Use of Means-Tested Transfer Programs by Immigrants, Their Children, and Their Children's Children

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January 1999

The authors would like to thank Orley Ashenfelter, Becky Blank, David Card, John DiNardo, Hank Farber, Phil Levine, Anne Piehl, Robert Schoeni, seminar participants at Princeton University, and participants at the "Labor Markets and Less-skilled Workers" pre-conference at the Joint Center for Poverty Research for helpful comments. We thank Karen Tumlin and Wendy Zimmerman for allowing us to excerpt their work on changes in immigrant eligibility after welfare reform. Kristin Butcher would like to thank the Industrial Relations Section at Princeton University for generous support. Luojia Hu gratefully acknowledges financial support from Woodrow Wilson Society of Fellows. All errors are our own.

I. Introduction

The past two decades have brought more immigrants to the United States than any comparable period since the "great" migration at the turn of the last century. Researchers and policy makers have always been concerned about the impact of immigration on a host of socio-economic outcomes. However, since the changes in immigration law in 1965, the predominant sending regions shifted from European countries to countries in Latin America and Asia. These "new" immigrants tend to have lower levels of education, on average, than the native born in the United States. This shift, combined with declines in real wages for low-skilled workers in the United States in general, has increased concerns about immigrants' effect on the public coffers through their use of public transfer programs, participation in bilingual and other special programs in public schools, and criminal activity. In addition, policymakers express concern that generous welfare programs may act as a "magnet," perhaps attracting low-skilled immigrants to the United States.[1]

Public concern over immigrants' use of welfare culminated in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Welfare Reform Act (WRA)). Welfare reform radically changed the welfare system in the United States. Its impact on low-skilled U.S. citizens is the subject of intense debate and study. While the changes brought by this law affect all welfare recipients, noncitizens were expressly singled out. The welfare reform act affects the panoply of government sponsored support more profoundly for noncitizens than for any other group.

We first present a brief summary of the changes in the welfare system affecting noncitizens. The changes in the federal law have resulted in much greater variation across states in immigrants' access to social programs. While it is still too early to assess the impact of these changes on the immigrant population, we can examine the extent to which the immigrant population relied on the welfare system at the time the law was passed. This will shed light both on which immigrants are likely to be affected by changes, and which states have the largest immigrant caseloads, and thus will be most affected by the transfer of welfare programs for noncitizens from federal to state authority. We use data from the 1994-1996 Current Populations Surveys to analyze these changes.

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[1]For research addressing these concerns, see Borjas (1998), Borjas and Hilton (1996), Betts and Lofstrom (1998), and Butcher and Piehl (1998a, 1998b, 1998c).

Support for welfare reform as it pertains to immigrants came out of the perception that the United States currently attracts immigrants who are particularly prone to reliance on welfare, and that by changing these rules we could both save public funds and attract immigrants more likely to be successful in the United States labor market. One concern is that if immigrants rely on welfare, they may raise their children to rely on welfare. Current immigration may have long term implications for the welfare state. Indeed, the most important impact of immigration on the United States in many dimensions is likely to be long term. Currently, immigrants comprise about 10 percent of the population, those with at least one foreign-born parent also comprise about 10 percent of the population, and those with at least one foreign born grandparent comprise 40 percent of the population. The larger the immigrant flow, the larger the legacy it will leave. With that in mind, it is worth investigating what the intergenerational welfare use looked like for immigrants under the pre-reform system. Was it the case, prior to welfare reform, that the first generations' welfare use "escalated" across generations, or does the second generation "assimilate" to the welfare use of the native born? In order to investigate these questions, throughout our data analysis we present information separately for immigrants (the "foreign born" or the "first generation"), children of immigrants (the "second generation") and those with native born parents (the "native born" or the "third (and higher) generation"[2]). In addition, we examine the "intergenerational" correlation in welfare receipt using data on immigrants from the 1970 Census and data on the "second generation" in the 1994-1996 CPS's. To our knowledge, this is the first attempt to measure the intergenerational correlation in welfare use for immigrants in the United States.

In addition to providing information on changes in welfare rules pertaining to immigrants, the contribution of this research to the literature on immigrants and welfare is threefold: first, we use the most recent data available before the large overhaul in the welfare rules and those data have rich information on a wide range of transfer programs. Therefore this work should help paint a clear picture of immigrants' reliance on welfare prior to the welfare reform. Secondly, the data allow us to examine several groups of interest, in particular, immigrants, the second generation and the third (and higher) generation. Lastly, combining the CPS data with 1970 Census data allows us to calculate

[2]The "third generation" includes all native born with native born parents. Their immigrant ancestors may be farther back than their grandparents.

intergenerational correlation in welfare use between immigrants and their children. So this paper should shed some light on the possible effects, both short term and long term, of welfare reform.

Our results show that immigrants are more likely to use transfer programs than are the native born, on average. The differences are larger for in-kind transfer programs like food stamps and Medicaid coverage than for cash transfer programs. However, we also find that immigrants are less likely to participate in these programs than are the native born with similar observable characteristics. The second generation is always less likely than the third generation, both on average and controlling for characteristics, to use transfer programs. Finally, we find that the first generation's receipt of welfare has a positive and significant effect on the second generation's receipt. However, the coefficients are generally less than one -- indicating that differences between the immigrant generation and the native born should "die out" over time. In addition, in most cases there is no significant effect of the first generation's transfer receipt on the second generation when the education level of the second generation is held constant. While this is far from a perfect test of "welfare dependency," our results suggest that the "transmission" of welfare use between immigrants and their children works through skills; there is little evidence that welfare use by the parents' generation has an added effect over and above the fact that if one's parents are poor, one is also likely to be poor.

The paper proceeds as follows. Section II gives a brief overview of the changes in welfare rules as they apply to immigrants. Section III has several subsections. We first describe the data and present evidence on which states have largest the proportion immigrant among their caseloads. After a brief review of the previous literature on immigrants' welfare use in comparison with the natives, we present multivariate regression results on the participation in various transfer programs for immigrants, the second generation, and the third generation. Section IV calculates intergenerational correlations in welfare use. Section V concludes.

II. Changes in Eligibility after Welfare Reform

Prior to August 1996 when the Personal Responsibility and Work Opportunity Act was signed

into law,[3] the same welfare eligibility standards were applied to U.S. citizens and legal immigrant noncitizens.[4] The new standards are very different for citizens and noncitizens and are extremely complex. We will provide a brief overview of the changes in eligibility for federal programs, and describe some of the state level changes. The description here draws heavily on the work of Zimmerman and Tumlin (1999). That paper provides a thorough description of the changes in federal laws and a detailed description of states' responses to the federal changes.[5]

The Welfare Reform Act has added to the complexity of determining immigrants' eligibility by creating several different categories of immigrants. As mentioned above, previously citizens and noncitizens had similar eligibility rules. Now, the rules distinguish between citizens and noncitizens. Noncitizens are further categorized according to their date of arrival. Current immigrants are those arriving prior to the signing of the welfare reform bill. New immigrants are those who arrived after the bill was signed into law. In addition, immigrants are classified as "qualified" or "unqualified." "Qualified" immigrants include lawful permanent residents, refugees and asylees, persons paroled into the U.S. for at least one year, and battered spouses or children whose visa status is pending. "Unqualified" immigrants include undocumented immigrants, asylum applicants, and those with temporary status such as students and tourists.

A brief description of eligibility is difficult, since the rules are complicated and changing. Eligibility for various federal and state programs differs depending on the category into which an immigrant falls. In addition, there have already been several modifications to the rules governing immigrants' eligibility in the Welfare Reform Act. Initially, the changes in welfare rules denied both Supplementary Security Income (SSI) and food stamp benefits to legal immigrants who are currently in the United States, but there was great public outcry at the perceived injustice of denying SSI benefits, and these benefits were restored by the Balanced-Budget Accord of 1997.This reversal does

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[3]In addition to the WRA, the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 addressed some similar issues.

[4]Illegal immigrants were always excluded from almost all public aid (emergency medical treatment is an exception).

[5]In addition, see Espenshade, Baraka, and Huber (1997) for description and analysis of the laws affecting immigrants' eligibility for means-tested aid programs.

not extend to new legal immigrants. New legal immigrants are permanently disqualified from receiving SSI. The government continues to revisit these provisions of the WRA. On June 23, 1998 the president signed the Agriculture Research, Extension and Education Reform Act (public law 105-185) which restores food stamps to certain aliens who were denied benefits under WRA. The restoration of food stamp benefits was patterned after the restoration of SSI benefits, so new immigrants are still denied food stamp benefits.[6]

Figure 1 -- which is excerpted directly from Zimmerman and Tumlin — gives an overview of noncitizen eligibility for the four largest budget items in the myriad of programs that make up the welfare state. We will describe the changes to each program in turn.

In addition to changing the name of the main cash program from Aid to Families with Dependent Children (AFDC) to Temporary Assistance to Needy Families (TANF), welfare reform changed its nature. Responsibility for the program now mainly lies with the state. Even "qualified" noncitizens who were in the U.S. prior to the passage of welfare reform are only eligible for TANF if each state decides to extend benefits to this group. Noncitizens who have worked in the U.S. for forty quarters or who are military personnel (or their families) are eligible for TANF. In addition, refugees and asylees are eligible for TANF for their first five years, and at the state's discretion after that.

The Medicaid rules pertaining to immigrants who arrived prior to August 22, 1996 are similar to those for TANF. The treatment of refugees and asylees is different: they are eligible for their first seven years in the U.S. and then at the state's discretion.

Immigrants arriving prior to the signing of the welfare reform bill are now eligible for food stamps and SSI. However, the treatment of refugees is same as under Medicaid — they are eligible for their first seven years and the states have the option of offering it after that.

For immigrants arriving *after* the signing of the welfare reform bill, the situation is quite

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[6]As of this writing, further changes in the rules applying to immigrants have been proposed by the Clinton Administration. The most recent proposal would allow legal immigrants in the United States on August 22, 1996, who later reached age 65 to be eligible for food stamps. In addition, for those who entered after August 22, 1996, states would have the option of providing health coverage to legal immigrant children and Medicaid coverage for prenatal care to legal immigrant women (Janofsky (1999)).

different. Even lawful permanent residents are barred from receiving SSI or food stamps, and they are barred from Medicaid and TANF receipt for their first five years in the U.S. After five years these two programs are available at the states' discretion.

Welfare reform has made the social safety net for immigrants vastly more complex, and it may have opened up several holes, although the extent to which immigrants are affected by these holes depends on the state. As figure 1 demonstrates, in most cases immigrants are eligible for state and local public benefits if states decide to cover them. Zimmerman and Tumlin provide invaluable information: the authors surveyed states to determine their responses to welfare rules changes pertaining to immigrants. As might be expected, these responses range from simply mimicking the eligibility rules set up by the federal government, to purposefully trying to fill the gaps in coverage for immigrants. For example, Washington state pioneered the idea of purchasing food stamps from the federal government to offer to newly ineligible immigrants (Zimmerman and Tumlin, pp. 8). In many cases, states that have given the most consideration to providing benefits to newly ineligible immigrants are those with sizeable immigrant populations and the most generous existing system of benefits. For example, California -- the state with the largest immigrant population -- has opted to provide food programs, TANF, and Medicaid to new immigrants during the five year ban (Zimmerman and Tumlin, Table 5). New York state, on the other hand, has opted to allow participation in state food programs for only targeted groups of immigrants (e.g. children).

While some states are trying to fill the gaps in coverage for some groups of newly ineligible immigrants, the state rules add yet another layer of complexity to eligibility. States may offer various programs, each with different eligibility restrictions. Some of the more common restrictions include targeting only certain groups (children, for example), imposing sponsor deeming,[7] requiring

[7] "Deeming" means that the immigrant's sponsor's income is assumed to be available to the immigrant in its entirety -- the immigrant is only eligible if his/her income plus the sponsor's income is below the income cutoff for a given program.

naturalization procedures,[8] and imposing residency requirements.[9]

The lasting impression from Zimmerman and Tumlin's exhaustive investigation is that while welfare reform created an enormous amount of interstate variation in the social safety net for citizens, that variation is even greater for immigrants. While some states are working to fill these gaps for some groups of immigrants, there still appear to be groups that are uncovered for certain needs. In particular, Zimmerman and Tumlin emphasize that no state program fills the same needs for new immigrants as the federal Medicaid program. The effect of these gaps on the affected population remains to be seen, but the Zimmerman and Tumlin paper points to outcomes -- for example health outcomes -- that will be particularly important to track in the future.

The impact of these changes is twofold: they affect the immigrant populations and they affect the states. States' costs will be affected by the fraction of the needy who are immigrants and by their decisions to provide state programs compensating for the lack of federal aid. The extent to which the immigrant population will be affected by these changes depends on how extensively they have relied on various programs, and how the states in which they reside have reacted to the federal changes. In the next section we document immigrants' use of welfare programs prior to welfare reform.

III. Immigrant Participation in Welfare Programs

A. Data

We rely primarily on data from the March 1994-1996 Current Population Surveys. These data have several advantages and disadvantages. The survey covers participation in a wide range of welfare programs including AFDC,[10] SSI, food stamps, Medicaid, subsidized school lunches, public

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[8]States have an incentive to encourage naturalization since immigrants will be eligible for programs for which the federal government shares costs if immigrants become citizens. Some states have programs to help with naturalization procedures.

[9]The constitutionality of requiring residency requirements for welfare receipt for citizens is currently being considered by the Supreme Court.

[10]These data were collected prior to October 1, 1996, when the Welfare Reform Act took effect. AFDC programs were abolished and TANF programs began at that point.

housing, reduced rent, and energy assistance. We focus on the first four of these programs since they are much larger items in the government budget,[11] and those that were mainly affected under welfare reform. In addition to covering a wide range of programs, these data are the most recent available prior to welfare reform. Therefore they should help inform policymakers of where the impacts of welfare reform will be felt.

A drawback to the CPS data for our purpose is that there appears to be an undercount of welfare recipients compared to administrative records. While there has always been something of an undercount, it has increased in recent years. From 1987 to 1993, the ratio of AFDC recipients in the CPS to administrative data hovered around eighty percent. From 1994 onward, this percentage has fallen, and in 1994 to 1996 — the period covered by our data — the CPS seems to have found about 70 percent of the cases (Bavier (1999)). At present, not much is known about this decline in coverage in the CPS. For our purposes, the decline in coverage will affect our ability to use CPS data to make statements about the total number of immigrants or the native born who receive welfare. However, assuming the undercount is not concentrated among the immigrant population, we may still use the CPS data to draw inferences about the relative use of welfare programs by immigrants and the native born. We currently have no evidence as to whether the undercount is concentrated among some groups, however, our results comparing immigrant and native born participation in welfare programs are very similar to results in Borjas and Hilton (1996) which rely on the Survey of Income and Program Participation (SIPP), and the SIPP suffers less from an undercount problem. With these caveats in mind, we can use these data to examine immigrants' participation in welfare programs.

B. Immigrants as a Percentage of State Caseloads

Table 1 presents demographic information for immigrants and several groups of the native born: those with either one or two parents born abroad, and those with native born parents.[12] All data

[11]In 1994, federal, state, and local expenditures on AFDC, SSI, food stamps and Medicaid totaled 224.2 billion dollars; expenditures on school lunches, public housing, rent subsidies, and energy assistance totaled 27.3 billion. (Statistical Abstract of the United States 1997, pp.375)

[12]For completeness we also present evidence on the residual category "other." These are people born in U.S. outlying areas. They are U.S. citizens, but may not have grown up in the 50

come from the March 1994-1996 CPS and only individuals aged 18 and older are included. Immigrants are disproportionately represented among the low-skilled population. Immigrants comprise about 10.9 percent of the population, but about 20.8 percent of those with less than a high school degree. On the other hand, although immigrants are more likely to live in larger families and are more likely to have children present, they are less likely to be in female headed families and are more likely to be married than are the native born. They make up only 9.5 percent of single female heads with children under 18 in the household.[13] In addition, as has been documented elsewhere, immigrants are much more likely to be Hispanic or Asian than are the native born, and they are less likely to have worked in the previous year than those with U.S. born parents,[14] and have lower log average hourly earnings than any of the native born groups.

Based on demographic characteristics (other than marital status), one would expect immigrants to be more represented among welfare recipients than they are among the population in general. In addition, immigrants tend to be concentrated in only a few states in the United States, and their characteristics vary considerably by state. Therefore, immigrant concentrations among the "needy" populations are likely to vary greatly across states.

Figures 2 and 3 present evidence on which states have the highest concentrations of immigrants in their AFDC and food stamp caseloads. The numbers are the percent of all individuals reporting AFDC and food stamp receipt who are immigrants, weighted by the number of months of

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states. This category is dominated by Puerto Ricans.

[13]We do not know whether the children are actually the offspring of any specific individual. The CPS does not allow a more accurate definition of "single mother."

[14]We will emphasize comparisons across generations in the next section. In the meantime, when examining the characteristics of the second generation, it is important to notice their high average age. Their low employment rate, for example, is a consequence of the high average age. Their advanced age is an artifact of the great migration at the turn of the last century. If one has two foreign born parents, it is likely that they immigrated during that time period, and thus, one is likely to be older. When we limit our sample to those between 18 and 65 (the usual cutoffs for labor market studies), the average age in the second generation is very similar to the other groups. Card, DiNardo, and Estes (1998) analyze labor market outcomes of these groups. When we use their age cutoffs, we obtain nearly identical sample characteristics.

receipt.[15] We divide the states into three broad categories according to immigrant concentration. The high concentration states have immigrants making up more than 10 percent of the welfare caseload, and the low concentration states have immigrants making up less than 1 percent, while the medium states include the rest**.** Figures 2 and 3 make clear that there is great variation in the portion of caseloads comprised of immigrants across states. When we repeat this exercise to show which states have caseloads heavily comprised of *noncitizen* immigrants, we obtain similar results. Assuming that new immigrants' choice of state of residence follows earlier immigrants' patterns,[16] the states with the largest current immigrant caseloads will be most affected by welfare reform. If states choose to mirror the federal eligibility rules, then presumably this will result in a substantial decline in the "new immigrant" caseload, and attendant cost savings. On the other hand, these states will also be faced with a substantial portion of their needy populations going unserved. In reality, the states with heavy immigrant caseloads -- California and Massachusetts in particular -- have tried to offset changes in the federal safety net with state programs. For these states, welfare reform is likely to result in a substantial increase expenditures on welfare programs for immigrants.

In the next section, after a brief review of the literature, we focus on comparisons in welfare use between immigrants and several groups of the native born.

C. Comparisons between Immigrants and the Native Born

As discussed in the introduction, part of the motivation for welfare reform as it pertains to immigrants was to change the incentives for immigration, and change the characteristics of the immigrant flow toward those who are less likely to use welfare. While it is too soon to begin to evaluate whether those goals were attained, we can look back and examine welfare use among immigrants prior to welfare reform. In this section we review the earlier literature comparing welfare

[15]No information is available on months of receipt for SSI and Medicaid.

[16]Borjas (1998) presents evidence that immigrants residential patterns respond to states' welfare generosity. So, if welfare reform generates relative changes in states' welfare generosity, it might result in a different pattern of residence among new immigrants. On the other hand, Bartel (1989) finds evidence that new immigrants follow the residential patterns of older immigrants, so these residential patterns are likely to persist.

use among immigrants and the native born. Then, using our data which come from the time period immediately preceding welfare reform, we present our findings on welfare use among immigrants, the second generation, and the native born whose parents were born in the U.S.

i. Previous Literature

Due to data limitations, much of the previous work on immigrants' use of welfare programs in the United States has focused on cash transfer programs. Blau (1984) used the 1976 Survey of Income and Education to analyze family receipt of welfare and social insurance.[17] Families were defined as natives or immigrants based on the status of the head of the family. She found that immigrants were more likely to use these programs than the native born on average, but much less likely than the native born who had similar characteristics.

This pattern of findings has become quite common in the literature. Borjas and Trejo (1991) and Borjas (1995) demonstrated using several years of Census data that immigrants were more likely to receive cash transfers than were the native born in the raw data. When controls for education of the head of household were entered, and especially when controls for race and ethnicity were entered, immigrants were significantly less likely to receive cash transfers than the native born.

While immigrants were more likely than natives to use cash public assistance programs on average, the differences tended to be fairly small. There are many other, larger budget, transfer programs in the United States' social safety net. If immigrants' use of these programs differs from their use of cash programs, then these numbers based on cash transfers may under- or over-state immigrants' effect on the overall cost of the welfare system. Borjas and Hilton (1996) and Currie (1997) are two works that sought to fill this gap in our knowledge. Currie reported that about 18 percent of immigrant children were covered by Medicaid, compared to 14 percent of the native born. Currie used variation across states in the Medicaid rules to instrument for individual eligibility. Similar to the work cited above, where immigrants were less likely to use welfare than natives with similar characteristics, the take-up rates conditional on eligibility were lower among immigrants with about 50 percent of the eligible being covered among the immigrants, and about 66 percent among

[17]Welfare included aid to families with dependent children (AFDC), and Social Insurance included social security, railroad retirement, veterans' payments, unemployment compensation and workers' compensation.

the native born. However, she found that the utilization of routine care increased by the same amount among immigrants and natives as eligibility increased, but the utilization of expensive hospital care rose only for natives.

Borjas and Hilton (1996) is a comprehensive work that used the Survey of Income and Program Participation (SIPP) to investigate immigrants' use of the whole range of assistance programs. The programs they analyzed include cash programs like AFDC, SSI, and General Assistance, and noncash programs like Medicaid, Food Stamps, Supplemental Food Program for Women, Infants, and Children (WIC), Low Income Energy Assistance, Housing Assistance, and School Lunch and Breakfast Programs. They divided the data into immigrant and native-born households based on the nativity of the household reference person. When they limited their analysis to receipt of cash programs in 1990/1991, they found that 12.3 percent and 18.2 percent of the native-born and immigrant households, respectively, participated in these programs. However, when they expanded the list of programs to include all cash and non-cash benefits, these percentages rose to 16.3 percent and 26.1 percent for native-born and immigrant households, respectively. Thus, the differential in immigrants' use of non-cash programs was larger than the differential in their use of cash programs.

Much work on other aspects of immigration relies on Census data, partly because of the large samples of micro data. While immigration has increased over the past two decades, immigrants in 1990 still only represented about 10 percent of the population. Thus, very large data sets are often necessary to get large enough subsamples of immigrants and to break those immigrant groups into subgroups of interest. The Borjas and Hilton paper is the first attempt to fully document immigrants' participation in the welfare state, and uses the SIPP which is specifically designed to thoroughly investigate households' participation in transfer programs. However, their sample included only 2,449 immigrant households.

Our paper adds to the literature by giving a second, independent measure of immigrants' use of many of the same welfare programs, and by using the most recent data available from the CPS (combining 1994-1996), which allow larger sample sizes than the SIPP. In addition, the CPS data allow us to examine several groups of interest, in particular, the foreign born (immigrants), and the "second generation," the native born whose parents were born abroad. This latter category is

particularly interesting since the lasting effect of immigration on the United States economy and society depends on the behavior of the children and grandchildren of immigrants to an even larger extent than on the behavior of immigrants themselves. Additionally, combining the CPS data with 1970 Census data allows us to calculate "intergenerational" correlation in welfare use between immigrants and the children of immigrants.

ii. Welfare Use in the March 1994-96 Current Population Surveys

The bottom panel of Table 1 shows the fraction of individuals[18] receiving various welfare programs in the 1994-96 CPSs. We can see a similar pattern across the columns for all of these programs. Except for energy assistance, immigrants are more likely to receive these transfers than are the second generation, or those with two native born parents. The differences in average receipt between immigrants and the "third" generation are small for cash programs like AFDC and SSI (0.007 and 0.009), but are larger for in-kind transfers like food stamps and Medicaid (0.036 and 0.037). The receipt of these transfer programs is, in general, lower among the second generation than among any other group.

While the results across groups are intriguing, they give little insight into what might be driving these differences. For example, is the low participation in school lunch programs among the second generation due to the fact that they were exceptionally prosperous, or merely to the fact that they are older and less likely to have children present in the household? Is the low use of energy assistance among immigrants due to the fact that they have less access to information about these programs, or to the fact that they tend to live in warmer climates where winter heating is much less of a concern? Ideally, one would like to be able to decompose differences in welfare participation into different components. These differences are often characterized as differences in eligibility versus

[18]Much of the previous work focuses on family or household receipt — where the family/household is defined as "immigrant" or "native" depending on the nativity of the head of family/household. In our work, we focus on individual receipt, so that nativity status is defined by the individual. One drawback to this approach is that for some programs receipt is defined as "anyone in the household" receiving the program. Appendix table 2 shows how the individual versus family/household definitions affect reported welfare receipt across these groups. The qualitative results are very similar although the family/household-based definition yields somewhat higher relative AFDC receipt for immigrants compared to the individual-based definition.

differences in "taste" or "stigma" or information about eligibility. The reasons for differences in welfare use may have different policy implications and so it may be important to separately identify them. However these underlying reasons for welfare use are notoriously difficult to disentangle, and before expectations are raised too high, we want to stress that we will not be able to do so here.

Instead, in the following analysis, we compare participation in various welfare programs of immigrants, the second generation, and those with native born parents, controlling for individual characteristics. These results can only answer the question "compared to the third generation with similar *observable* characteristics, are immigrants more or less likely to use welfare?" As stressed by Ashenfelter (1983), one cannot answer questions about welfare "stigma" simply by regressing participation in welfare programs on individual characteristics. There may be unobservable characteristics associated with both eligibility and immigrant status that drive differences in welfare participation.[19] However, the comparisons are interesting for several reasons. First, some of the differences between these groups may be "mechanical." The fact that the second generation has far lower use of welfare programs may be driven by the fact that they are older and are less likely to have children -- they may be just as likely to use welfare as those with similar age profiles. In addition, comparisons between those with similar characteristics is at least instructive. If immigrants are less likely to use welfare than those with similar characteristics we know that either they are less welfare "prone," or they are less likely to be eligible for some unobservable reason. Other data sources may allow future research to focus on identifying those unobservables.[20] Finally, as policymakers change

[19]One potentially important unobservable characteristic associated with immigrant status is whether or not the individual is in the United States legally or illegally. Undocumented aliens are ineligible for all welfare programs except emergency medical care. While we cannot observe illegal alien status, we did re-run all the regressions using only immigrants who had become citizens. The results show that foreign-born citizens are less likely to use these programs on average and controlling for characteristics. While this is not a perfect test, since the foreign born who have become citizens are likely to be different from those who remain noncitizens, it gives us confidence that our results are not being driven by legal status. In addition, the legal population far outweighs the illegal population among immigrants.

[20]In addition, we provide these results for comparability with the rest of the literature. Rarely have researchers attempted to measure actual eligibility. Currie (1997) is an exception — she uses variation in state laws on Medicaid to instrument for eligibility.

welfare and immigration criteria to try to affect immigrants' participation in welfare, it is worth, at least, knowing how differences in observable characteristics correlate with differences in welfare use for immigrants and the native born.

That said, Tables 2a and 2b present linear probability models for receipt of SSI, AFDC, Medicaid and food stamps. The numbers reported are the coefficients on the indicator variables representing different groups of interest. The omitted category is the third (and higher) generation (i.e., the native born with U.S. born parents). The first column simply presents average differences between the first and second generation immigrants, and the comparison group. Since there are substantial age differences across these groups (in particular, the second generation is much older) and since participation in these programs may follow a distinct age profile, we include age and age squared in the second column. In addition, different household characteristics may affect the relative receipt across different groups. For example, immigrants are more likely to live in larger households and their household age structure is tilted toward the young. Note that individuals are defined as receiving food stamps if anyone in the household receives food stamps, so there will be a mechanical relationship between household size and receipt. Since many of these programs target children, having children will make one more likely to be eligible for the programs. Thus, we also add controls for household size and structure in this column.

The third column adds controls for state of residence and urban residence. Employment opportunities vary by state and urban/rural residence and may affect welfare receipt. In addition, eligibility rules vary by state for some programs, and since immigrants are concentrated in a few states, place of residence may be an important determinant of welfare receipt.[21]

Column 4 controls for personal characteristics including education, sex, and marital status. Column 5 includes race and ethnicity. If there is discrimination in the labor market against minorities, then immigrants, who are much more likely to be Hispanic and Asian than the native born, may have more difficulty translating their skills into income than white non-Hispanics in the U.S. labor market. Finally, column 6 controls only for education and age. Some policymakers have suggested using education as a screening device for immigration in the future. Results in this column indicate the

[21]Borjas (1998) provides evidence that welfare generosity may affect immigrants' choice of state of residence. If this is the case then state of residence is not an exogenous variable.

effect this may have on welfare participation.

Table 2a presents the results for the two main cash programs during this period: SSI and AFDC. The results in the first column of the upper panel show that immigrants are about 0.8 percent more likely to receive SSI than is the third generation. Adding age and household characteristics increases their relative SSI receipt, but once education is added, the foreign born are no more likely to receive SSI. The foreign born are 0.7 percent less likely to participate in SSI than the third generation when all controls are entered.

The AFDC results are similar except that each additional control decreases the relative receipt rate of the foreign born. Once age, household characteristics, and geographic controls are added, the foreign born are no more likely to receive AFDC than the third generation. Once race and ethnicity are held constant immigrants are significantly less likely to receive AFDC.

The results change somewhat for the in-kind transfer programs in table 2b. The initial differences in immigrant usage of Medicaid and food stamps are larger than for the cash transfer programs, and the coefficients do not decline to insignificance quite as quickly with the addition of control variables. However, once race and ethnicity are held constant in column 5, immigrants are significantly less likely to use these programs than the third generation. In column 6, however, where only age and education are held constant, immigrants are about 1 percent more likely to be covered by Medicaid, and about 0.6 percent more likely to receive food stamps.

The case of Medicaid is particularly interesting. Unlike the other programs analyzed here, Medicaid has a private alternative — namely purchasing medical insurance through an employer.[22] In our data, immigrants are less likely to report being employed than similar natives. Immigrants' lower employment rates may affect their ability to gain access to private health care. In addition, the value reported here is for coverage by Medicaid, not actual usage of medical services, so it is difficult to say how these figures might translate into dollars spent. On the other hand, Medicaid is not a traditional insurance program in that people are enrolled when they need services. If immigrants' children become ill and so the adults find out that they also are covered by the program, this may account for some of the differences (although clearly controlling for the presence of children in the

[22]See Currie and Yelowitz (1999) in this volume for an analysis of Medicaid and low-skilled workers.

household as we do in column 2 does not knock out the coefficient). Another possibility is that immigrants who come from countries with poor public health services may be sicker than the native born. Upon seeking services for their illnesses they would learn whether they were eligible for Medicaid coverage.[23]

The results here show that in general, immigrants are more likely to use transfer programs[24], on average, than is the third generation. But, immigrants are almost always significantly less likely to use programs[25] than the third generation with similar characteristics. In general, simply controlling for age and education drives the difference between immigrants and the comparison group to insignificance. As mentioned above, the fact that the immigrant coefficient tends to be negative and significant when immigrants are compared to the third generation with similar characteristics may have several interpretations. It may mean that immigrants have a greater distaste for welfare programs, even though they are eligible for them. It may simply mean that immigrants have less information about programs than comparable native-born individuals. Or, it may mean that immigrants have unobservable characteristics that lead them to have higher incomes and thus lower eligibility. In order to shed some light on these competing explanations, we ran regressions of log average hourly earnings on the same right hand side variables described above. Immigrants have lower hourly earnings on average, and controlling for all the characteristics described here. While there may be other unobservable characteristics that affect their eligibility (savings, or their sponsor's income, for example), these unobservable characteristics do not appear to be positively correlated with hourly earnings.

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[23]Research in public health paints a picture that is consistent with our evidence. For example, the Massachusetts Department of Public Health (1998) cites particular health needs among immigrants and refugees in that state. Its findings include the fact that tuberculosis and typhoid have increased during the 1980s and 1990s in the Dominican Republic, and that 48 percent of children are not vaccinated. Thus health care needs upon arrival in the U.S. may be greater than among the native born. On the other hand, Hispanic immigrants tend to have more favorable health outcomes than others with similar demographic characteristics, but their health status converges to U.S. norms for their socio-economic status with time in the United States (Vega and Amaro (1994)).

[24]An exception is energy assistance. See appendix table 3a.

[25]An exception is school lunch. See appendix table 3a.

Future research may be able to exploit relative usage across the various programs and variation in state eligibility criteria[26] to shed some light on this issue. Suppose for a moment that eligibility criteria were identical across the different programs. Then differences in receipt rates for immigrants could be attributed to differences in "tastes" for the program (or stigma, or information). While it is not true that the eligibility is the same across all the programs, the fact that the immigrant coefficients tend to be largest (on average and controlling for characteristics) for Medicaid, school lunch, and food stamps suggests that these are either programs immigrants particularly value, or they are programs immigrants have information about, or both.[27]

The extent to which immigrants' use of welfare programs matters for the long term solvency of public transfer programs in the United States may ultimately depend on whether these immigrants' children become dependent on these programs. The news on this front is optimistic: the second generation (those with two foreign-born parents) tend to have the lowest transfer program participation rates in the 1994-96 data.[28] Of course, this does not mean that the children of immigrants who arrive in the 1990s will necessarily follow this same pattern, since the second generation in the 1994-96 sample have parents with quite different characteristics from immigrants arriving in the 1990s.. Appendix table 4 shows linear probability models for transfer receipt in the 1970 Census — immigrants in those data are not significantly more likely to receive public assistance than the third generation. This is the usual caveat we should bear in mind whenever we try to use evidence from the cross-sectional analysis to extrapolate to longitudinal effects, as stressed by Borjas (1985). In the next section we will address this issue and turn to the question of the

[26]After welfare reform there will be more state variation in eligibility to examine. Of course, whether or not one can adequately understand the eligibility rules to confidently exploit that variation is another matter.

[27]Immigrants have particularly high rates of School Lunch receipt, regardless of which control variables are included. The School Lunch program is somewhat different from the other programs. The fraction of students receiving a subsidized school lunch is used in determining the poverty status of a school and affects the federal funds apportioned to that school. School officials have an incentive to pressure parents to sign their children up for the program. This may lead to higher take-up rates for this program than for others.

[28]The second generation also has the lowest transfer receipt rate in the 1970 Census. See appendix table 4.

"intergenerational link" in welfare usage.

V. Intergenerational Correlation in Welfare Use

This section closely follows work by Card, DiNardo and Estes (henceforth CDE (1998)) on the intergenerational correlations in education and wages between immigrants and the "second generation." In their work, they find that the second generation has the highest wages and education using three cross-sections: the 1940 U.S. Census, the 1970 U.S. Census, and the 1994-96 CPS. They also find high rates of intergenerational correlation in these outcomes. For earnings, they find correlations between the earnings of immigrant fathers and their children on the order of 0.4 to 0.6. Given this evidence, we would expect to find fairly high rates of intergenerational correlation in welfare use, since a large part of what determines whether one uses welfare programs is one's earnings.

There is a large literature on intergenerational welfare transmission in the United States (c.f. Moffitt (1992) and references therein). Most studies found consistent evidence of strong correlations between parental welfare receipt and daughter's welfare receipt.[29] Antel (1992) went further to investigate the question of whether a parent's use of welfare has an independent effect on his or her children's use of welfare once the children are grown, above and beyond the individual and family characteristics predisposing poverty. One possibility is that children whose parents use welfare learn how to navigate that system, while children whose parents work in the labor market learn how to get and keep jobs. After controlling for observed and unobserved heterogeneity, Antel founds that a mother's welfare participation increased her daughter's later welfare dependency.

We are less ambitious and carry out a quite different exercise here. First, we are not actually able to link parents and children due to data limitations. So our main goal is to provide some descriptive evidence of the intergenerational correlations of welfare use for immigrants, rather than to separate the true state dependence from heterogeneity. We will apply a grouping estimation strategy, similar to CDE (1998).

To fix ideas, we consider a simple descriptive model at the aggregate level of country-of-

[29]The relation between parental welfare receipt and son's labor market outcome is much weaker.

origin groups instead of the micro level of individuals:

$$T_{j2} = a + bT_{j1} + e_j$$

where T_{j2} and T_{j1} are the mean receipt rates of the transfers by the jth origin group of the second generation in the 1994-96 and immigrants in 1970, respectively. We are interested in estimating the coefficient b, which tells us the percentage point increase in the mean receipt rate for the second generation that is associated with a one percentage point increase in the immigrant generations' mean receipt rate. A coefficient equal to one implies that the first generation's welfare use will be duplicated in the second generation, so there is no assimilation. A coefficient of zero indicates that the first generation's welfare use has no impact on the second generation's use. This can be interpreted as complete assimilation.

More specifically, first, we use data on the foreign born age 18-66 from the 1970 Census to identify the "immigrant generation," and use data from the March 1994-96 CPS for those who were native born, age 18-66, with two foreign-born parents to identify the "second generation." We divide each generation into the same 35 origin groups.[30] Then we apply the following estimation strategy: first, we estimate the age-adjusted mean cash assistance receipt rates for the immigrants in 1970 by origin groups.[31] Second, we follow the same procedure to estimate the adjusted mean participation rates for different programs by the second generation in 1994-96. Third, we regress the second generation's mean participation rates (for different programs) in 1994-1996 on the mean cash assistance receipt rates for the immigrants in 1970. The coefficient from this regression will give us the intergenerational "transmission" of welfare use.[32]

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[30]We define the second generation's origin group by the country of origin of the individual's mother. Appendix Table 5 shows the groupings and the sample sizes for the "second generation" of each ancestry in the 1994-96 CPS.

[31]More specifically, we estimate a linear probability model for receipt of cash public assistance, which includes indicator variables for each origin group, age, and age squared. The model is estimated without a constant and we use the coefficients on the origin variables as our measure of the rate of welfare use for the "parent generation."

[32]Alternatively, this may be thought of as an investigation of the transmission of "ethnic capital." The welfare use in the first generation from a particular country of origin group represents part of the "ethnic capital" for the second generation from that country of origin. (See Borjas (1992)).

It is unfortunate that the 1970 Census does not contain information on use of other types of transfer programs because it is possible that there is a closer relationship between parents' use of a particular type of program and their children's use of that type of program. Borjas and Hilton (1996) find evidence that the types of benefits received by earlier immigrants from a particular country influence the types of benefits received by subsequent immigrants from that country. There might be this type of connection between generations as well. Since the 1970 data only contain information on cash transfers, we will focus our attention here on the receipt of SSI and AFDC among the second generation.

The coefficients for these regressions are reported in column 1 of table 3. The coefficient for the parent generation's receipt of public assistance on second generation receipt of AFDC is 0.533. This implies that one percent more recipients in the parents' generation is correlated with about 0.5 percent higher receipt in the second generation. Therefore, although all of these coefficients are positive and significant, any that are less than one indicate that the differences in the welfare use between the immigrants and the underlying population mean will "die out" after a number of generations. For example, assuming the intergenerational correlation between the immigrants who arrive in the 1990s and their descendants will be the same as between the immigrants in 1970 and their offspring in the 1990s, we can calculate how quickly the difference in AFDC receipt between current immigrant and the native born will "die out." The raw difference in the AFDC receipt between the immigrants and the third generation in 1994-96 (0.8%) will become insignificant between the third and fourth generations.[33] The coefficient for SSI is somewhat lower than for AFDC, as one might expect since SSI is the more exclusive program.

Figure 4 shows the relationship between receipt of SSI and AFDC by the second generation and receipt of cash public assistance by the parent generation. The data points are plotted and labeled by the origin group. The fitted regression line is displayed.[34] In the figure, we can examine where

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[33]We calculate this "dying out" as $0.008 \times 0.5^3 = 0.001$, which is not significant. The standard error for the difference in receipt of AFDC between the foreign born and the third generation in 1994-1996 is 0.001 (see table 2a).

[34]This regression is weighted by the cell size for the 1994-96 data. Appendix table 5 shows the cell sizes for each of these origin groups. Mexico is by far the largest cell and is particularly

each country of origin group lies in relation to the regression line. The United States is included for comparison, although these numbers are not used to determine the regression line.

The figure shows that there are four countries that have very high welfare receipt for the parent's generation: Cuba, The Dominican Republic, El Salvador, and Mexico. If not for these four origin groups, the relationship between welfare receipt in the first and second generations would be much less clear.[35] However, since immigrants from these four countries represent a sizeable portion of the foreign born in 1994-96 (Cuba (3.7%), Dominican Republic (2.1%), El Salvador (2.85%) and Mexico (27.0%)) the intergenerational relationship in welfare use is likely to continue to be important in the future.

Cuba is a particularly interesting case. Cuban immigrants were refugees and would have been eligible for many of the standard transfer programs immediately upon arrival. In addition to the standard programs, however, there are many special transfer programs specifically for Cuban refugees.[36] In 1969 the federal government spent 70.7 million dollars on these special programs for Cuban refugees (Congressional Information Service (CIS) 1970).[37] These programs included funds for welfare assistance (cash transfers), resettlement (transport to areas within the United States), education, health services, and transport of refugees from Cuba. The 1970 Census data indicate that Cubans took advantage of the availability of these programs: Cuban immigrants in 1970 have the third highest rate of welfare receipt of any group -- lower than the Dominican Republic and El Salvador, but higher than Mexico. This does not appear to have translated into welfare "dependency" among their children. "Cuba" is almost always below the regression line, which indicates that the second generation's welfare use "died out" more than one would have expected given the parent generation's

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important in determining the coefficient.

[35]In fact, dropping these four origin groups yields insignificant coefficients for both relationships.

[36]These programs were initiated as part of the 1962 Refugee Assistance Act.

[37]The director of the Cuban Refugee program at the time, Howard H. Palmatier, went before Congress to ask for this figure to be increased to $112 million in 1971 in order to expand services and reimburse states and local governments for their costs associated with Cuban refugees (CIS (1970)).

welfare use.

Mexico is important because it has always represented a large proportion of immigrants to the United States (7.55% in 1970 and 28.03% in 1994-1996). The immigrant generation shows high levels of welfare receipt, but the second generation's receipt is lower than the U.S. average. In both graphs, Mexico is very close to the regression line, because this observation is the leverage point for these regressions. The regressions are weighted by the second generation cell size, and Mexico has by far the largest number of second generation individuals.

Since the main AFDC recipients were single mothers and their children, it is also interesting to examine the intergenerational transmission of the rate of single motherhood. Due to data limitations, instead of using the ideal definition of "single mother," we investigate this by looking at individuals who report that they are single female heads in households with children under age 18. The left hand and right hand side variables are the fraction of each origin group in each year reporting that they fall into this category. (For brevity, we call this fraction the "single headship rate"). We have adjusted for age as described above. Results are reported in the bottom row of table 3. In this exercise, the coefficient is not significantly different from one, suggesting that the rate of single headship among immigrants in 1970 will be duplicated among the second generation in the 1990s. In 1970, the single female headship rate was 0.014 among immigrants and 0.012 among (all) native born. In 1990, the single female headship rate was 0.047 among immigrants and 0.055 among (all) native born. This suggests that if the "assimilation" process is stable over time, then the offspring of current immigrants in the 1990s should continue to have lower single female headship rates than the rest of the native born.

It is important to recall that the results in column 1 of table 3 do not adjust for anything that would capture the immigrant or second generation's income level. Thus, much of the correlation between the first and second generation's welfare use must come through correlations in earnings. These results, then, are consistent with CDE (1998) who find a high correlation in earnings across generations. They also find that in the 1970-95 cohort, the intergenerational transmission from the immigrant parents to their native-born children works only through education. Column (2) in table 3 reports the regression coefficients when we control for education of the second generation (the cell means for fraction high school drop out, fraction high school graduate, and fraction with some

college). When we add these controls, we find no statistically significant relationship between welfare use in the immigrant generation and receipt of either of the transfer programs by the second generation.[38] When we control for the second generations' education level in the single female headship regressions, the coefficient falls to 0.506, and is only marginally statistically significant.

There are some caveats to bear in mind about our results above. First, as pointed out by CDE (1998), there is slippage from this grouping estimation since there is no guarantee that the immigrants identified in the 1970 census are the parents of the second generation identified in the 1994-96 CPS. Further restrictions of age on both sides may improve the match.[39] Secondly, additional problems arise if there is significant selective out-migration of immigrants. If immigrants who do poorly in the United States are less likely to stay, then their children will not be in the sample and we will tend to overestimate the economic progress across generations.

Information on out-migration is not readily available since the United States does not keep statistics on emigration. However, Hu (1998) uses panel data from the Health and Retirement Survey to track immigrants over time. He finds that out-migration may impart significant bias to synthetic cohort estimates of assimilation. Interestingly, he finds that selective out-migration is more prominent among non-Hispanic whites than among other groups of immigrants. While his paper mainly focuses on the biases that may result in estimating intra-generational assimilation, his cautions are germane here as well. In particular, out-migration is likely to affect the results for the second generation, since these will be the children of immigrants who did relatively well. In addition, we do not know whether the results for immigrant participation in the 1970 Census includes immigrants who would eventually leave the U.S. because they disliked their outcomes.

To probe the importance of these problems for our analysis, we performed two additional investigations. First, we re-ran our regressions, restricting the first generation sample to women with

[38]Adding the educational attainment of the parent's generation in addition to the controls for second generation education does not substantially alter these results.

[39]The resulting correlations are somewhat sensitive to the age restrictions we use to identify the parent and child generations, as also noted in CDE (1998). In our exercise, we limited the age of second generation to 18-66, and used the same age restrictions for the parents' generation in 1970. We experimented with other age restrictions and the value of the correlations change, but the qualitative results are unaffected.

children under age 18 present in the household and the second generation sample to women. Families with children -- many of whom are likely to be native born -- are arguably less likely to return home. When we use these data, we obtain similar results. The coefficients are 0.397 and 0.547 for SSI and AFDC, respectively.

Secondly, Hu (1998) finds less selective out-migration for Hispanics, so we restrict the first generation in 1970 to those who report they are Hispanic. We then match the second generation in 1994-96 to the first generation using country of origin. Using the remaining country of origin groups, the coefficients for both programs are about half their original magnitude (0.202, but insignificant, for SSI and 0.277 for AFDC).

These results suggest that differences in welfare use between immigrants and the native born would tend to "die out" over time, even under the old welfare rules. However, one should use caution in extrapolating the results from the 1970-1995 cohort to later cohorts. The coefficients estimated here will depend on the economic environment.[40] As that changes, the amount of "assimilation" is likely to change, and there is no doubt that the environment surrounding welfare receipt is changing.

V. Summary and Conclusion

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 brought dramatic changes to the welfare system in the United States. Although welfare reform in general devolved power from federal to state governments, leading to a great deal of interstate variation in the generosity of the social safety net, this variation is even greater for immigrants. States have taken very different approaches to providing services for immigrants. Assuming immigration patterns persist, those states with heavy immigrant caseloads will either have to face substantial portions of their needy populations remaining unserved, or they will have to bear the costs of programs to cover their needs. In general, states with the heaviest immigrant caseloads and those with the most generous existing welfare programs have led the way in designing programs to fill the holes in the social safety net.

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[40]See CDE (1998) for an interesting discussion of how these types of coefficient estimates can be affected by changes in the economic environment.

Part of the underlying motivation for welfare reform in general was to change incentives for welfare recipients. For example, TANF emphasizes work, with an eye toward eliminating individuals' incentives to reduce their work effort in order to qualify for - or "opt-into"- welfare programs. Welfare programs as they pertained to immigrants had an additional layer of incentives that policymakers worried about. Was the United States attracting poor immigrants because of the generosity of its welfare programs? If so, that might have both immediate and long term consequences for the United States — would immigrants have children who were also likely to be welfare dependent?

Given this motivation for welfare reform, it is worth examining immigrants' use of welfare programs *prior* to reform. We find that immigrants are more likely to use welfare programs than the native born, on average. This is particularly the case for in kind programs like food stamps and Medicaid. Since new immigrant eligibility for these two programs was essentially eliminated, outcomes related to food consumption and medical coverage will be particularly important to monitor once welfare reform takes full effect.

We also find that immigrants are less likely to use welfare programs than natives with similar characteristics. There are several possible explanations for these results, which are impossible to separate here. Immigrants may have unobservable characteristics which make them ineligible for these programs. That could be good news about immigrants the United States has attracted, depending on the nature of these unobservables. If, for example, immigrants have substantial savings or other resources that make them ineligible. On the other hand, immigrants may be less likely to use welfare than similar natives because they perceive more welfare "stigma," or they simply may have lacked information about the available programs. In either of these cases, it is hard to imagine that immigrants were attracted to the United States by the welfare state.

A more important issue is whether the children of immigrants are welfare dependent. First generation immigrants - who are likely to have trouble with English - may never be particularly successful in the U.S. labor market. To a large extent, the most important impact of immigration is long term. We present evidence on the intergenerational link in welfare use between immigrants in the 1970s and the children of immigrants in 1994-96. While we find that there is a positive and significant correlation between the welfare receipt of the first and second generations, the coefficient

is less than one, suggesting that welfare use among immigrant generations converges to that of the native born across generations. In addition, we find a great deal of variation in welfare use across different country of origin groups and generations. Some groups, like Cubans, with very high welfare receipt in the first generation had very low receipt in the second generation.

Finally, we find little evidence of an intergenerational link in welfare use, other than that if parents are poor, their children are also likely to be poor. Given that, the absence of a social safety net for immigrants after welfare reform does not augur well for the socio-economic outcomes of their children. Future research will have to monitor the economic outcomes for immigrants and their children to see if welfare reform achieves its goals or simply increases the depth of poverty in this segment of the low-skilled population.

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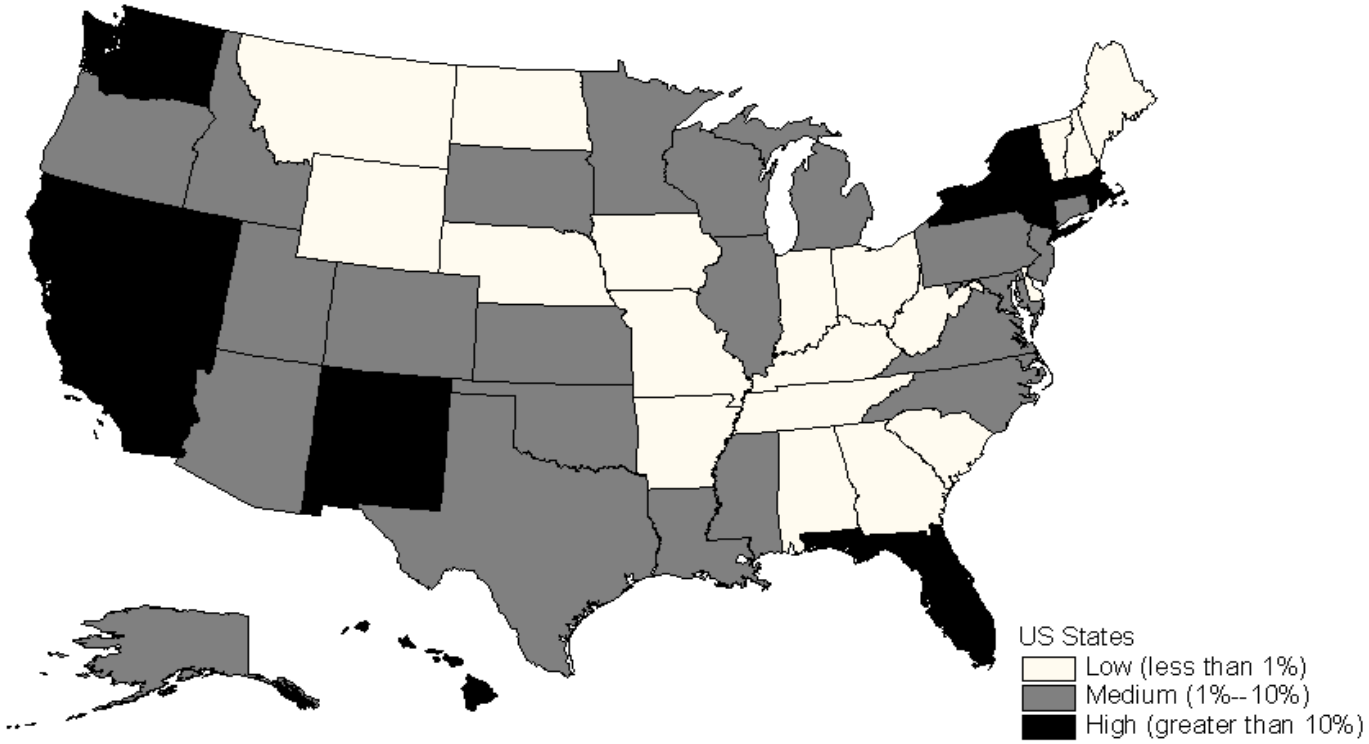
Figure 1

Non-Citizen Benefit Eligibility **[Source: Zimmerman and Tumlin (1999)]**

		Immigrants Arriving on or Before August 22, 1996				
		SSI	Food Stamps	Medicaid	TANF	State/Local Benefits
Qualified Immigrants		Eligible[1]	Eligible[2]	State Option	State Option	State Option
Exempted Groups:	With 40 Quarters of Work in U.S.	Eligible	Eligible	Eligible	Eligible	Eligible
	Military Personnel and their Families	Eligible	Eligible	Eligible	Eligible	Eligible
	Refugees/Asylees	Eligible for 1st 7 yrs.	Eligible for 1st 7 yrs.	Eligible for 1st 7 yrs After: State Option	Eligible for 1st 5 yrs After: State Option	Eligible for 1st 5 yrs After: State Option
		Immigrants Arriving After August 22, 1996				
		SSI	Food Stamps	Medicaid	TANF	State/Local Benefits
Qualified Immigrants		Ineligible	Ineligible	Barred for 1st 5 yrs. After: State Option	Barred for 1st 5 yrs. After: State Option	State Option
Exempted Groups:	With 40 Quarters of Work in U.S.	Barred for 1st 5 yrs. After: Eligible	Barred for 1st 5 yrs. After: Eligible	Barred for 1st 5 yrs. After: State Option	Barred for 1st 5 yrs. After: Eligible	Eligible
	Military Personnel and their Families	Eligible	Eligible	Eligible	Eligible	Eligible
	Refugees/Asylees	Eligible for 1st 7 yrs.	Eligible for 1st 7 yrs.	Eligible for 1st 7 yrs. After: State Option	Eligible for 1st 5 yrs. After: State Option	Eligible for 1st 5 yrs. After: State Option
		Unqualified Immigrants				
		SSI	Food Stamps	Medicaid	TANF	State/Local Benefits
Unqualified Immigrants		Ineligible[3,4]	Ineligible[4]	Elig. for Emergency Services Only[3]	Ineligible	Ineligible[5]

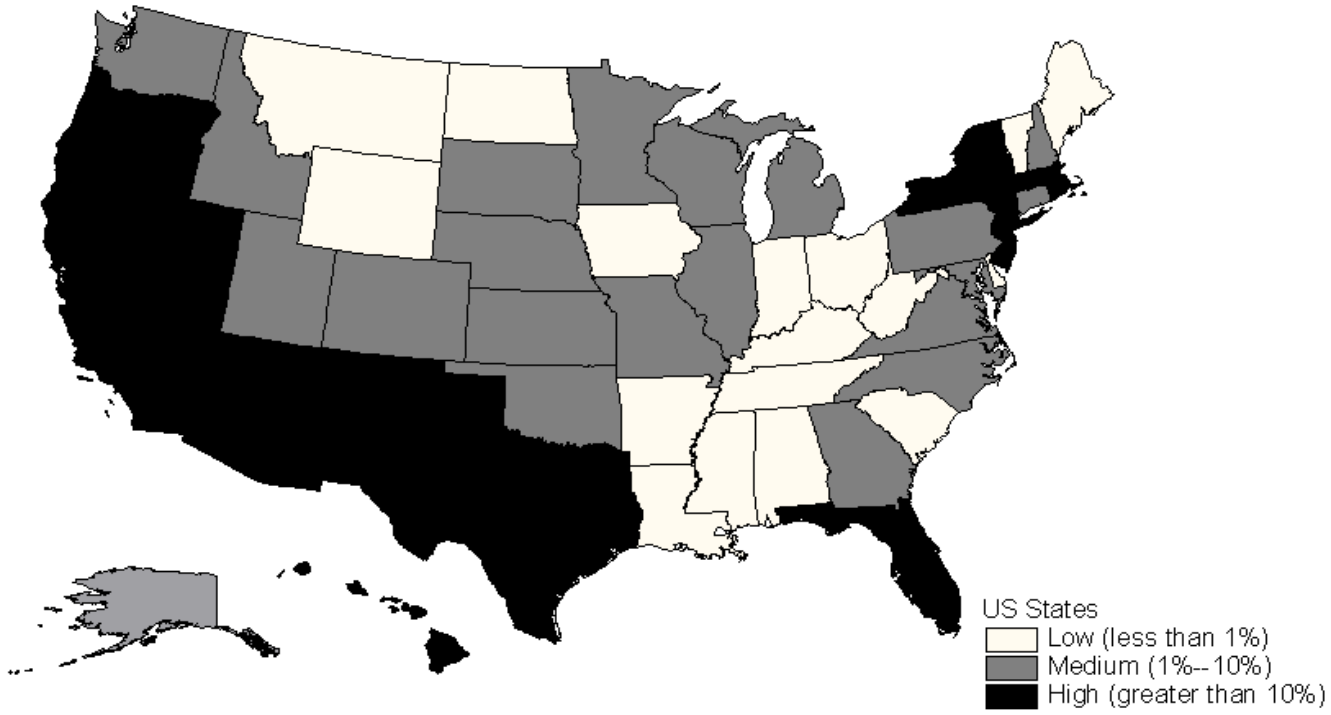
[1]Qualified immigrants receiving SSI on 8/22/96 are eligible. Qualified immigrants lawfully residing in U.S. on 8/22/96 who are or become disabled are also eligible. All other qualified immigrants are ineligible unless exempt. [2]Qualified immigrants who were lawfully residing in the U.S. on 8/22/96 and are: under 18 yrs.; disabled or blind; or older than 65 yrs. on 8/22/96 are eligible. All other qualified immigrants are ineligible unless exempted. [3]Immigrants formerly considered Permanently Residing Under the Color of Law (PRUCOL) who were receiving SSI on 8/22/96 are eligible for SSI and for Medicaid in states where Medicaid eligibility is linked to SSI. [4]American Indian born in Canada and certain other tribal members born outside the U.S. are eligible. Hmong and Lao tribe members (and their spouses and children) are eligible for food stamps. [5]States may provide state and local public benefits to unqualified immigrants only if they pass a law after 8/22/96.

Figure 2 Percent of AFDC Recipients Who Are Immigrants: 1994-1996 March CPS

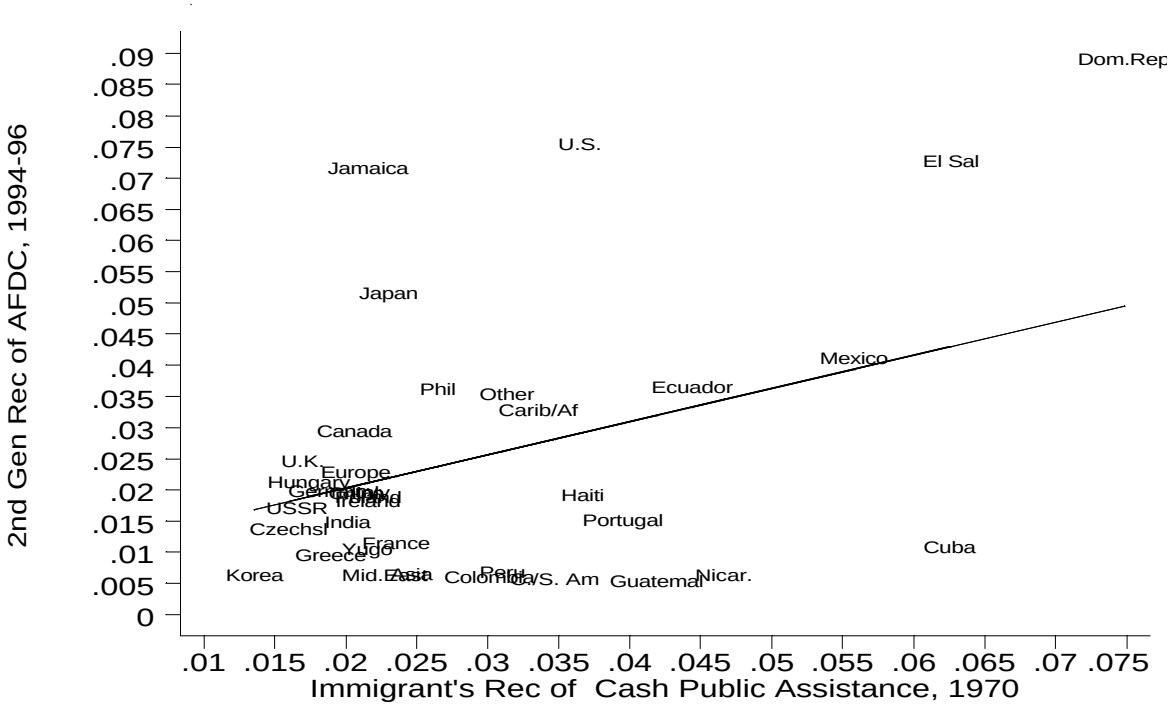


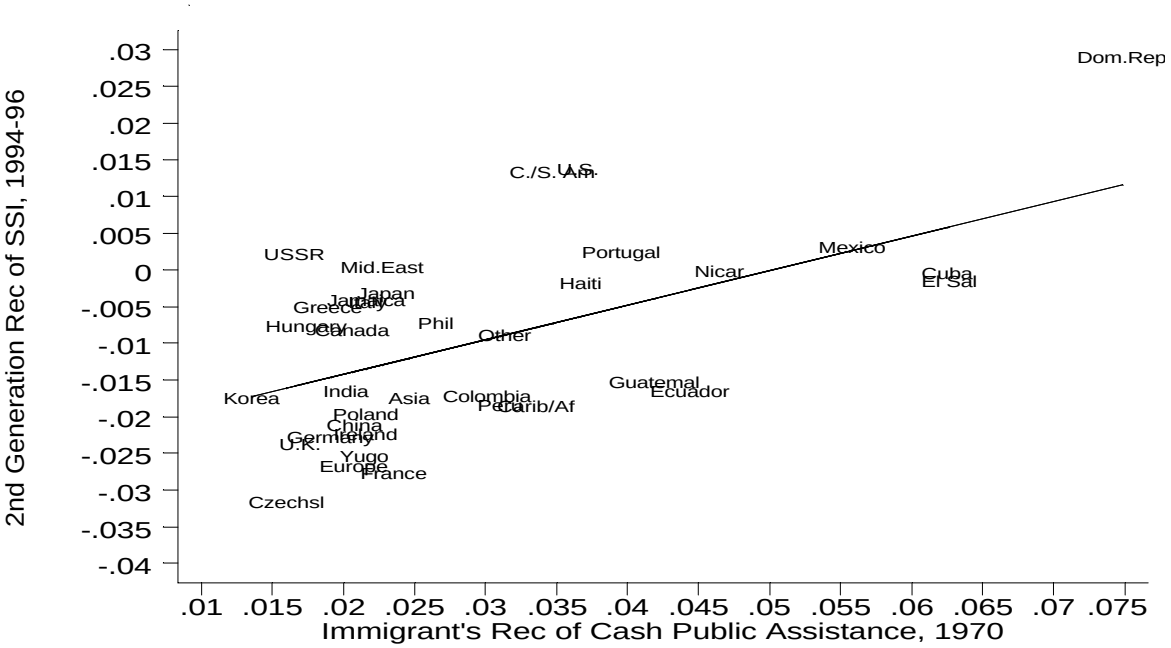
Note: All numbers are weighted by months of receipt.

Figure 3 Percent of Foodstamps Recipients Who Are Immigrants: 1994-1996 March CPS



Note: All numbers are weighted by months of receipt.





Intergenerational Correlation in Receipt of Cash Transfers

Figure 4

Table 1: Individual Characteristics by Nativity Groups, CPS March 1994-1996, Age 18+ (Standard Deviations)

	Foreign Born	Both Parents Foreign Born	One Parent Foreign Born	U.S. Born & U.S. Born Parents	Other
Percent of Sample	10.88	4.48	4.43	78.70	1.51
Percent of H.S. Dropouts	20.82	5.94	3.73	67.31	2.20
Percent of Single Female Heads with Kids in Household	9.51	1.84	3.21	82.89	2.54
Personal Characteristics					
Female	0.512	0.539	0.514	0.522	0.524
	(0.500)	(0.499)	(0.500)	(0.500)	(0.500)
Age	42.53	56.97	49.32	43.45	41.11
	(16.94)	(21.67)	(19.06)	(16.91)	(16.11)
H.S. Dropout	0.366	0.254	0.161	0.164	0.279
	(0.482)	(0.435)	(0.368)	(0.370)	(0.449)
H.S. Degree	0.243	0.323	0.320	0.349	0.274
	(0.429)	(0.468)	(0.466)	(0.477)	(0.446)
Some College	0.184	0.240	0.275	0.277	0.256
	(0.387)	(0.427)	(0.447)	(0.447)	(0.437)
College Graduate	0.207	0.183	0.244	0.211	0.190
	(0.405)	(0.387)	(0.429)	(0.408)	(0.393)
African American	0.074	0.020	0.026	0.132	0.069
	(0.262)	(0.141)	(0.160)	(0.338)	(0.254)
Hispanic	0.443	0.192	0.133	0.030	0.468
	(0.497)	(0.394)	(0.339)	(0.170)	(0.499)
Asian	0.207	0.054	0.023	0.003	0.065
	(0.405)	(0.226)	(0.149)	(0.055)	(0.246)
Other Race	0.034	0.013	0.014	0.009	0.041
	(0.180)	(0.114)	(0.118)	(0.094)	(0.198)
Married	0.624	0.527	0.583	0.579	0.518
	(0.484)	(0.499)	(0.493)	(0.494)	(0.500)
Worked Last Year	0.655	0.452	0.645	0.729	0.684
	(0.475)	(0.498)	(0.479)	(0.445)	(0.465)
Log Average Hourly Earnings	2.187	2.370	2.399	2.318	2.248
	(0.773)	(0.818)	(0.804)	(0.773)	(0.746)
Household Characteristics					
Number of People	3.772	2.604	2.768	2.969	3.208
	(1.987)	(1.539)	(1.401)	(1.456)	(1.592)
>1 Family in HH	0.217	0.099	0.120	0.138	0.182
	(0.412)	(0.299)	(0.325)	(0.345)	(0.386
Female Headed Family	0.183	0.261	0.230	0.221	0.275
	(0.387)	(0.439)	(0.421)	(0.415)	(0.446)

Table 1: Continue

	Foreign Born	Both Parents F.B.	One Parent Foreign Born	U.S. Born & Parents U.S. Born	Other
Fraction Age < 18	0.226 (0.238)	0.085 (0.177)	0.134 (0.213)	0.182 (0.234)	0.220 (0.248)
Fraction Age 18-30	0.240 (0.293)	0.142 (0.256)	0.167 (0.273)	0.196 (0.290)	0.231 (0.304)
Fraction Age 31-55	0.339 (0.291)	0.197 (0.282)	0.316 (0.333)	0.382 (0.336)	0.371 (0.316)
Fraction Age 56-65	0.083 (0.212)	0.131 (0.276)	0.145 (0.297)	0.103 (0.256)	0.081 (0.222)
Education Distribution for Adults:					
H.S. Dropout	0.355 (0.411)	0.253 (0.373)	0.163 (0.308)	0.166 (0.311)	0.272 (0.383)
H.S. Degree	0.240 (0.331)	0.330 (0.380)	0.324 (0.371)	0.348 (0.381)	0.278 (0.355)
Some College	0.195 (0.300)	0.229 (0.331)	0.273 (0.348)	0.275 (0.353)	0.256 (0.344)
Fraction Receiving Various Transfer Programs					
SSI	0.032 (0.175)	0.022 (0.146)	0.017 (0.131)	0.023 (0.151)	0.051 (0.220)
AFDC (and other cash)	0.034 (0.182)	0.010 (0.100)	0.019 (0.136)	0.027 (0.163)	0.074 (0.261)
Medicaid	0.112 (0.316)	0.064 (0.245)	0.059 (0.236)	0.075 (0.264)	0.157 (0.364)
Food Stamps*	0.115 (0.319)	0.047 (0.212)	0.056 (0.229)	0.079 (0.270)	0.164 (0.370)
Reduced Rent*	0.017 (0.129)	0.009 (0.097)	0.010 (0.099)	0.012 (0.108)	0.032 (0.175)
Public Housing*	0.029 (0.167)	0.024 (0.152)	0.019 (0.137)	0.024 (0.152)	0.063 (0.244)
Subsidized School Lunch*	0.184 (0.387)	0.047 (0.213)	0.053 (0.223)	0.079 (0.270)	0.152 (0.359)
Energy Assistance*	0.023 (0.150)	0.022 (0.146)	0.023 (0.150)	0.030 (0.171)	0.054 (0.227)
Obs.	37592	15122	14762	47194**	5737

Notes: March 1994-1996 Current Population Surveys. These data are for individuals over 18 years of age. The sample is weighted by the March Supplement Weight.*An individual is counted as receiving these programs if anyone in his or her household receives these transfers. **20% random sample of the "third generation."

Table 2a: Linear Probability Models for Receipt of SSI and AFDC
(Standard Errors)

	(1)	(2)	(3)	(4)	(5)	(6)
			Receipt of SSI			
Foreign Born	0.008	0.010	0.011	-0.000	-0.007	-0.003
	(0.001)	(0.001)	(0.001)	(0.002)	(0.002)	(0.002)
Both Parents	-0.002	-0.011	-0.010	-0.010	-0.012	-0.011
Foreign Born	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
One Parent	-0.006	-0.010	-0.009	-0.007	-0.007	-0.007
Foreign Born	(0.001)	(0.002)	(0.002)	(0.001)	(0.002)	(0.001)
Other Nativity	0.028	0.027	0.028	0.020	0.015	0.022
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
R-square	0.0008	0.0192	0.0216	0.0458	0.0477	0.0276
			Receipt of AFDC			
Foreign Born	0.007	0.006	0.001	-0.005	-0.010	-0.001
	(0.001)	(0.001)	(0.002)	(0.002)	(0.002)	(0.001)
Both Parents	-0.017	-0.003	-0.007	-0.008	-0.007	-0.006
Foreign Born	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
One Parent	-0.008	-0.001	-0.003	-0.002	-0.001	-0.001
Foreign Born	(0.002)	(0.001)	(0.002)	(0.001)	(0.001)	(0.001)
Other Nativity	0.047	0.036	0.034	0.029	0.027	0.040
	(0.004)	(0.003)	(0.004)	(0.003)	(0.004)	(0.004)
R-square	0.0020	0.0894	0.0926	0.1036	0.1088	0.0246
Age, Age2	No	Yes	Yes	Yes	Yes	Yes
Household Characteristics	No	Yes	Yes	Yes	Yes	No
State & Urban Rural	No	No	Yes	Yes	Yes	No
Education	No	No	No	Yes	Yes	Yes
Sex, Marital Status	No	No	No	Yes	Yes	No
Race & Ethnicity	No	No	No	No	Yes	No

Notes: March 94-96 CPS, individuals age>=18. In all columns, the omitted category is the third generation (those native born with native born parents). Column (2) includes controls for H.H. size and age distribution, and female headed family, and the individual's age and age squared. Column (3) adds controls for the state of residence and whether the individual lives in a rural area. Column (4) adds controls for the individual's sex, marital status, and education . Column (5) adds controls for the individual's race and ethnicity. Column (6) controls for age, age squared, and education. March supplement weights used. Observations = 120407 for all specifications.

Table 2b: Linear Probability Models for Receipt of Medicaid and Food Stamps
(Standard Errors)

	(1)	(2)	(3)	(4)	(5)	(6)
			Receipt of Medicaid			
Foreign Born	0.037	0.033	0.030	0.005	-0.009	0.010
	(0.002)	(0.002)	(0.003)	(0.003)	(0.003)	(0.003)
Both Parents	-0.011	-0.015	-0.015	-0.017	-0.019	-0.017
Foreign Born	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
One Parent	-0.016	-0.014	-0.014	-0.010	-0.009	-0.010
Foreign Born	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Other Nativity	0.082	0.069	0.070	0.052	0.042	0.065
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
R-square	0.0035	0.0729	0.0790	0.1147	0.1216	0.0515
			Receipt of Food Stamps			
Foreign Born	0.036	0.022	0.030	0.005	-0.007	0.006
	(0.002)	(0.002)	(0.003)	(0.003)	(0.003)	(0.003)
Both Parents	-0.032	-0.017	-0.009	-0.011	-0.011	-0.018
Foreign Born	(0.002)	(0.002)	(0.002)	(0.002)	(0.003)	(0.002)
One Parent	-0.024	-0.014	-0.007	-0.003	-0.001	-0.009
Foreign Born	(0.003)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Other Nativity	0.085	0.065	0.071	0.053	0.042	0.064
	(0.006)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
R-square	0.0042	0.1031	0.1093	0.1490	0.1591	0.0654
Age, Age2	No	Yes	Yes	Yes	Yes	Yes
Household Characteristics	No	Yes	Yes	Yes	Yes	No
State & Urban Rural	No	No	Yes	Yes	Yes	No
Education	No	No	No	Yes	Yes	Yes
Sex, Marital Status	No	No	No	Yes	Yes	No
Race & Ethnicity	No	No	No	No	Yes	No
Obs.	120407	120407	120407	120407	120407	120407

Notes: See Table 2a. The receipt of Food Stamps is equal to one if anyone in the individual's household participates in the program.

Table 3: Effect of Parent Generation's Outcome on Second Generation's Outcome
(Standard Error)
[R-square]

Second Generation Outcome:	Estimated Coefficient without Additional Controls (1)	Estimated Coefficient, Controlling for Second Generation's Education (2)
SSI	0.470 (0.082) [0.498]	0.160 (0.195) [0.552]
AFDC	0.533 (0.119) [0.376]	0.384 (0.290) [0.414]
Single Female Headed Household with Kids	1.043 (0.236) [0.371]	0.506 (0.261) [0.552]

Notes: The dependent variable is the cell mean for the outcome for the second generation (age 18-66), adjusted for age and age squared. These data are from the March 94-96 CPS. The right hand side variable is the cell mean for the outcome for immigrants in the 1970 Census (age 18-66), adjusted for age and age squared. In the first two rows, the first generation outcome is receipt of cash transfers. In the third row, the outcome is single female headed household with kids. Column (2) adds controls for the fraction of the cell that were high school drop outs, high school graduates, and attended some college. The cells are defined as country of origin for the immigrants, or country of origin for the mother for those who report that both parents were born abroad. There are 35 country of origin groups included here. The regressions are weighted by the cell size for the second generation.

Appendix Table 1: Individual Characteristics by Nativity Groups, 1970 Census, Age 18+ (Standard Deviations)

	Foreign Born	Both Parents Foreign Born	One Parent Foreign Born	U.S. Born & U.S. Born Parents	Other
Percent of Sample	7.24	8.75	5.95	72.88	5.18
Percent of H.S. Dropouts	8.90	10.41	5.22	69.07	6.41
Percent of Single Female Heads with Kids in Household	8.62	5.06	4.14	71.83	10.36
Individual Characteristics					
Female	0.547	0.528	0.525	0.526	0.520
	(0.498)	(0.499)	(0.499)	(0.499)	(0.500)
Age	52.79	53.83	46.67	42.22	44.24
	(19.31)	(14.02)	(17.15)	(17.34)	(18.88)
H.S. Dropout	0.525	0.508	0.375	0.405	0.529
	(0.499)	(0.500)	(0.484)	(0.491)	(0.499)
H.S. Degree	0.223	0.304	0.345	0.342	0.289
	(0.416)	(0.460)	(0.476)	(0.475)	(0.453)
Some College	0.097	0.091	0.145	0.141	0.101
	(0.296)	(0.287)	(0.352)	(0.348)	(0.302)
College Graduate	0.155	0.098	0.133	0.112	0.081
	(0.362)	(0.297)	(0.339)	(0.315)	(0.273)
African American	0.025	0.005	0.007	0.116	0.167
	(0.157)	(0.071)	(0.084)	(0.320)	(0.373)
Hispanic	0.137	0.053	0.060	0.019	0.119
	(0.344)	(0.225)	(0.238)	(0.137)	(0.324)
Asian	0.052	0.018	0.010	0.002	0.007
	(0.223)	(0.133)	(0.097)	(0.041)	(0.085)
Other Race	0.008	0.001	0.003	0.005	0.009
	(0.089)	(0.034)	(0.053)	(0.067)	(0.094)
Married	0.670	0.727	0.710	0.702	0.558
	(0.470)	(0.445)	(0.454)	(0.457)	(0.497)
Worked Last Year	0.538	0.628	0.669	0.686	0.646
	(0.499)	(0.483)	(0.471)	(0.464)	(0.478)
Log Average Hourly Earnings	1.150	1.289	1.244	1.088	0.910
	(0.762)	(0.707)	(0.749)	(0.756)	(0.950)
Household Characteristics					
Number of People	3.115	3.098	3.337	3.477	3.131
	(1.792)	(1.702)	(1.827)	(1.918)	(2.009)
>1 Family in HH	0.034	0.019	0.019	0.024	0.024
	(0.181)	(0.135)	(0.137)	(0.154)	(0.154)
Female Headed	0.071	0.073	0.069	0.076	0.084
	(0.256)	(0.261)	(0.253)	(0.264)	(0.278)

Appendix Table 1 continued

	Foreign Born	Both Parents Foreign Born	One Parent Foreign Born	U.S. Born	Other
Household Age Distribution:					
Fraction Age < 18	0.166 (0.244)	0.071 (0.167)	0.099 (0.195)	0.106 (0.207)	0.140 (0.231)
Fraction Age 18-30	0.152 (0.269)	0.063 (0.189)	0.173 (0.326)	0.276 (0.400)	0.249 (0.360)
Fraction Age 31-55	0.258 (0.302)	0.427 (0.412)	0.398 (0.410)	0.378 (0.420)	0.326 (0.375)
Fraction Age 56-65	0.153 (0.295)	0.224 (0.365)	0.159 (0.326)	0.123 (0.306)	0.127 (0.292)
Fraction Age > 65	0.271 (0.395)	0.215 (0.372)	0.171 (0.349)	0.118 (0.307)	0.158 (0.337)
Education Distribution for Adults					
H.S. Dropout	0.500 (0.430)	0.503 (0.442)	0.388 (0.439)	0.410 (0.465)	0.528 (0.436)
H.S. Degree	0.241 (0.353)	0.300 (0.389)	0.339 (0.415)	0.339 (0.440)	0.286 (0.386)
Some College	0.106 (0.250)	0.095 (0.245)	0.140 (0.305)	0.139 (0.320)	0.102 (0.260)
College Graduate	0.152 (0.304)	0.102 (0.262)	0.133 (0.307)	0.112 (0.298)	0.084 (0.240)
Received Cash Public Assistance	0.037 (0.188)	0.024 (0.152)	0.023 (0.148)	0.035 (0.184)	0.056 (0.229)
Obs.	94606	114433	77765	190543	67664

Notes: 15% Public Use Microdata Samples of the 1970 U.S. Census. The "US born" are those who were born in the U.S. and whose parents' were born in the U.S. This is a 20% random sample of this group.

Appendix Table 2: Average AFDC and Food Stamps Receipt, Using Alternative Definitions
March 1994 Current Population Survey
(Standard Deviations)
[Observations]

Definition	(1) Foreign born	(2) Both Parents Foreign Born	(3) One Parent Foreign Born	(4) U.S. Born & U.S. Born Parents	(5) Other
			AFDC Receipt		
Ind. Receipt,	0.037	0.009	0.021	0.030	0.071
Ind. Defines Category	(0.188)	(0.094)	(0.144)	(0.170)	(0.257)
	[12571]	[5298]	[5172]	[83509]	[2056]
Ind. Receipt,	0.037	0.008	0.017	0.027	0.069
Family Ref.	(0.189)	(0.088)	(0.128)	(0.162)	(0.253)
Person Defines Category	[11575]	[5239]	[5190]	[77540]	[2043]
Ind. Receives if anyone	0.062	0.021	0.032	0.042	0.100
in Family Receives,	(0.242	(0.144)	(0.175)	(0.202)	(0.300)
Ind. Defines Category	[12571]	[5298]	[5172]	[83509]	[2056]
Family Receives if anyone	0.070	0.016	0.033	0.050	0.119
in Family Receives,	(0.255)	(0.126)	(0.180)	(0.217)	(0.324)
Family Ref.	[5846]	[3045]	[2905]	[44092]	[1166]
Person Defines Category					
			Food Stamp Receipt		
Ind. Receives if	0.123	0.047	0.055	0.084	0.165
Anyone in HH Receives,	(0.328)	(0.212)	(0.228)	(0.278)	(0.371)
Ind. Defines Category	[12571]	[5298]	[5172]	[83509]	[2056]
Family Receives if	0.124	0.043	0.057	0.094	0.186
Anyone in HH Receives,	(0.330)	(0.204)	(0.231)	(0.292)	(0.390)
Family Ref. Person	[5846]	[3045]	[2905]	[44092]	[1166]
Defines Category					

Notes: Age >=18 included. AFDC receipt is asked for individuals and for the family. Individual receipt is equal to 1 if the person reports AFDC income. Family receipt of AFDC is equal to 1 if the family reports receipt of AFDC income. Food stamp receipt is asked in the form "does anyone in this household receive food stamps." Individual receipt of food stamps is equal to 1 if anyone in the person's household receives food stamps. Family receipt is equal to one if anyone in the family's household receives food stamps. "Category" refers to the nativity categories. If the individual defines the category, that means the individual's information on nativity was used. If the family reference person defines the category, that means the reference person's information on nativity was used.

Appendix Table 3a : Linear Probability Models for Receipt of School Lunch and Energy Assistance
(Standard Errors)

	(1)	(2)	(3)	(4)	(5)	(6)
	Receipt of School Lunch Program					
Foreign Born	0.104	0.068	0.074	0.056	0.037	0.078
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
Both Parents Foreign Born	-0.032	0.006	0.017	0.016	0.010	0.007
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
One Parent Foreign Born	-0.027	-0.006	0.002	0.006	0.004	-0.004
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Other Nativity	0.073	0.047	0.054	0.040	0.015	0.052
	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
R-square	0.0154	0.2153	0.2229	0.2509	0.2622	0.0815
	Receipt of Energy Assistance					
Foreign Born	-0.007	-0.007	0.000	-0.009	-0.010	-0.017
	(0.001)	(0.001)	(0.001)	(0.002)	(0.002)	(0.001)
Both Parents Foreign Born	-0.008	-0.011	-0.008	-0.008	-0.008	-0.011
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
One Parent Foreign Born	-0.007	-0.007	-0.005	-0.004	-0.003	-0.005
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Other Nativity	0.024	0.020	0.023	0.016	0.016	0.019
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
R-square	0.0007	0.0252	0.0343	0.0472	0.0488	0.0170
Age, Age2	No	Yes	Yes	Yes	Yes	Yes
Household Characteristics	No	Yes	Yes	Yes	Yes	No
State & Urban Rural	No	No	Yes	Yes	Yes	No
Education	No	No	No	Yes	Yes	Yes
Sex, Marital Status	No	No	No	Yes	Yes	No
Race & Ethnicity	No	No	No	No	Yes	No
Obs.	120407	120407	120407	120407	120407	120407

Notes: See Table 2a. The left hand side variables are equal to one if anyone in the individual's household participates in the specified program.

Appendix Table 3b: Linear Probability Models for Receipt of Public Housing and Rent Subsidy (Standard Errors)

	(1)	(2)	(3)	(4)	(5)	(6)
			Receipt of Public Housing			
Foreign Born	0.005	0.010	0.010	0.003	-0.005	-0.002
	(0.001)	(0.001)	(0.001)	(0.002)	(0.002)	(0.001)
Both Parents Foreign Born	-0.000	-0.007	-0.007	-0.008	-0.008	-0.008
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
One Parent Foreign Born	-0.004	-0.006	-0.006	-0.005	-0.004	-0.005
	(0.001)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Other Nativity	0.040	0.037	0.035	0.030	0.024	0.036
	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)	(0.003)
R-square	0.0011	0.0286	0.0323	0.0419	0.0526	0.0136
			Receipt of Rent Subsidy			
Foreign Born	0.005	0.007	0.004	0.002	-0.000	0.002
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Both Parents Foreign Born	-0.002	-0.002	-0.005	-0.005	-0.004	-0.003
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
One Parent Foreign Born	-0.002	-0.001	-0.003	-0.003	-0.002	-0.001
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Other Nativity	0.020	0.018	0.015	0.013	0.012	0.018
	(0.002)	(0.002)	(0.002)	(0.002)	(0.003)	(0.002)
R-square	0.0007	0.0167	0.0188	0.0227	0.0251	0.0047
Age, Age2	No	Yes	Yes	Yes	Yes	Yes
Household Characteristics	No	Yes	Yes	Yes	Yes	No
State & Urban Rural	No	No	Yes	Yes	Yes	No
Education	No	No	No	Yes	Yes	Yes
Sex, Marital Status	No	No	No	No	Yes	No
Race & Ethnicity	No	No	No	No	Yes	No
Obs.	120407	120407	120407	120407	120407	120407

Notes: See Table 3a. The left hand side variables are equal to one if anyone in the individual's household participates in the specified program.

Appendix Table 4: Linear Probability Models for Receipt of Cash Public Assistance, 1970
(Standard Errors)

	(1)	(2)	(3)	(4)	(5)	(6)
Foreign Born	0.001	-0.018	-0.019	-0.022	-0.021	-0.016
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Both Parents Foreign Born	-0.012	-0.021	-0.019	-0.021	-0.016	-0.021
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
One Parent Foreign Born	-0.013	-0.016	-0.015	-0.014	-0.011	-0.014
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Other Nativity	0.020	0.014	0.014	0.007	0.001	0.013
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
Household Characteristics	No	Yes	Yes	Yes	Yes	No
Age, Age2	No	Yes	Yes	Yes	Yes	Yes
State & Urban Rural	No	No	Yes	Yes	Yes	No
Education	No	No	No	Yes	Yes	Yes
Sex, Marital Status	No	No	No	Yes	Yes	No
Race & Ethnicity	No	No	No	No	Yes	No
R-square	0.0013	0.0471	0.0519	0.0642	0.0739	0.0299
Obs.	545011	545011	545011	545011	545011	545011

Notes: 15% PUMS 1970 U.S. Census. , individuals age>=18. Column (2) includes controls for household size and age distribution indicators for a multifamily household and female headed family, and the individual's age and age squared. Column (3) adds controls for the state of residence and whether the individual lives in a rural area. Column (4) adds controls for the individual's sex, marital status, and education . Column (5) adds controls for the individual's race and ethnicity. Column (6) only adds controls for individual's age, age squared and education.

Appendix Table 5: Country of Origin Groups and Sample Sizes for the Second Generation

Country of Origin Group	Second Generation Sample Size	Country of Origin Group	Second Generation Sample Size
Asia (NEC)	69	Ireland	330
Canada	474	Italy	919
Central and South America (NEC)	107	Jamaica	44
China	134	Japan	97
Colombia	69	Korea	30
Cuba	242	Mexico	2103
Czechoslovakia	38	Nicaragua	32
Dominican Republic	115	Caribbean (NEC) and Africa	57
Ecuador	62	Peru	30
El Salvador	65	Philippines	226
Europe (NEC)	252	Poland	344
France	38	Portugal	105
Germany	455	USSR	257
Greece	121	United Kingdom	243
Guatemala	32	Yugoslavia	47
Haiti	67	Middle East	60
Hungary	132	Other	680
India	60		

Notes: The groupings are consistent across the 1970 Census and the 1994-1996 Current Population Surveys. The "second generation" are those people who say both parents were born abroad; the categories are based on mother's place of birth. The sample sizes are for the second generation in the 1994-96 CPS data. "NEC" means not elsewhere classified and contains all the countries from that region that did not have large enough sample sizes to be separately identified in the CPS data.