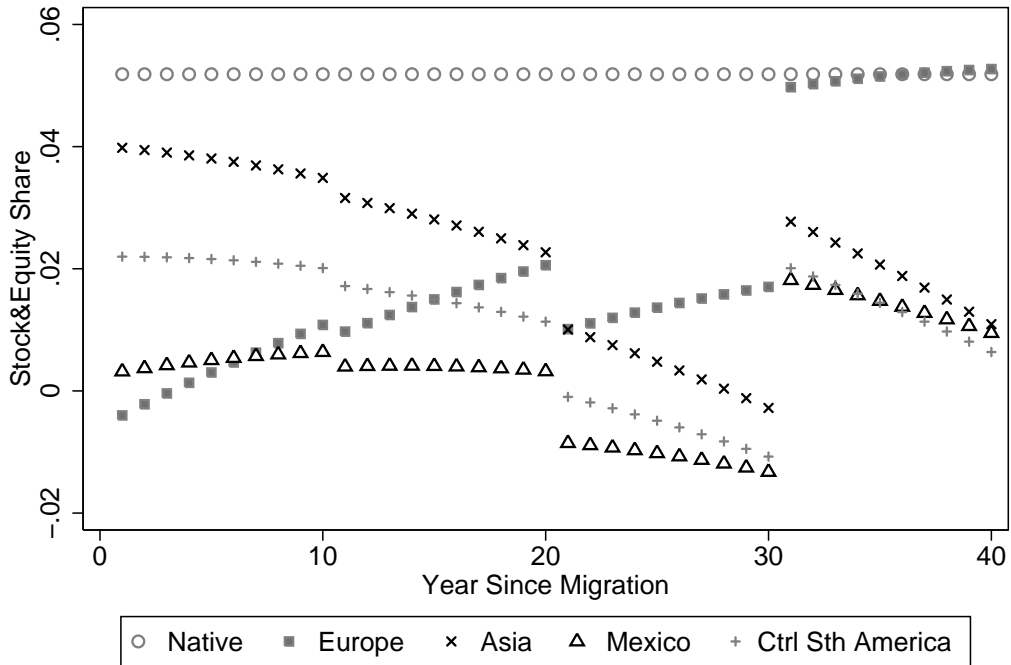


---

### Cash Share

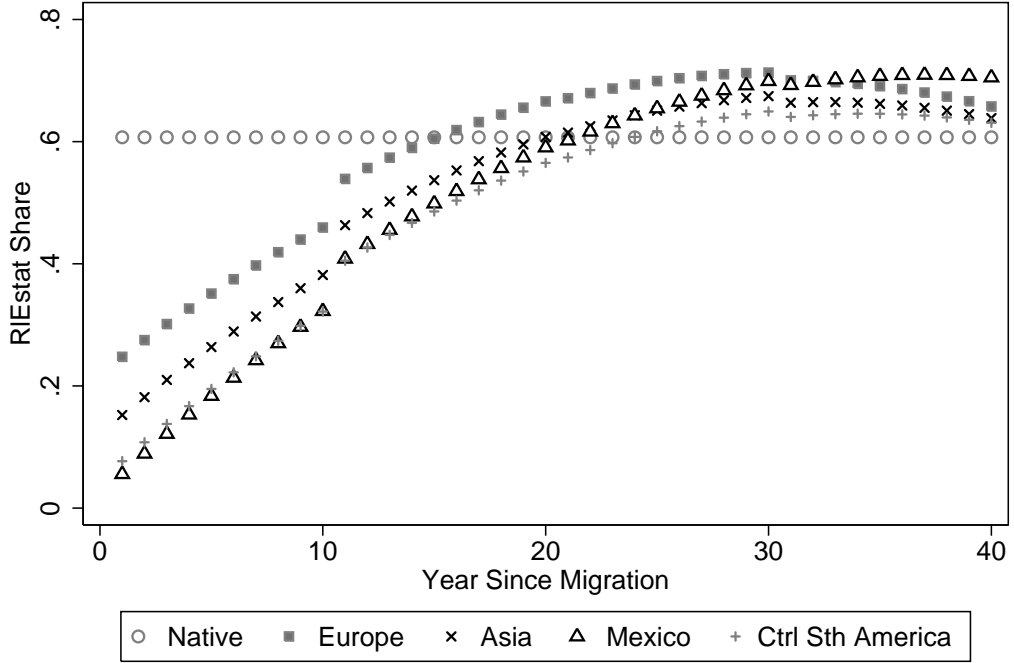


### Stock&Equity Share

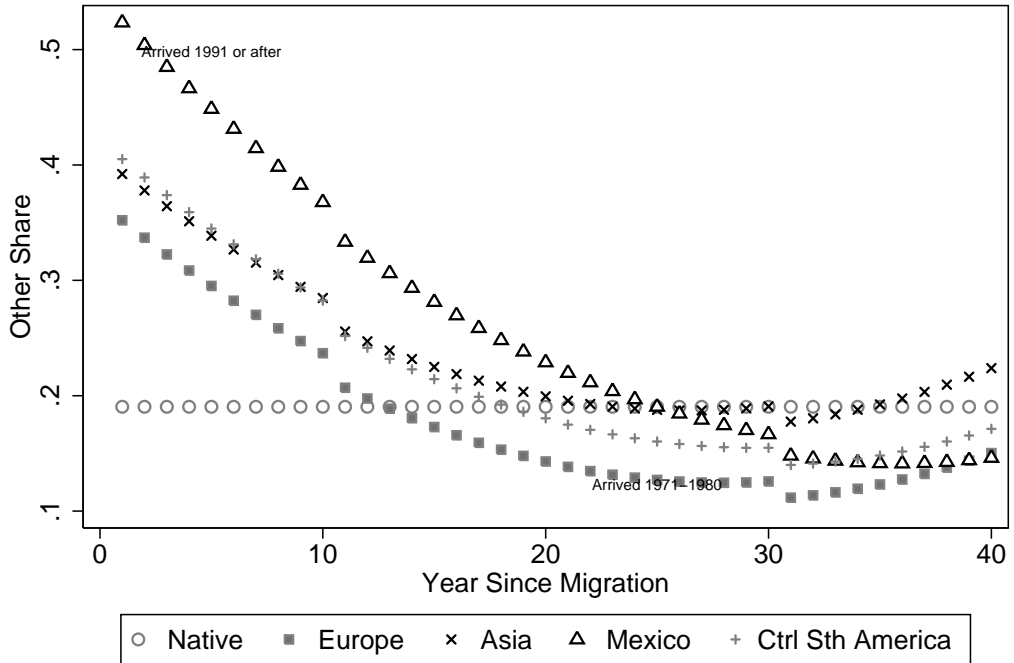


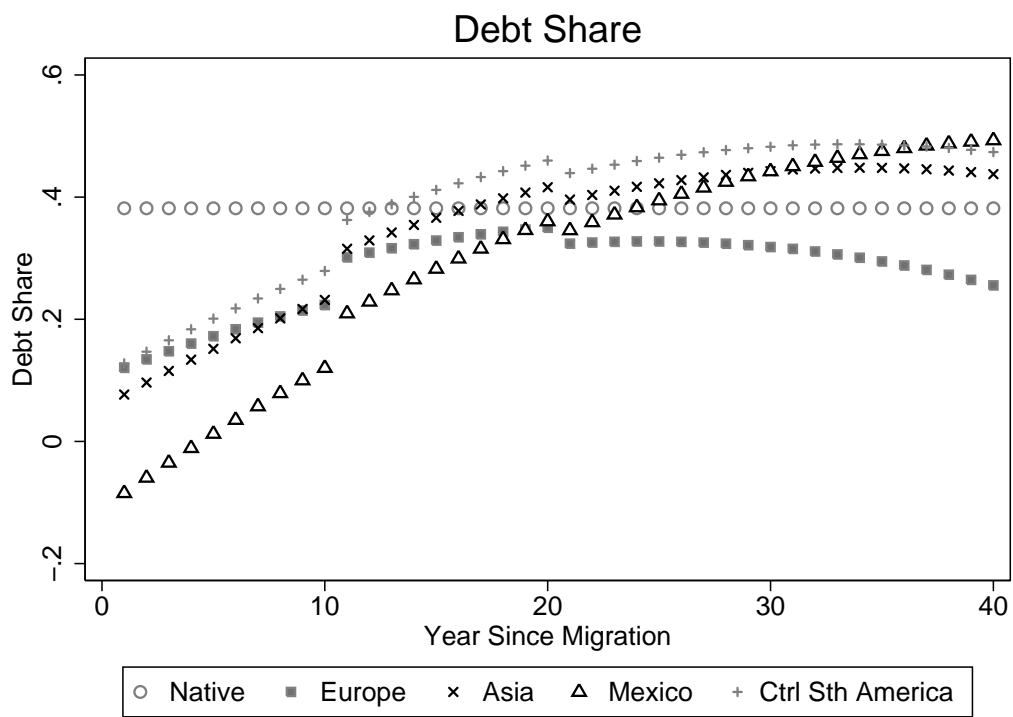
Arrived 1991 or after

### RIEstat Share



### Other Share





**Table 1:** Descriptive Statistics by Region of Origin Across SIPP Panels

	Total				Ctr/Sth		
	U.S.	Immig.	Europe	Asia	Mexico	America	Other
<i>Income</i>							
Permanent income	18.362	14.447	17.764	19.193	8.773	12.697	14.484
Transitory income	0.000	0.000	0.000	0.000	0.000	0.000	-0.000
<i>Demographics</i>							
Kids <18	0.941	1.457	0.798	1.248	2.129	1.304	1.515
Husband age	47.857	45.032	51.150	45.157	40.909	45.635	45.226
Wife age	45.492	41.789	47.971	41.680	37.937	42.882	40.722
Husband less than high school	0.121	0.298	0.164	0.077	0.661	0.265	0.158
Husband high school	0.584	0.393	0.459	0.362	0.301	0.544	0.367
Husband college	0.295	0.309	0.377	0.561	0.038	0.191	0.475
Wife less than high school	0.097	0.318	0.198	0.107	0.671	0.283	0.154
Wife high school	0.657	0.439	0.534	0.418	0.294	0.571	0.545
Wife college	0.246	0.242	0.268	0.475	0.035	0.146	0.301
<i>Region</i>							
North	0.190	0.224	0.442	0.232	0.015	0.300	0.316
Midwest	0.272	0.104	0.176	0.116	0.084	0.043	0.114
South	0.358	0.268	0.158	0.207	0.266	0.470	0.279
West	0.180	0.404	0.224	0.445	0.635	0.187	0.291
<i>Occupation</i>							
Professional	0.225	0.182	0.284	0.290	0.029	0.132	0.236
Tech., sales, admin	0.153	0.125	0.101	0.188	0.055	0.136	0.176
Service	0.055	0.095	0.048	0.083	0.103	0.151	0.080
Farm, forestry	0.020	0.030	0.005	0.005	0.090	0.010	0.004
Precision prod, craft	0.111	0.101	0.107	0.064	0.141	0.103	0.073
Operators/laborer	0.107	0.132	0.096	0.074	0.214	0.141	0.101
Military	0.006	0.003	0.000	0.007	0.001	0.001	0.003
<i>Migration</i>							
YSM		15.788	19.180	13.706	16.145	15.994	14.574
Arrived 1970 or before		0.189	0.403	0.104	0.147	0.205	0.164
Arrived 1971-1980		0.245	0.161	0.249	0.305	0.204	0.275
Arrived 1981-1990		0.387	0.241	0.446	0.376	0.422	0.436
Arrived 1991 or after		0.180	0.195	0.201	0.171	0.170	0.124

Notes: Calculations are based on SIPP 1990, 1991, 1992, 1993, 1996, 2001 and 2004. Ctr/Sth stands for Central/South.

**Table 2:** Wealth Holding and Portfolio shares by Region of Origin Across SIPP Panels

	Total					Ctr/Sth	
	U.S.	Immig.	Europe	Asia	Mexico	America	Other
Total net worth	211645	160865	372368	193781	52513	97534	128462
Total asset	289026	241249	456370	299754	104527	170942	224637
<i>Asset</i>							
Financial	75031	54983	199550	51446	4424	20308	24519
NonFinancial	206234	179989	251574	241152	96390	143502	187898
Cash	20851	11927	22538	17941	2459	7993	10589
Stock/Equity	54180	43056	177012	33504	1966	12316	13930
Real estate	169447	153796	221236	204259	84700	122534	146556
Other asset	36786	26194	30338	36893	11690	20968	41342
Total debt	79144	79522	84403	109244	49714	69524	89793
<i>Share</i>							
Financial wealth	0.166	0.149	0.208	0.199	0.064	0.145	0.157
Non-financial wealth	0.769	0.776	0.751	0.744	0.856	0.740	0.743
Cash	0.066	0.086	0.112	0.107	0.044	0.093	0.088
Stock/Equity	0.100	0.063	0.095	0.091	0.020	0.053	0.069
Real estate	0.583	0.482	0.566	0.484	0.452	0.455	0.465
Other	0.186	0.294	0.184	0.260	0.404	0.285	0.278
Debt	0.377	0.398	0.288	0.391	0.437	0.425	0.448
<i>Participation rate</i>							
Financial wealth	0.913	0.787	0.907	0.893	0.580	0.800	0.863
Non-financial wealth	0.993	0.962	0.964	0.961	0.984	0.939	0.932
Cash	0.787	0.645	0.824	0.764	0.428	0.611	0.697
Stock/Equity	0.765	0.543	0.662	0.675	0.328	0.543	0.576
Real estate	0.858	0.616	0.761	0.642	0.538	0.571	0.598
Other	0.973	0.922	0.903	0.929	0.950	0.897	0.894
Debt	0.891	0.800	0.790	0.833	0.746	0.832	0.828
N	65553	5735	925	1660	1674	1024	452

Notes: Calculations are based on SIPP 1990, 1991, 1992, 1993, 1996, 2001 and 2004. Ctr/Sth stands for Central/South. All dollar figures are reported in constant 2004 dollars

**Table 3:** Determinants of Assets by Married Household (model 1)

	Financial Asset		Non-financial Asset	
	coef	t-stat	coef	t-stat
Permanent income	0.154*	42.713	0.069*	34.994
Transitory income	0.055*	61.522	0.025*	51.271
Kids <18	-0.185*	-16.118	0.028*	4.420
Husband age	-0.068*	-5.754	0.039*	6.140
Husband age squared/100	0.100*	8.486	-0.026*	-4.039
Wife age	0.011	1.018	0.040*	6.681
Wife age squared/100	0.040*	3.488	-0.023*	-3.618
Husband less than high school	-1.057*	-24.540	-0.279*	-11.913
Husband college	0.522*	14.720	0.082*	4.240
Wife less than high school	-1.007*	-21.813	-0.357*	-14.198
Wife college	0.333*	9.299	0.032	1.628
Asia	-0.131	-1.004	-0.038	-0.541
Mexico	-0.855*	-6.442	0.016	0.217
Ctr/Sth America	-0.610*	-4.276	-0.543*	-6.994
Other	-0.363†	-2.065	-0.427*	-4.467
YSM	0.097*	5.748	0.145*	15.875
YSM Squared/100	-0.216*	-5.188	-0.223*	-9.841
Arrived 1970 or before	-0.337	-1.202	-1.950*	-12.803
Arrived 1971-1980	-0.805*	-3.465	-1.914*	-15.140
Arrived 1981-1990	-0.693*	-4.138	-1.815*	-19.913
Arrived 1991 or after	-0.894*	-5.732	-2.054*	-24.207

Notes: \*, † and ‡ indicate significance at 1, 5 and 10 percent levels respectively. All figures deflated using Monthly CPI-U BLS, Base = December 2004. The omitted education category is high school graduate, and Europe is the omitted category of region of origin.

**Table 4: Determinants of Assets by Married Household (model 1)**

	Cash		Stock/Equity		Real estate		Other		Debt	
	coef	t-stat	coef	t-stat	coef	t-stat	coef	t-stat	coef	t-stat
Permanent income	0.152*	34.554	0.159*	33.382	0.099*	20.009	0.057*	23.509	0.140*	34.170
Transitory income	0.060*	55.152	0.058*	48.939	0.048*	39.168	0.016*	26.256	0.031*	30.608
Kids <18	-0.223*	-15.926	-0.115*	-7.595	0.145*	9.201	-0.057*	-7.438	0.000	0.021
Husband age	-0.100*	-6.960	0.012	0.790	0.157*	9.720	0.029*	3.744	0.072*	5.348
Husband age squared/100	0.124*	8.690	0.023	1.512	-0.112*	-6.963	-0.030*	-3.860	-0.122*	-9.161
Wife age	-0.012	-0.859	0.064*	4.367	0.175*	11.487	0.020*	2.677	0.187*	14.809
Wife age squared/100	0.066*	4.737	-0.018	-1.207	-0.124*	-7.893	-0.017†	-2.290	-0.245*	-18.864
Husband less than high school	-0.964*	-18.384	-1.092*	-19.148	-0.586*	-9.912	-0.218*	-7.589	-0.131*	-2.682
Husband college	0.579*	13.420	0.823*	17.536	0.204*	4.187	-0.138*	-5.851	-0.193*	-4.783
Wife less than high school	-0.837*	-14.886	-1.083*	-17.718	-0.778*	-12.278	-0.354*	-11.491	-0.268*	-5.103
Wife college	0.418*	9.601	0.417*	8.815	0.240*	4.883	-0.100*	-4.182	-0.262*	-6.442
Asia	-0.558*	-3.518	0.194	1.127	-0.728*	-4.073	0.433*	4.976	0.322†	2.175
Mexico	-0.889*	-5.506	0.183	1.040	-0.573*	-3.149	0.495*	5.590	-0.412*	-2.730
Ctr/Sth America	-1.090*	-6.280	-0.033	-0.173	-1.283*	-6.550	-0.083	-0.875	0.514*	3.167
Other	-0.841*	-3.927	-0.273	-1.173	-1.028*	-4.256	0.055	0.470	0.390†	1.950
YSM	0.091*	4.447	0.111*	4.972	0.375*	16.242	0.050*	4.422	0.230*	12.002
YSM Squared/100	-0.219*	-4.312	-0.158*	-2.859	-0.581*	-10.158	-0.069†	-2.475	-0.354*	-7.467
Arrived 1970 or before	0.079	0.232	-2.116*	-5.709	-5.110*	-13.297	-1.534*	-8.205	-3.297*	-10.353
Arrived 1971-1980	-0.019	-0.067	-2.761*	-8.979	-5.121*	-16.058	-1.399*	-9.019	-3.262*	-12.346
Arrived 1981-1990	0.035	0.170	-2.195*	-9.896	-4.952*	-21.535	-1.225*	-10.947	-3.163*	-16.598
Arrived 1991 or after	-0.187	-0.985	-2.049*	-9.925	-5.457*	-25.493	-1.306*	-12.545	-3.544*	-19.979

Notes: \*, † and ‡ indicate significance at 1, 5 and 10 percent levels respectively. All figures deflated using Monthly CPI-U BLS, Base = December 2004. The omitted education category is high school graduate, and Europe is the omitted category of region of origin.

**Table 5:** Determinants of Assets by Married Household (model 2)

	Financial Asset		Non-financial Asset	
	coef	t-stat	coef	t-stat
Permanent income	0.155*	42.826	0.069*	35.009
Transitory income	0.055*	61.599	0.025*	51.283
Kids <18	-0.184*	-16.028	0.028*	4.414
Husband age	-0.068*	-5.798	0.039*	6.152
Husband age squared/100	0.100*	8.540	-0.026*	-4.048
Wife age	0.010	0.937	0.040*	6.678
Wife age squared/100	0.041*	3.566	-0.023*	-3.617
Husband less than high school	-1.057*	-24.545	-0.279*	-11.918
Husband college	0.520*	14.664	0.082*	4.238
Wife less than high school	-1.011*	-21.890	-0.358*	-14.231
Wife college	0.332*	9.276	0.032‡	1.646
Asia	0.576†	2.528	0.151	1.217
Mexico	-1.050*	-4.405	0.167	1.285
Ctr/Sth America	-0.036	-0.140	-0.323†	-2.298
Other	0.088	0.283	-0.489*	-2.873
YSM	0.124*	6.431	0.153*	14.634
YSM Squared/100	-0.245*	-5.805	-0.226*	-9.820
YSM × Asia	-0.046*	-3.984	-0.011‡	-1.817
YSM × Mexico	0.014	1.238	-0.008	-1.347
YSM × Ctr/Sth America	-0.033*	-2.671	-0.013‡	-1.848
YSM × Other	-0.027	-1.618	0.006	0.675
Arrived 1970 or before	-0.712†	-2.222	-2.096*	-12.013
Arrived 1971-1980	-1.163*	-4.271	-2.040*	-13.773
Arrived 1981-1990	-1.065*	-4.767	-1.947*	-16.017
Arrived 1991 or after	-1.230*	-5.846	-2.186*	-19.092

Notes: \*, † and ‡ indicate significance at 1, 5 and 10 percent levels respectively. All figures deflated using Monthly CPI-U BLS, Base = December 2004. The omitted education category is high school graduate, and Europe is the omitted category of region of origin.

**Table 6:** Determinants of Assets by Married Household (model 2)

	Cash		Stock/Equity		Real estate		Other		Debt	
	coef	t-stat	coef	t-stat	coef	t-stat	coef	t-stat	coef	t-stat
Permanent income	0.152*	34.617	0.159*	33.373	0.099*	20.001	0.057*	23.514	0.140*	34.203
Transitory income	0.060*	55.178	0.058*	48.914	0.048*	39.156	0.016*	26.261	0.031*	30.670
Kids <18	-0.222*	-15.884	-0.116*	-7.661	0.145*	9.186	-0.057*	-7.447	0.002	0.129
Husband age	-0.100*	-6.980	0.013	0.836	0.157*	9.726	0.030*	3.757	0.071*	5.286
Husband age squared/100	0.124*	8.717	0.023	1.469	-0.112*	-6.970	-0.030*	-3.871	-0.121*	-9.100
Wife age	-0.012	-0.889	0.065*	4.416	0.175*	11.487	0.020*	2.692	0.186*	14.724
Wife age squared/100	0.066*	4.762	-0.019	-1.262	-0.124*	-7.894	-0.018†	-2.309	-0.244*	-18.773
Husband less than high school	-0.964*	-18.380	-1.092*	-19.149	-0.586*	-9.912	-0.218*	-7.592	-0.132*	-2.690
Husband college	0.578*	13.400	0.825*	17.573	0.204*	4.189	-0.138*	-5.841	-0.195*	-4.847
Wife less than high school	-0.840*	-14.946	-1.086*	-17.762	-0.778*	-12.276	-0.355*	-11.523	-0.266*	-5.070
Wife college	0.418*	9.597	0.420*	8.868	0.240*	4.888	-0.099*	-4.159	-0.265*	-6.508
Asia	0.239	-0.719†	0.910*	3.019	-0.760†	-2.429	0.716*	4.706	-0.240	-0.925
Mexico	-0.447	-1.419	1.310*	4.150	-0.487	-1.488	0.753*	4.732	-1.668*	-6.151
Ctr/Sth America	0.055	0.143	0.079	0.191	-1.149*	-3.351	0.153	0.887	-0.348	-1.183
Other	0.129*	5.515	0.153*	5.992	-1.149*	-2.676	0.130	0.620	-0.241	-0.677
YSM	-0.253*	-4.921	-0.170*	-3.047	0.375*	14.193	0.063*	4.870	0.189*	8.630
YSM Squared/100	-0.050*	-3.511	-0.039†	-2.558	0.003	0.170	-0.017†	-2.205	0.028†	2.122
YSM × Asia	-0.007	-0.522	-0.064*	-4.254	-0.005	-0.324	-0.015†	-1.909	0.072*	5.563
YSM × Mexico	-0.036†	-2.381	-0.053*	-3.208	-0.006	-0.323	-0.013	-1.565	0.048*	3.339
YSM × Ctr/Sth America	-0.055*	-2.717	-0.014	-0.636	0.009	0.382	-0.002	-0.206	0.033†	1.756
YSM × Other	-0.490	-1.255	-2.891*	-6.811	-5.117*	-11.626	-1.767*	-8.252	-2.538*	-6.961
Arrived 1970 or before	-0.554†	-1.672	-3.451*	-9.578	-5.127*	-13.720	-1.601*	-8.809	-2.578*	-8.328
Arrived 1971-1980	-0.521†	-1.917	-2.915*	-9.856	-4.960*	-16.174	-1.435*	-9.619	-2.449*	-9.638
Arrived 1981-1990	-0.698*	-2.726	-2.761*	-9.912	-5.471*	-18.937	-1.513*	-10.767	-2.841*	-11.871
Arrived 1991 or after										

Notes: \*, † and ‡ indicate significance at 1, 5 and 10 percent levels respectively. All figures deflated using Monthly CPI-U BLS, Base = December 2004. The omitted education category is high school graduate, and Europe is the omitted category of region of origin.

**Table 7: Portfolio Assimilation by Married Household (model 1)**

	Financial share		Non-financial share	
	coef	t-stat	coef	t-stat
Permanent income	0.003*	13.229	-0.001†	-2.023
Transitory income	0.002*	30.408	-0.001*	-8.015
Kids <18	-0.012*	-15.066	0.012*	13.332
Husband age	-0.005*	-5.626	0.007*	7.621
Husband age squared/100	0.007*	8.425	-0.008*	-9.024
Wife age	-0.004*	-4.645	0.006*	6.993
Wife age squared/100	0.007*	8.653	-0.007*	-8.228
Husband less than high school	-0.050*	-16.268	0.030*	9.102
Husband college	0.045*	18.138	-0.042*	-15.437
Wife less than high school	-0.041*	-12.327	0.017*	4.809
Wife college	0.028*	11.065	-0.023*	-8.209
Asia	-0.004	-0.426	0.002	0.210
Mexico	-0.045*	-4.686	0.029*	2.847
Ctr/Sth America	-0.011	-1.063	-0.041*	-3.754
Other	-0.018	-1.496	-0.017	-1.277
YSM	-0.003†	-2.127	0.006*	4.807
YSM Squared/100	-0.001	-0.198	-0.006‡	-1.732
Arrived 1970 or before	0.089*	4.440	-0.114*	-5.307
Arrived 1971-1980	0.065*	3.912	-0.092*	-5.174
Arrived 1981-1990	0.075*	6.262	-0.096*	-7.460
Arrived 1991 or after	0.091*	8.211	-0.098*	-8.126

Notes: \*, † and ‡ indicate significance at 1, 5 and 10 percent levels respectively. All figures deflated using Monthly CPI-U BLS, Base = December 2004. The omitted education category is high school graduate, and Europe is the omitted category of region of origin.

**Table 8:** Portfolio Assimilation by Married Household (model 1)

	Cash		Stock/Equity		Real estate		Other		Debt	
	coef	t-stat	coef	t-stat	coef	t-stat	coef	t-stat	coef	t-stat
Permanent income	0.002*	8.393	0.004*	16.690	0.004*	8.293	-0.003*	-11.537	0.005*	3.716
Transitory income	0.001*	23.590	0.002*	27.129	0.001*	12.640	-0.001*	-20.572	0.000	0.151
Kids <18	-0.009*	-15.477	-0.007*	-8.950	0.017*	12.324	-0.004*	4.115	-0.004	-0.956
Husband age	-0.005*	-8.581	-0.000	-0.137	0.010*	7.390	-0.001	-0.929	0.003	0.795
Husband age squared/100	0.006*	9.766	0.002*	2.631	-0.009*	-6.482	-0.001	-1.396	-0.013*	-3.135
Wife age	-0.003*	-5.268	-0.000	-0.055	0.014*	10.790	-0.006*	-6.991	0.007†	1.963
Wife age squared/100	0.005*	8.385	0.002*	2.767	-0.012*	-8.999	0.003*	3.685	-0.017*	-4.404
Husband less than high school	-0.022*	-9.905	-0.047*	-16.484	-0.012†	-2.362	0.035*	10.502	0.005	0.313
Husband college	0.013*	7.466	0.039*	17.360	-0.014*	-3.322	-0.029*	-10.677	-0.036*	-3.018
Wife less than high school	-0.017*	-6.990	-0.044*	-14.186	-0.022*	-4.081	0.028*	7.933	-0.020	-1.286
Wife college	0.015*	8.631	0.018*	7.839	0.005	1.217	-0.025*	-9.192	-0.038*	-3.201
Asia	-0.009	-1.397	0.009	1.019	-0.055*	-3.456	0.045*	4.499	0.054	1.229
Mexico	-0.056*	-8.139	-0.016†	-1.737	-0.087*	-5.402	0.100*	9.783	-0.020	-0.435
Ctr/Sth America	-0.014†	-1.960	-0.006	-0.675	-0.105*	-6.022	0.037*	3.384	0.102†	2.107
Other	-0.023*	-2.627	-0.002	-0.150	-0.075*	-3.486	0.040*	2.923	0.120†	2.004
YSM	-0.001†	-1.680	0.000	0.084	0.032*	15.282	-0.017*	-12.882	0.020*	3.524
YSM Squared/100	-0.000	-0.136	-0.001	-0.359	-0.048*	-9.483	0.028*	8.577	-0.031†	-2.121
Arrived 1970 or before	0.069*	4.794	-0.009	-0.481	-0.406*	-11.868	0.163*	7.525	-0.347*	-3.647
Arrived 1971-1980	0.074*	6.224	-0.044*	-2.733	-0.389*	-13.548	0.175*	9.765	-0.331*	-4.182
Arrived 1981-1990	0.080*	9.393	-0.032*	-2.742	-0.387*	-18.547	0.176*	13.632	-0.307*	-5.343
Arrived 1991 or after	0.095*	11.946	-0.030*	-2.839	-0.446*	-22.787	0.197*	16.374	-0.377*	-7.029

Notes: \*, † and ‡ indicate significance at 1, 5 and 10 percent levels respectively. All figures deflated using Monthly CPI-U BLS, Base = December 2004. The omitted education category is high school graduate, and Europe is the omitted category of region of origin.

**Table 9:** Portfolio Assimilation by Married Household (model 2)

	Financial Asset		Non-financial Asset	
	coef	t-stat	coef	t-stat
Permanent income	0.003*	13.302	-0.001†	-2.090
Transitory income	0.002*	30.481	-0.001*	-8.043
Kids <18	-0.012*	-14.969	0.012*	13.289
Husband age	-0.005*	-5.665	0.007*	7.643
Husband age squared/100	0.007*	8.472	-0.008*	-9.053
Wife age	-0.004*	-4.702	0.006*	7.032
Wife age squared/100	0.007*	8.706	-0.007*	-8.263
Husband less than high school	-0.050*	-16.281	0.030*	9.096
Husband college	0.045*	18.101	-0.042*	-15.410
Wife less than high school	-0.041*	-12.396	0.017*	4.859
Wife college	0.027*	11.048	-0.023*	-8.198
Asia	0.047*	2.937	-0.036†	-2.059
Mexico	-0.062*	-3.577	0.029	1.554
Ctr/Sth America	0.009	0.473	-0.076*	-3.824
Other	0.014	0.620	-0.064*	-2.648
YSM	-0.001	-0.504	0.004*	2.976
YSM Squared/100	-0.003	-0.937	-0.004	-1.154
YSM × Asia	-0.003*	-4.187	0.002*	2.677
YSM × Mexico	0.001	1.359	-0.000	-0.139
YSM × Ctr/Sth America	-0.001	-1.222	0.002†	2.076
YSM × Other	-0.002‡	-1.688	0.003†	2.259
Arrived 1970 or before	0.063*	2.749	-0.088*	-3.580
Arrived 1971-1980	0.042†	2.151	-0.067*	-3.215
Arrived 1981-1990	0.050*	3.197	-0.070*	-4.073
Arrived 1991 or after	0.069*	4.675	-0.074*	-4.559

Notes: \*, † and ‡ indicate significance at 1, 5 and 10 percent levels respectively. All figures deflated using Monthly CPI-U BLS, Base = December 2004. The omitted education category is high school graduate, and Europe is the omitted category of region of origin.

**Table 10: Portfolio Assimilation by Married Household (model 2)**

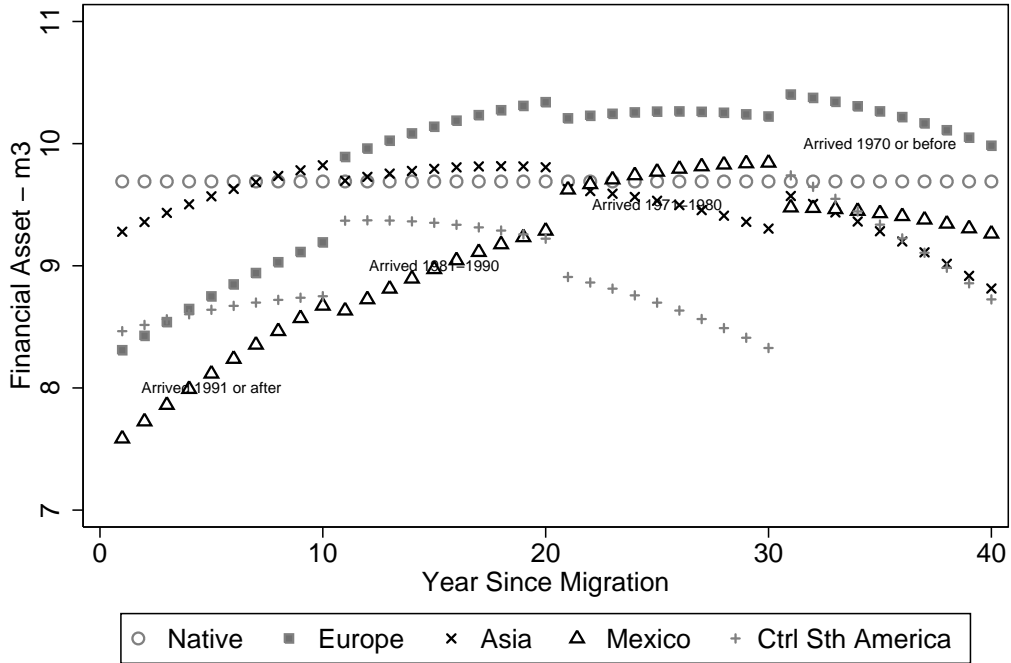
	Cash		Stock/Equity		Real estate		Other		Debt	
	coef	t-stat	coef	t-stat	coef	t-stat	coef	t-stat	coef	t-stat
Permanent income	0.002*	8.480	0.004*	16.716	0.004*	8.317	-0.003*	-11.639	0.005*	3.739
Transitory income	0.001*	23.696	0.002*	27.143	0.001*	12.687	-0.001*	-20.671	0.000	0.165
Kids <18	-0.009*	-15.334	-0.007*	-8.943	0.017*	12.414	-0.004*	-4.253	-0.003	-0.910
Husband age	-0.005*	-8.645	-0.000	-0.131	0.010*	7.342	-0.001	-0.858	0.003	0.763
Husband age squared/100	0.006*	9.840	0.002*	2.628	-0.009*	-6.434	-0.001	-1.474	-0.012*	-3.103
Wife age	-0.003*	-5.367	-0.000	-0.051	0.014*	10.723	-0.006*	-6.870	0.007†	1.919
Wife age squared/100	0.005*	8.482	0.002*	2.761	-0.012*	-8.927	0.003*	3.561	-0.017*	-4.357
Husband less than high school	-0.022*	-9.910	-0.047*	-16.481	-0.012†	-2.374	0.035*	10.512	0.005	0.313
Husband college	0.013*	7.398	0.039*	17.365	-0.014*	-3.371	-0.029*	-10.592	-0.036*	-3.050
Wife less than high school	-0.017*	-7.047	-0.044*	-14.233	-0.022*	-4.057	0.028*	7.958	-0.020	-1.269
Wife college	0.015*	8.582	0.018*	7.856	0.005	1.175	-0.025*	-9.126	-0.039*	-3.237
Asia	0.017	1.483	0.046*	3.022	-0.097*	-3.445	0.039†	2.230	-0.050	-0.636
Mexico	-0.097*	-7.777	0.008	0.489	-0.198*	-6.618	0.176*	9.560	-0.216*	-2.631
Ctr/Sth America	-0.022†	-1.699	0.028	1.568	-0.175*	-5.378	0.054*	2.697	0.002	0.020
Other	-0.013	-0.811	0.024	1.132	-0.148*	-3.755	0.050†	2.074	0.096	0.896
YSM	-0.001	-0.977	0.002	1.425	0.029*	12.104	-0.016*	-10.729	0.015†	2.234
YSM Squared/100	-0.002	-0.748	-0.002	-0.768	-0.047*	-9.186	0.028*	8.734	-0.030†	-2.067
YSM × Asia	-0.002*	-3.367	-0.002*	-2.892	0.002	1.388	0.001	0.957	0.006	1.456
YSM × Mexico	0.002*	4.142	-0.001	-1.602	0.006*	4.394	-0.005*	-5.109	0.011*	2.883
YSM × Ctr/Sth America	0.000	0.732	-0.002†	-2.221	0.004†	2.413	-0.001	-0.850	0.005	1.269
YSM × Other	-0.001	-0.919	-0.001	-1.243	0.004†	1.968	-0.000	-0.300	0.000	0.048
Arrived 1970 or before	0.065*	4.011	-0.040†	-1.800	-0.344*	-8.773	0.141*	5.713	-0.234†	-2.139
Arrived 1971-1980	0.072*	5.179	-0.072*	-3.808	-0.331*	-9.857	0.157*	7.467	-0.234†	-2.525
Arrived 1981-1990	0.077*	6.896	-0.060*	-3.942	-0.327*	-11.800	0.157*	9.118	-0.206*	-2.696
Arrived 1991 or after	0.094*	8.881	-0.058*	-4.021	-0.388*	-14.822	0.177*	10.889	-0.276*	-3.824

Notes: \*, † and ‡ indicate significance at 1, 5 and 10 percent levels respectively. All figures deflated using Monthly CPI-U BLS, Base = December 2004. The omitted education category is high school graduate, and Europe is the omitted category of region of origin.

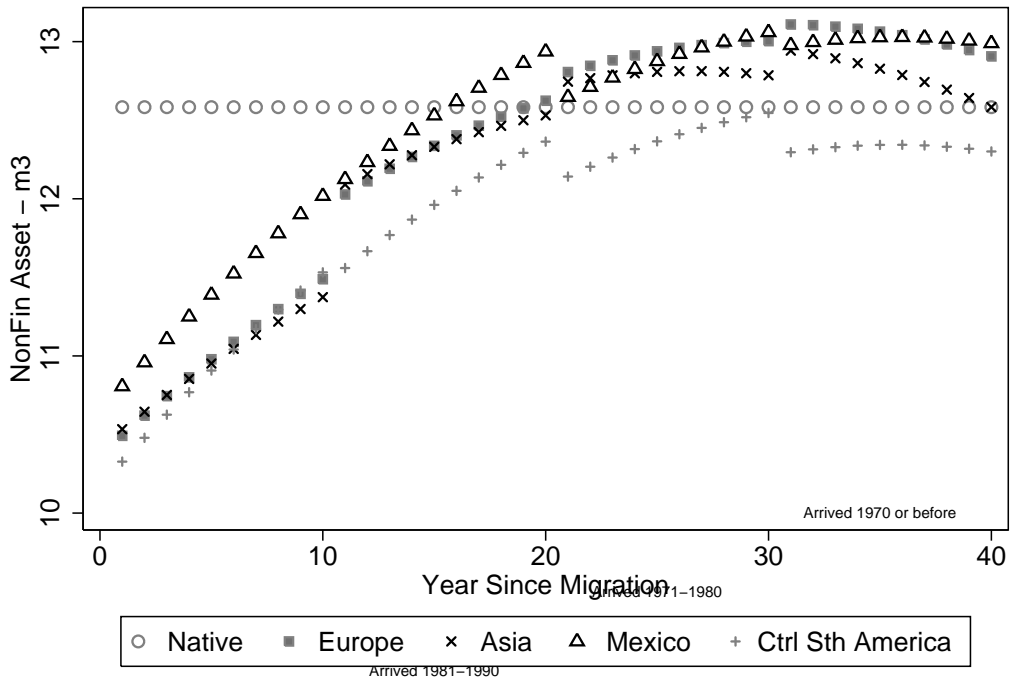
## **8 Appendix**

### **8.1 Figures and Tables**

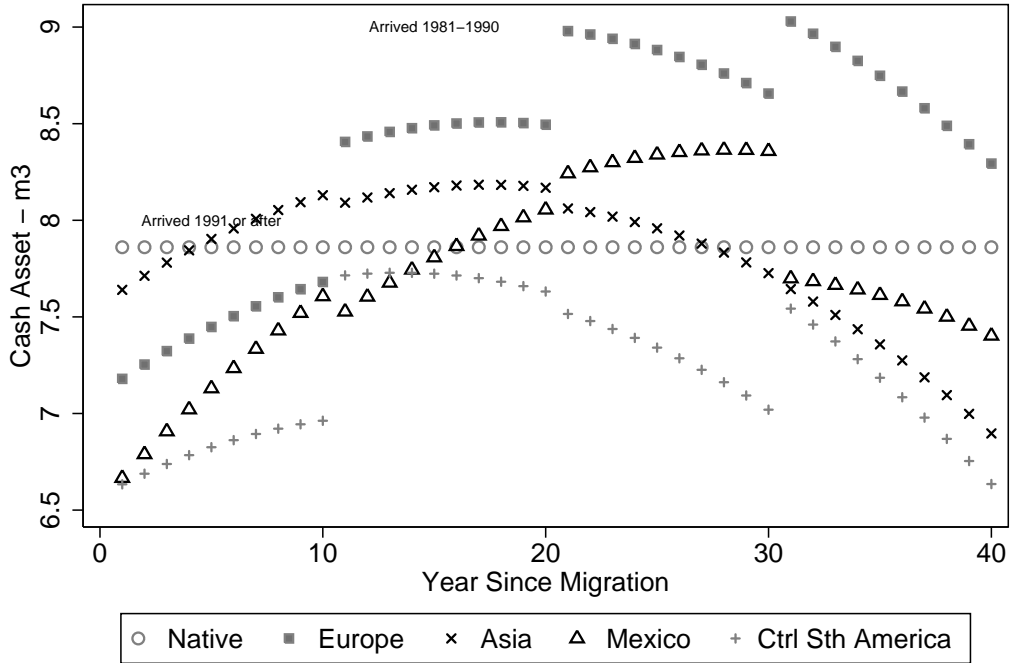
### Financial Asset – m3



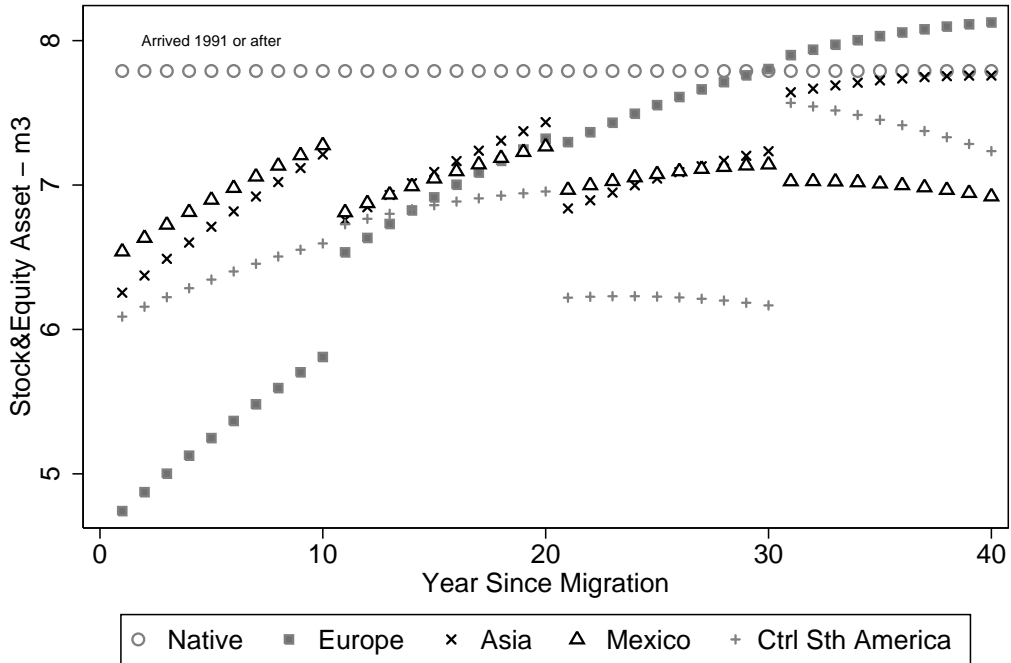
### NonFin Asset – m3

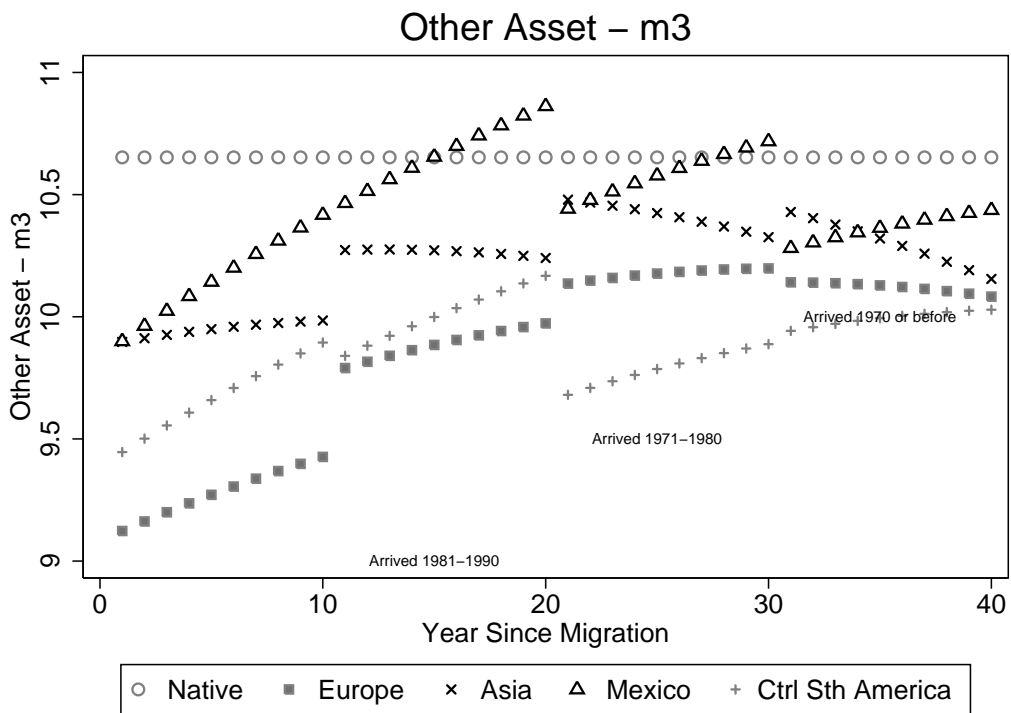
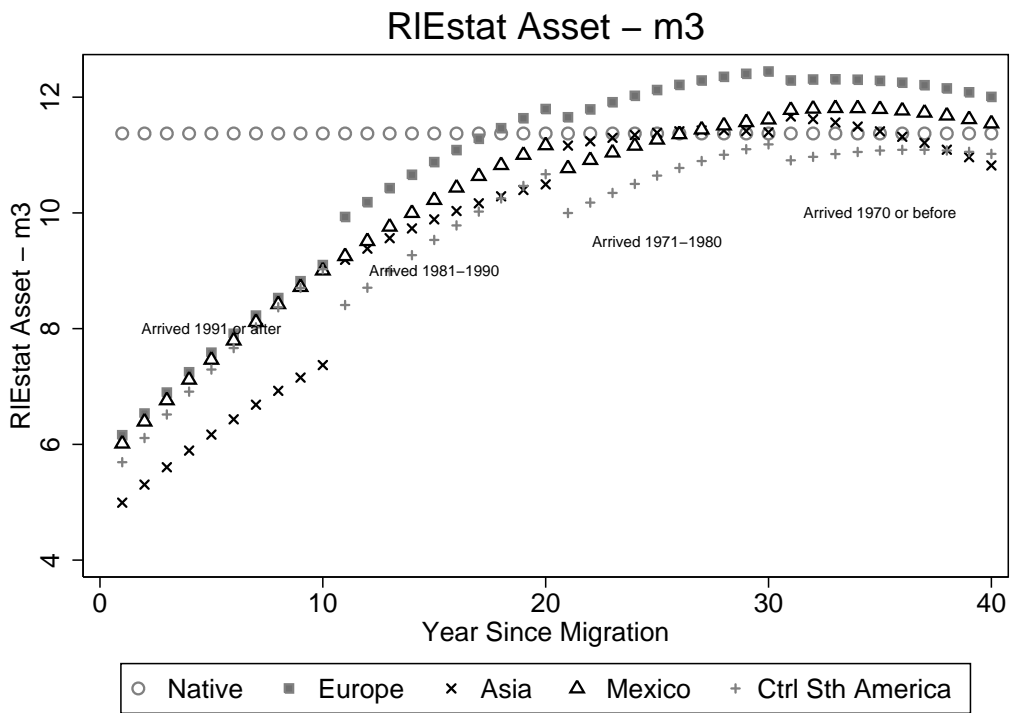


### Cash Asset – m3

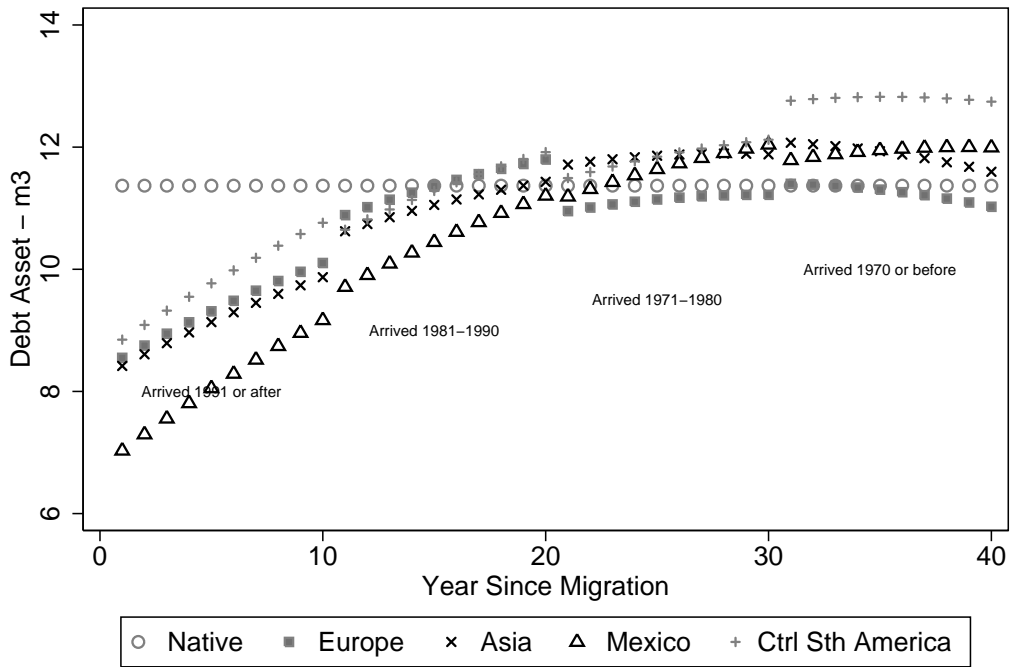


### Stock&Equity Asset – m3

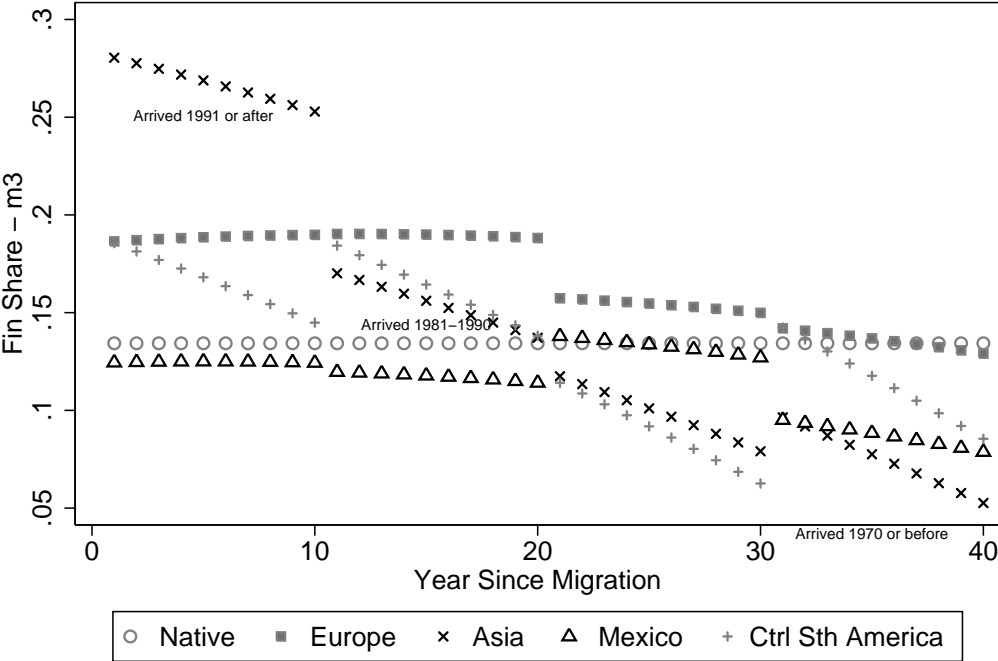




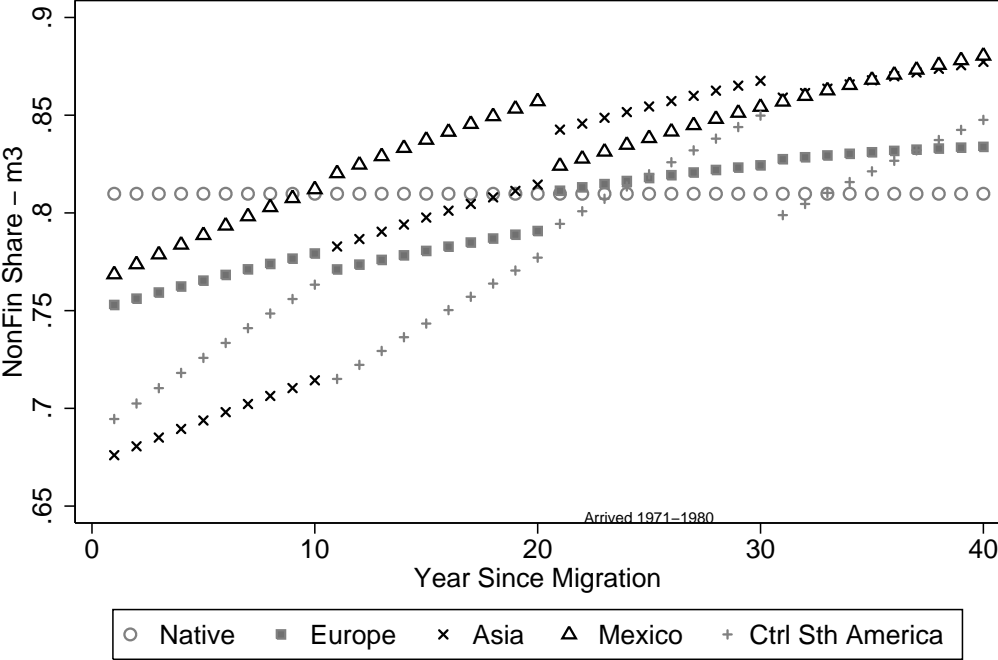
### Debt Asset – m3



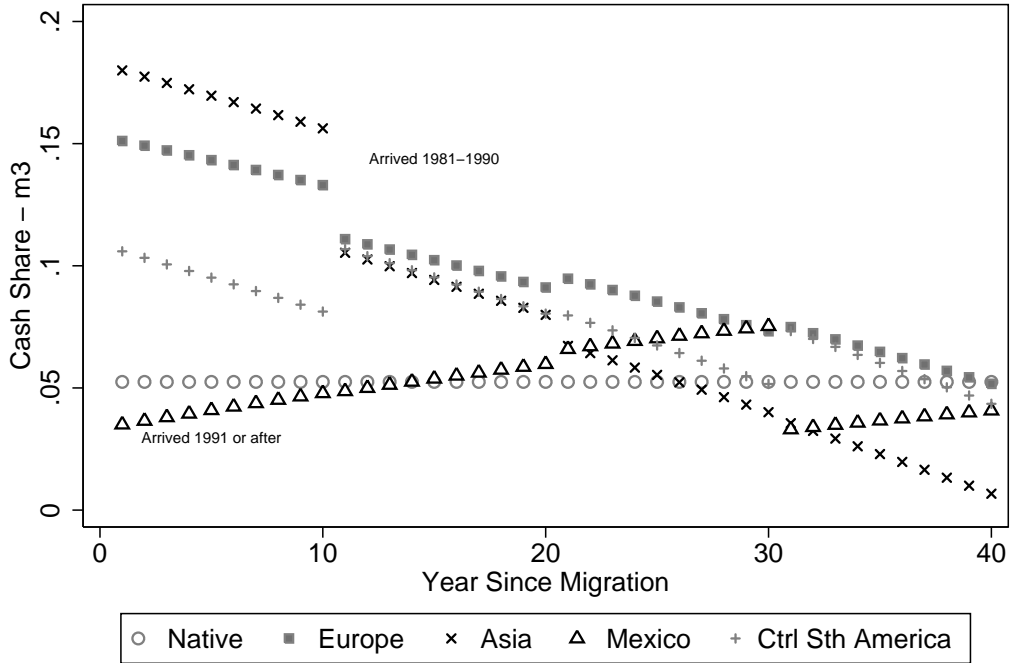
Fin Share – m3



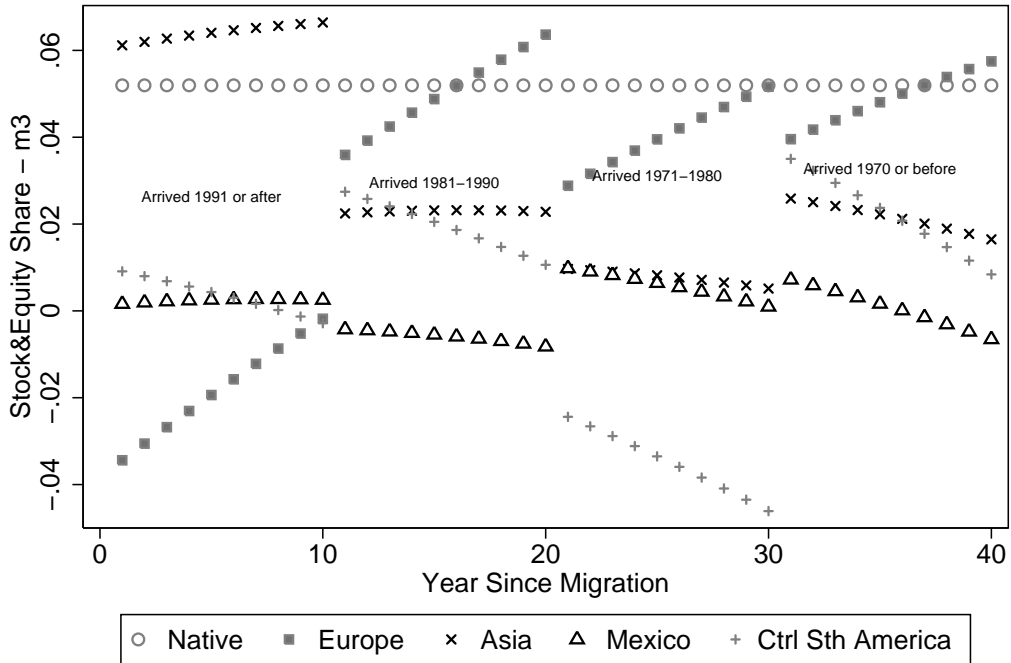
NonFin Share – m3



### Cash Share – m3

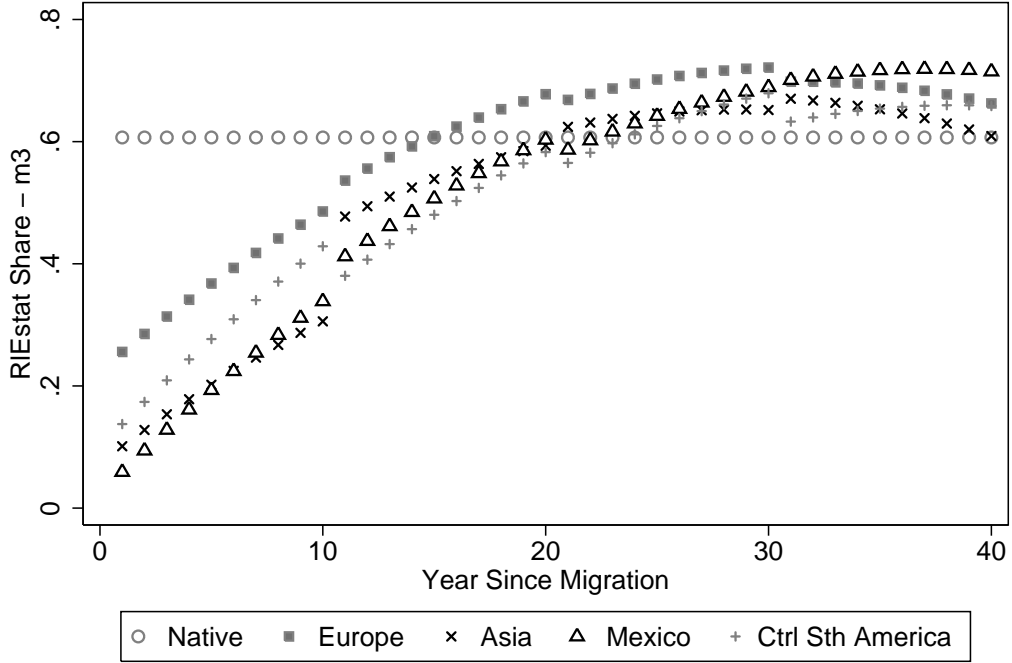


### Stock&Equity Share – m3

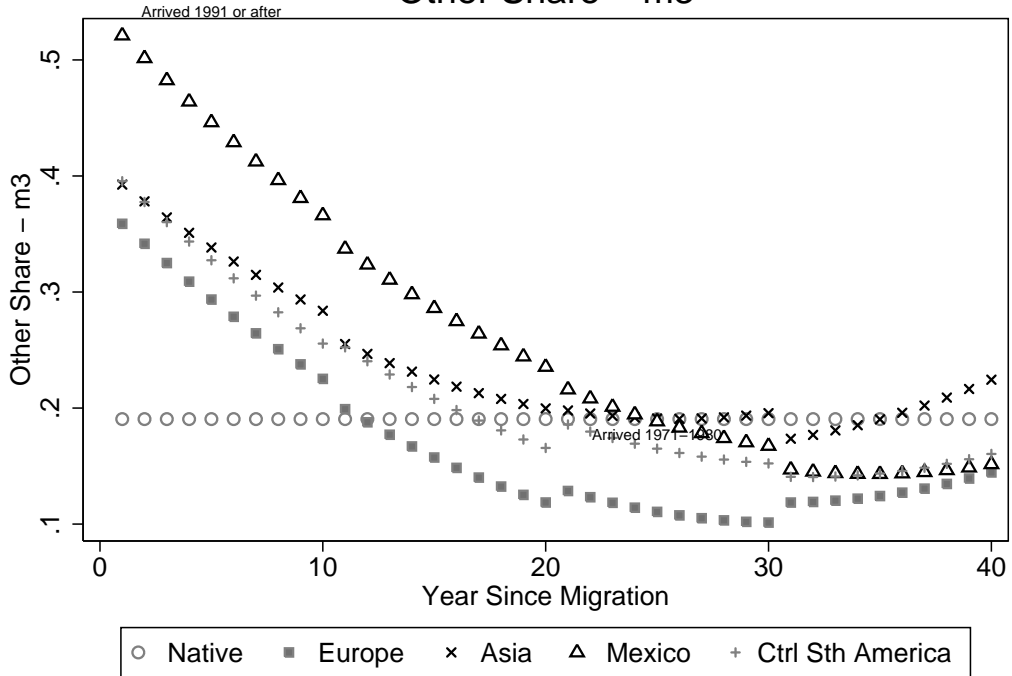


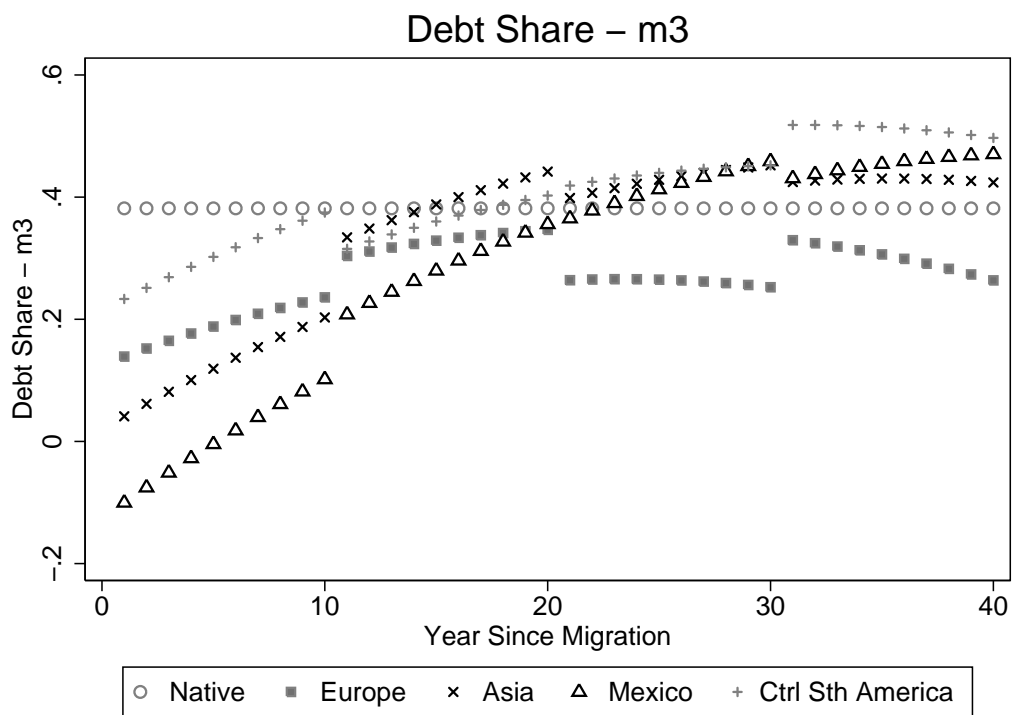
Arrived 1991 or after

### RIEstat Share – m3



### Other Share – m3





**Table A1:** Portfolio Assimilation by Married Household (model 3)

	Financial share		Non-financial share	
	coef	t-stat	coef	t-stat
Permanent income	0.003*	13.388	-0.001†	-2.174
Transitory income	0.002*	30.432	-0.001*	-7.977
Kids <18	-0.012*	-14.994	0.012*	13.305
Husband age	-0.005*	-5.677	0.007*	7.664
Husband age squared/100	0.007*	8.497	-0.008*	-9.082
Wife age	-0.004*	-4.704	0.006*	7.032
Wife age squared/100	0.007*	8.698	-0.007*	-8.257
Husband less than high school	-0.050*	-16.313	0.030*	9.138
Husband college	0.044*	18.023	-0.042*	-15.352
Wife less than high school	-0.041*	-12.454	0.017*	4.905
Wife college	0.027*	10.981	-0.022*	-8.125
YSM	0.001	0.347	0.003	1.514
YSM Squared/100	-0.003	-0.971	-0.004	-1.108
YSM × Asia	-0.003‡	-1.899	0.001	0.669
YSM × Mexico	-0.000	-0.214	0.002	0.987
YSM × Ctr/Sth America	-0.005†	-2.466	0.005†	2.173
YSM × Other	-0.004	-1.394	0.005‡	1.784
Arrived 1970 or before	0.015	0.304	-0.050	-0.933
Arrived 1971-1980	0.022	0.598	-0.052	-1.315
Arrived 1981-1990	0.052†	2.535	-0.071*	-3.159
Arrived 1991 or after	0.051*	2.712	-0.060*	-2.905
Arrived 1970 or before × Asia	0.061	1.001	-0.010	-0.146
Arrived 1971-1980 × Asia	0.032	0.788	0.003	0.074
Arrived 1981-1990 × Asia	0.018	0.781	-0.003	-0.116
Arrived 1991 or after × Asia	0.097*	4.362	-0.078*	-3.190
Arrived 1970 or before × Mexico	-0.035	-0.584	-0.030	-0.460
Arrived 1971-1980 × Mexico	-0.011	-0.278	-0.027	-0.622
Arrived 1981-1990 × Mexico	-0.066*	-2.734	0.028	1.095
Arrived 1991 or after × Mexico	-0.062†	-2.546	0.014	0.546
Arrived 1970 or before × Ctr/Sth	0.152†	2.345	-0.175†	-2.459
Arrived 1971-1980 × Ctr/Sth	0.059	1.285	-0.116†	-2.287
Arrived 1981-1990 × Ctr/Sth	0.048‡	1.874	-0.108*	-3.862
Arrived 1991 or after × Ctr/Sth	0.004	0.153	-0.063†	-2.232
Arrived 1970 or before × Other	0.101	1.229	-0.156‡	-1.726
Arrived 1971-1980 × Other	-0.005	-0.085	-0.068	-1.134
Arrived 1981-1990 × Other	0.035	1.197	-0.103*	-3.163
Arrived 1991 or after × Other	0.007	0.212	-0.010	-0.268

Notes: \*, † and ‡ indicate significance at 1, 5 and 10 percent levels respectively. All figures deflated using Monthly CPI-U BLS, Base = December 2004. The omitted education category is high school graduate, and Europe is the omitted category for the interaction terms.

**Table A2: Portfolio Assimilation by Married Household (model 3)**

	Cash		Stock/Equity		Real estate		Other		Debt	
	coef	t-stat	coef	t-stat	coef	t-stat	coef	t-stat	coef	t-stat
Permanent income	0.002*	8.565	0.004*	16.761	0.004*	8.227	-0.003*	-11.618	0.005*	3.734
Transitory income	0.001*	23.643	0.002*	27.124	0.001*	12.744	-0.001*	-20.663	0.000	0.175
Kids <18	-0.009*	-15.355	-0.007*	-8.935	0.017*	12.425	-0.004*	-4.259	-0.004	-0.915
Husband age	-0.005*	-8.658	-0.000	-0.154	0.010*	7.369	-0.001	-0.869	0.003	0.764
Husband age squared/100	0.006*	9.862	0.002*	2.659	-0.009*	-6.467	-0.001	-1.463	-0.012*	-3.104
Wife age	-0.003*	-5.367	-0.000	-0.034	0.014*	10.712	-0.006*	-6.857	0.007†	1.916
Wife age squared/100	0.005*	8.477	0.002*	2.738	-0.012*	-8.913	0.003*	3.551	-0.017*	-4.355
Husband less than high school	-0.022*	-9.919	-0.047*	-16.519	-0.012†	-2.353	0.035*	10.529	0.005	0.327
Husband college	0.013*	7.293	0.039*	17.340	-0.014*	-3.278	-0.029*	-10.641	-0.036*	-3.049
Wife less than high school	-0.017*	-7.076	-0.044*	-14.281	-0.022*	-4.042	0.028*	7.983	-0.020	-1.261
Wife college	0.015*	8.534	0.018*	7.815	0.005	1.225	-0.025*	-9.112	-0.039*	-3.239
YSM	-0.002	-1.325	0.004†	2.042	0.031*	8.925	-0.018*	-8.175	0.014	1.438
YSM Squared/100	-0.001	-0.428	-0.003	-0.919	-0.049*	-9.297	0.030†	8.800	-0.030†	-2.015
YSM × Asia	-0.001	-0.489	-0.003†	-1.797	-0.003	-0.913	0.003	1.383	0.007	0.814
YSM × Mexico	0.003*	2.678	-0.004†	-2.034	0.006†	1.818	-0.002	-1.221	0.012	1.349
YSM × Ctr/Sth America	-0.001	-0.517	-0.005*	-2.617	0.007†	1.990	-0.001	-0.319	0.005	0.514
YSM × Other	0.002	1.268	-0.006†	-2.473	-0.001	-0.343	0.006†	2.202	0.005	0.402
Arrived 1970 or before	0.091*	2.632	-0.108†	-2.362	-0.396*	-4.746	0.205*	3.797	-0.199	-0.831
Arrived 1971-1980	0.086*	3.384	-0.093*	-2.737	-0.372*	-6.010	0.188*	4.704	-0.281	-1.596
Arrived 1981-1990	0.081*	5.564	-0.056*	-2.845	-0.352*	-9.862	0.172*	7.628	-0.196†	-1.963
Arrived 1991 or after	0.101*	7.466	-0.090*	-4.915	-0.382*	-11.393	0.186*	8.923	-0.256*	-2.781
Arrived 1970 or before × Asia	-0.020	-0.463	0.080	1.417	0.060	0.573	-0.031	-0.457	-0.128	-0.431
Arrived 1971-1980 × Asia	-0.014	-0.498	0.045	1.165	0.015	0.219	0.011	0.248	-0.017	-0.085
Arrived 1981-1990 × Asia	0.001	0.082	0.020	0.929	-0.028	-0.703	0.026	1.031	-0.049	-0.443
Arrived 1991 or after × Asia	0.030†	1.861	0.099*	4.613	-0.152*	-3.777	0.031	1.259	-0.105	-0.963
Arrived 1970 or before × Mexico	-0.148*	-3.460	0.077	1.328	-0.168†	-1.661	0.102	1.573	-0.261	-0.904
Arrived 1971-1980 × Mexico	-0.101*	-3.478	0.055	1.385	-0.197*	-2.868	0.137*	3.113	-0.144	-0.738
Arrived 1981-1990 × Mexico	-0.100*	-5.768	-0.001	-0.061	-0.185*	-4.444	0.164*	6.362	-0.224†	-1.941
Arrived 1991 or after × Mexico	-0.119*	-6.831	0.040	1.641	-0.202*	-4.846	0.165*	6.496	-0.251†	-2.208
Arrived 1970 or before × Ctr/Sth	0.021	0.456	0.149†	2.409	-0.276†	-2.472	0.044	0.612	0.035	0.112
Arrived 1971-1980 × Ctr/Sth	0.000	0.009	0.051	1.141	-0.246*	-3.083	0.072	1.410	0.051	0.228
Arrived 1981-1990 × Ctr/Sth	0.004	0.215	0.046†	1.861	-0.231*	-5.092	0.061†	2.177	-0.043	-0.347
Arrived 1991 or after × Ctr/Sth	-0.044†	-2.361	0.048†	1.894	-0.125*	-2.705	0.037	1.316	0.089	0.713
Arrived 1970 or before × Other	-0.107†	-1.828	0.208*	2.686	0.017	0.122	-0.177†	-1.942	-0.111	-0.278
Arrived 1971-1980 × Other	-0.090†	-2.298	0.065	1.246	-0.003	-0.035	-0.070	-1.146	0.082	0.311
Arrived 1981-1990 × Other	-0.022	-1.037	0.058†	2.036	-0.111†	-2.121	-0.016	-0.493	0.083	0.581
Arrived 1991 or after × Other	-0.032	-1.295	0.030	0.871	-0.149†	-2.325	0.096†	2.508	-0.028	-0.163

Notes: \*, † and ‡ indicate significance at 1, 5 and 10 percent levels respectively. All figures deflated using Monthly CPI-U BLS, Base = December 2004. The omitted education category is high school graduate, and Europe is the omitted category for the interaction terms.

**Table A3: Determinants of Assets by Married Household (model 3)**

	Financial Asset		Non-financial Asset	
	coef	t-stat	coef	t-stat
Permanent income	0.155*	42.873	0.069*	34.922
Transitory income	0.055*	61.601	0.025*	51.387
Kids <18	-0.184*	-16.012	0.028*	4.470
Husband age	-0.068*	-5.800	0.040*	6.171
Husband age squared/100	0.100*	8.553	-0.026*	-4.071
Wife age	0.010	0.917	0.040*	6.665
Wife age squared/100	0.041*	3.576	-0.022*	-3.597
Husband less than high school	-1.058*	-24.566	-0.279*	-11.894
Husband college	0.518*	14.610	0.083*	4.290
Wife less than high school	-1.013*	-21.931	-0.357*	-14.198
Wife college	0.331*	9.258	0.034‡	1.741
YSM	0.125*	4.353	0.135*	8.680
YSM Squared/100	-0.241*	-5.542	-0.222*	-9.389
YSM × Asia	-0.038	-1.454	-0.017	-1.234
YSM × Mexico	0.023	0.905	0.024‡	1.747
YSM × Ctr/Sth America	-0.066†	-2.351	0.023	1.506
YSM × Other	-0.020	-0.548	0.032	1.628
Arrived 1970 or before	-0.835	-1.196	-1.529*	-4.028
Arrived 1971-1980	-1.037†	-2.010	-1.635*	-5.830
Arrived 1981-1990	-0.879*	-3.011	-1.774*	-11.171
Arrived 1991 or after	-1.504*	-5.590	-2.224*	-15.201
Arrived 1970 or before × Asia	0.336	0.385	0.372	0.785
Arrived 1971-1980 × Asia	0.211	0.361	0.304	0.955
Arrived 1981-1990 × Asia	0.220	0.680	0.254	1.447
Arrived 1991 or after × Asia	1.007*	3.167	0.060	0.345
Arrived 1970 or before × Mexico	-1.629‡	-1.940	-0.872‡	-1.909
Arrived 1971-1980 × Mexico	-1.060‡	-1.857	-0.660†	-2.125
Arrived 1981-1990 × Mexico	-1.507*	-4.496	-0.165	-0.906
Arrived 1991 or after × Mexico	-0.746†	-2.275	0.291	1.632
Arrived 1970 or before × Ctr/Sth	1.392	1.508	-1.529*	-3.044
Arrived 1971-1980 × Ctr/Sth	0.093	0.141	-1.150*	-3.210
Arrived 1981-1990 × Ctr/Sth	0.208	0.573	-0.722*	-3.659
Arrived 1991 or after × Ctr/Sth	0.222	0.606	-0.187	-0.938
Arrived 1970 or before × Other	0.401	0.341	-1.433†	-2.241
Arrived 1971-1980 × Other	-0.868	-1.108	-0.930†	-2.182
Arrived 1981-1990 × Other	0.136	0.322	-0.907*	-3.957
Arrived 1991 or after × Other	0.122	0.246	-0.017	-0.064

Notes: \*, † and ‡ indicate significance at 1, 5 and 10 percent levels respectively. All figures deflated using Monthly CPI-U BLS, Base = December 2004. The omitted education category is high school graduate, and Europe is the omitted category for the interaction terms.

**Table A4:** Determinants of Assets by Married Household (model 3)

	Cash		Stock/Equity		Real estate		Other		Debt	
	coef	t-stat	coef	t-stat	coef	t-stat	coef	t-stat	coef	t-stat
Permanent income	0.152*	34.662	0.160*	33.406	0.099*	19.898	0.057*	23.469	0.140*	34.129
Transitory income	0.060*	55.174	0.058*	48.918	0.048*	39.240	0.016*	26.342	0.031*	30.714
Kids <18	-0.222*	-15.856	-0.116*	-7.612	0.145*	9.227	-0.057*	-7.415	0.002	0.122
Husband age	-0.100*	-6.992	0.013	0.831	0.158*	9.752	0.030*	3.766	0.071*	5.310
Husband age squared/100	0.125*	8.735	0.023	1.479	-0.113*	-7.002	-0.030*	-3.879	-0.122*	-9.122
Wife age	-0.012	-0.905	0.065*	4.400	0.175*	11.476	0.020*	2.691	0.186*	14.720
Wife age squared/100	0.066*	4.775	-0.019	-1.250	-0.124*	-7.878	-0.018†	-2.305	-0.244*	-18.773
Husband less than high school	-0.964*	-18.387	-1.093*	-19.171	-0.585*	-9.896	-0.217*	-7.553	-0.130*	-2.658
Husband college	0.575*	13.329	0.824*	17.545	0.209*	4.286	-0.138*	-5.849	-0.194*	-4.807
Wife less than high school	-0.841*	-14.957	-1.088*	-17.791	-0.777*	-12.251	-0.355*	-11.502	-0.267*	-5.075
Wife college	0.418*	9.595	0.419*	8.852	0.244*	4.977	-0.098*	-4.096	-0.264*	-6.482
YSM	0.081†	2.322	0.136*	3.582	0.392*	9.987	0.041†	2.149	0.212*	6.507
YSM Squared/100	-0.229*	-4.327	-0.156*	-2.706	-0.597*	-10.002	-0.067†	-2.307	-0.357*	-7.221
YSM × Asia	-0.001	-0.041	-0.012	-0.358	-0.062†	-1.758	-0.024	-1.385	-0.011	-0.378
YSM × Mexico	0.049	1.593	-0.037	-1.106	0.006	0.162	0.024	1.416	0.065†	2.268
YSM × Ctr/Sth America	-0.019	-0.558	-0.062†	-1.668	0.044	1.135	0.016	0.857	0.040	1.250
YSM × Other	0.030	0.676	-0.026	-0.541	-0.032	-0.646	0.045†	1.874	0.010	0.250
Arrived 1970 or before	0.861	1.014	-2.601*	-2.815	-5.510*	-5.752	-1.141†	-2.448	-3.104*	-3.911
Arrived 1971-1980	0.430	0.684	-2.656*	-3.891	-5.327*	-7.526	-1.084*	-3.147	-3.290*	-5.610
Arrived 1981-1990	-0.068	-0.191	-2.561*	-6.628	-5.037*	-12.573	-1.233*	-6.327	-2.381*	-7.173
Arrived 1991 or after	-0.760†	-2.321	-3.182*	-8.937	-5.601*	-15.170	-1.570*	-8.740	-3.028*	-9.898
Arrived 1970 or before × Asia	-1.345	-1.267	0.123	0.106	1.314	1.097	1.030†	1.768	1.018	1.026
Arrived 1971-1980 × Asia	-0.891	-1.251	-0.202	-0.260	0.822	1.024	0.846†	2.167	0.995	1.496
Arrived 1981-1990 × Asia	-0.300	-0.764	0.360	0.842	-0.053	-0.119	0.746*	3.461	-0.142	-0.387
Arrived 1991 or after × Asia	0.462	1.193	1.525*	3.622	-1.103†	-2.527	0.798*	3.756	-0.121	-0.335
Arrived 1970 or before × Mexico	-2.841*	-2.780	0.267	0.240	-0.683	-0.592	-0.597	-1.064	-1.623†	-1.699
Arrived 1971-1980 × Mexico	-1.760†	-2.533	0.442	0.585	-0.998	-1.273	-0.193	-0.506	-1.124†	-1.731
Arrived 1981-1990 × Mexico	-1.415*	-3.467	0.682	1.538	-0.739	-1.606	0.414†	1.848	-1.889*	-4.955
Arrived 1991 or after × Mexico	-0.562	-1.408	1.834*	4.228	-0.151	-0.335	0.753*	3.440	-1.584*	-4.249
Arrived 1970 or before × Ctr/Sth	-0.892	-0.794	1.599	1.308	-2.741†	-2.163	-0.699	-1.133	0.118	0.112
Arrived 1971-1980 × Ctr/Sth	-1.061	-1.324	0.230	0.264	-2.577*	-2.851	-0.794†	-1.805	-0.301	-0.401
Arrived 1981-1990 × Ctr/Sth	-0.480	-1.087	0.880†	1.832	-2.004*	-4.025	-0.128	-0.527	-0.680†	-1.648
Arrived 1991 or after × Ctr/Sth	-0.527	-1.180	1.409*	2.903	-0.510	-1.014	0.307	1.253	0.258	0.619
Arrived 1970 or before × Other	-2.467†	-1.725	1.126	0.724	0.239	0.148	-1.514†	-1.929	0.252	0.189
Arrived 1971-1980 × Other	-2.200†	-2.306	-0.824	-0.794	-0.362	-0.337	-0.850	-1.623	0.770	0.864
Arrived 1981-1990 × Other	-0.532	-1.037	0.243	0.436	-0.910	-1.572	-0.456	-1.619	-0.303	-0.633
Arrived 1991 or after × Other	0.142	0.235	0.173	0.264	-1.039	-1.523	0.679†	2.048	-0.310	-0.548

Notes: \*, † and ‡ indicate significance at 1, 5 and 10 percent levels respectively. All figures deflated using Monthly CPI-U BLS, Base = December 2004. The omitted education category is high school graduate, and Europe is the omitted category for the interaction terms.

## References

- Altonji, J. G. and Doraszelski, U. (2005). The role of permanent income and demographics in black/white differences in wealth. *Journal of Human Resources*, 40(1). 5
- Borjas, G. J. (1994). The economics of immigration. *Journal of Economic Literature*, 32(4):1667–1717. 5
- Borjas, G. J. (2002). Homeownership in the immigrant population. *Journal of Urban Economics*, 52(3):448–476. 3
- Carroll, C. D., Rhee, B.-K., and Rhee, C. (1994). Are there cultural effects on saving? some cross-sectional evidence. *The Quarterly Journal of Economics*, 109(3):685–99. 5
- Carroll, C. D., Rhee, B.-K., and Rhee, C. (1999). Does cultural origin affect saving behavior? evidence from immigrants. *Economic Development and Cultural Change*, 48(1):33–50. 3, 5
- Cobb-Clark, D. A. and Hildebrand, V. A. (2006). The wealth and asset holdings of U.S.-born and foreign-born households: Evidence from SIPP data. *Review of Income and Wealth*, 52(1):17–42. 3
- Heaton, J. and Lucas, D. (2000). Portfolio choice and asset prices: The importance of entrepreneurial risk. *Journal of Finance*, 55(3):1163–1198. 8
- Osili, U. O. and Paulson, A. (2004). Prospects for immigrant-native wealth assimilation: evidence from financial market participation. Working Paper Series WP-04-18, Federal Reserve Bank of Chicago. 5
- Osili, U. O. and Paulson, A. L. (2008). Institutions and financial development: Evidence from international migrants in the united states. *The Review of Economics and Statistics*, 90(3):498–517. 3, 5
- Paulson, A. and Rhine, S. (2008). The financial assimilation of an immigrant group: Evidence on the use of checking and savings accounts and currency exchanges. *Journal of Family and Economic Issues*, 29(2):264–278. 3
- Shamsuddin, A. F. M. and DeVoretz, D. J. (1998). Wealth accumulation of canadian and foreign-born households in canada. *Review of Income and Wealth*, 44(4):515–33. 5