

# How do Immigrants Fare in Retirement?

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# **How do Immigrants Fare in Retirement?**

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## **Abstract**

Existing literature suggests that immigrants receive lower wages than U.S.-born workers with similar characteristics. This could imply that immigrant households would enter retirement at a significant financial disadvantage. In this paper, we examine the retirement resources available to immigrant families by examining Social Security benefits, pension coverage, and private wealth accumulation. Our results suggest that although immigrant families may be financially better-off in the U.S. than in their native countries, they do enter retirement at a significant financial disadvantage relative to native born households with similar characteristics.

## **Authors' Acknowledgements**

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## **I. Introduction**

Existing literature suggests that immigrants receive lower wages than U.S.-born workers with similar characteristics. This could imply that immigrant households would enter retirement at a significant financial disadvantage relative to households headed by the native-born. This may be due to differences in Social Security benefits, differences in private pension coverage and/or differences in private savings behavior. Though this disadvantage relative to U.S. born residents may reflect a series of choices made by the individual, and immigrant families may be financially better off than if they had remained in their native country, it is still important to understand the retirement resources available to immigrant households, and what factors affect those financial resources.

In this paper, we use the Health and Retirement Study, linked to restricted-access administrative data from the Social Security Administration, to examine how immigrants fare in retirement. We first examine the resources available to immigrant families at retirement, including Social Security benefits, pensions, and private wealth. We then explore the role of a number of demographic and economic factors to see if they reduce or eliminate these immigrant differentials. We also examine whether immigrants approaching or in retirement ages are more likely to be in the labor force and less likely to be retired, as a way of supplementing their retirement resources with current earned income. Our results suggest that immigrants enter retirement with significantly lower levels of total resources, which could have important implications for their well-being along a number of dimensions.

These findings have important policy implications. Given that Social Security is a social insurance program, it is important to understand the distributional implications of such a program. This paper identifies ways in which one particular group, immigrants, may fare

differently. Because Social Security requires 40 quarters of covered earnings before an individual is eligible to receive any benefits, many immigrants may not meet eligibility requirements, either because they have not worked in the U.S. for 40 quarters or because they have worked “off the books.” In addition, since benefits are based on average earnings over the 35 years of highest earnings, even immigrants and natives with identical earnings at retirement may have large differences in Social Security benefits, if immigrants are more likely to have years of zero earnings helping to determine their Primary Insurance Amount (PIA).

A number of recent political and policy debates also warrant an examination of how immigrants fare in retirement. First, the recent discussions about reforming the Social Security system to move towards private accounts require understanding differences in pension participation and private wealth, so as to better predict future behavior under a system of private accounts. If there is reason to believe that immigrants to the U.S. will be underrepresented in a voluntary private accounts system, additional financial education tailored to these groups may be warranted. Second, immigration is often suggested as a way to temporarily improve the finances of a pay-as-you-go Social Security system. This is particularly effective in a system with many illegal immigrants who may pay Social Security taxes but never claim benefits. If such policy levers are used, it is important to understand the implications for the economic security of these immigrants. Finally, examining the financial resources available at retirement for immigrants is of particular importance given the recent political backlash against immigration, as illustrated by provisions in the 1996 welfare reform act restricting immigrants from receipt of public services.

## II. Background

A large literature in labor economics summarizes wages of immigrants in the United States, and compares them to wages in the native-born population.<sup>1</sup> In 1990, immigrants earned 16.3% less than natives, and “new” immigrants, those in the U.S. less than five years, earned 38.0% less. In each case, a large fraction of this differential can be explained by differences in observable socioeconomic characteristics (Borjas, 1999). However, much less research has been done on the financial well-being of immigrants as they enter and move through their retirement years.

The primary source of retirement resources for most Americans are Social Security benefits. Under the current Social Security rules, workers who have immigrated to the United States may receive lower benefits than natives. They are likely to have fewer quarters of covered earnings, making it less likely that they are eligible to receive Social Security benefits. These fewer quarters of covered earnings also may result in a lower Primary Insurance Amount (PIA), or basic Social Security benefit. This is because they spent part of their working years abroad, and would be exacerbated if while in the U.S., they worked in sectors where workers are typically paid “off the books.” However, the redistributive nature of Social Security may mean that many immigrants may realize a higher rate of return on payroll tax contributions than U.S. natives, due to the fact that they have fewer years of covered earnings (Gustman and Steinmeier, 2000). Despite this redistribution, immigrants with fewer years of covered earnings still have lower benefits compared to native U.S. residents with the same level of pre-retirement earnings.

Despite the fact that immigrants are likely to have a shorter vesting period in Social Security, their retirement well-being may still be adequate if they compensate for this in

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<sup>1</sup> See Borjas (1999) for a review, and Blau et al. (2003) for a more recent analysis.

greater private savings. However, the existing literature suggests that this may not be the case. Differences in savings rates between immigrants and natives have been documented (Carroll, et al. 1994, 1999). One potential explanation is that cultural differences between different ethnic and racial groups might be associated with different patterns of portfolio allocation. However, Carroll, et al. (1999) find that the differences in savings rates are not consistent with differences in national savings rates in the countries of origin. For example, immigrants from high-saving Asian countries do not save more than other immigrants. Thus although differences exist, they cannot be easily explained by cultural differences across country of origin.

Data from the EBRI Retirement Confidence Survey indicate that Hispanic-Americans who immigrate to the U.S. exhibit different savings behavior than other Americans. They tend to save more for short-term goals such as education or a home purchase rather than retirement, and are extremely risk averse, placing greater importance on safety than rate of return on investments, relative to others (Kamasaki and Arce, 2000). In addition, they are more than twice as likely as natives to have provided financial assistance to family members (both in and out of the U.S.) and they are more likely to expect their retirement years to be financed by income of other family members (Kamasaki and Arce, 2000). These transfers to family members can be viewed as a form of investment or risk pooling (see, for example, Rosenzweig, 1988; and Foster and Rosenzweig, 2001). Although it may be unobservable in standard data sets, for many households these intergenerational transfers may be a major component of retirement saving and planning.

This paper adds to the existing literature by providing a more complete picture of immigrant resources at retirement. We examine immigrant-native differentials in Social

Security benefits (expected benefits or PIA for those ages 51-61 and actual reported Social Security income for those ages 65 and older), pension coverage, and private net worth. We then explore whether these differentials are reduced in magnitude and statistical significance by a number of socioeconomic factors. We end by examining differences in current work behavior among older immigrants.

### **III. Data and Methodology**

To examine immigrant differences in retirement resources and retirement timing, we use data from the Health and Retirement Study (HRS). The HRS has been interviewing panels of households every two years since 1992. For most of our analyses, we use samples of households interviewed in 1998, 2000, 2002 or 2004. We exclude earlier years because they do not have a representative sample of households over age 65. Approximately 2,220 HRS respondents, or roughly 10 percent of the sample, are foreign born. Figure 1 plots the distribution of immigrants by the year in which they immigrated. Our analyses in this paper use a sample of households, rather than individuals. For variables that are measured at the individual level, including immigrant status, education and age, we use the characteristics of the male when observing a married household.

In every wave, the survey asks about income from a variety of sources, labor supply, and levels of a number of different types of assets and financial accounts. In addition, detailed questions are asked about family structure. Our primary focus is on the financial resources that individuals will have access to in their retirements. We examine three major sources of retirement income – Social Security benefits, access to private pension plans, and private savings.

For Social Security benefits, we examine current Social Security income for respondents over age 65 and expected future Social Security income (PIA) for younger respondents. To calculate future eligibility and expected benefits, we merge HRS to SSA administrative records. The records, which are available for roughly 75 percent of the sample, report annual income (up to a yearly maximum) in sectors covered by Social Security for the years 1951-1991 for respondents born in 1931-1941 and for the years 1951-1999 for respondents born in 1942-1947. We use self-reported data in HRS for earnings beyond those years and we impute earnings into the future for individuals who have not yet turned 62 during the HRS period.<sup>2</sup> We apply the formulas used by Social Security to calculate eligibility and potential monthly benefits, called the primary insurance amount (PIA). In reality, the actual benefits are a function of the PIA but will vary based on the exact year and age of retirement, as well as on marital status. Because we want to compare benefits across individuals of different ages, holding constant marital status and actual retirement age, we just use the PIA and apply SSA rules for individuals reaching age 62 in 2006.

We then look at private pension coverage, as reported by respondents in the HRS. In married households, we use the pension coverage of the male. Finally, we look at measures of private wealth, examining total net worth, an indicator for home ownership, and measures of home equity.<sup>3</sup> These are measured at the household level.

Tables 1A-1C contain summary statistics for different subsamples used in these analyses. These are presented by age and gender because we separately examine households in their “pre-retirement” years from those over age 65. Table 1A has statistics for our main sample. About 9 percent of the households are immigrants. Though we split the sample at

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<sup>2</sup> We assume a flat earnings profile when doing these imputations.

<sup>3</sup> Net worth includes home equity, other real estate, stocks, bonds, IRAs, businesses, farms, balances in checking and savings accounts, CDs, automobiles, trusts and other assets, net of debts.

age 65 to examine groups pre- and post-retirement, a nontrivial number of households under age 65 report being retired and many households over age 65 report that they are not retired and/or working for pay. The data illustrate that average levels of net worth are about \$300,000 and \$340,000 for male headed households under and over age 65, respectively. Average wealth of female headed households is about half the levels of male headed households.<sup>4</sup> For all groups, there is substantial variation in wealth.

The left panel of Table 1B contains summary statistics for the sample used to analyze future Social Security benefits. They are a pooled sample of HRS respondents ages 51 to 61 when they were first interviewed in either 1992 or 1998, who also gave permission to HRS to obtain records of their earnings histories from SSA. The immigrant composition of this subsample is almost identical to that of our main sample. This is reassuring since it could have been the case that immigrants were less likely to be working in sectors covered by Social Security. The PIA averages \$1,423 for males and \$833 for women. Their other characteristics are measured in the year they were first interviewed – 1992 or 1998. The right panel of Table 1B provides summary statistics for the sample used to analyze pension coverage. We focus on individuals who are under age 65 and currently working for pay and we pool observations from 1998, 2000, 2002, and 2004.<sup>5</sup> A slightly higher percentage of men have pension coverage (57%) compared to women (55%).

Table 1C reports summary statistics for the subsamples of homeowners used to analyze levels of home equity. Slightly lower fractions of these subsamples are immigrants.

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<sup>4</sup> For additional information on wealth differentials by gender and marital status, see Schmidt and Sevak (2006).

<sup>5</sup> We limit our analysis to workers because pension coverage among retirees is hard to measure consistently. Though coverage of retirees from Defined Benefit (DB) pensions is clear from reported pension income, retiree coverage from Defined Contribution (DC) pensions is harder to document. Because many workers convert their DC pension balances to IRAs or annuities upon retirement, we would likely underestimate DC pension coverage among retirees in the HRS.

Average home equity for male homeowners is \$125,000 for those under 65, and \$140,000 for those over 65. Female homeowners have significantly lower levels of home equity than their male counterparts.

We first regress our outcome measures on an indicator for whether the household head is an immigrant. We then exploit the fact that the HRS notes the year of immigration to test for differential effects for those immigrants who have been in the United States for longer. The median years since immigration, as shown in Figure 1, is 25, and there is quite a bit of variation in the distribution. In these specifications, we control for the simple indicator for immigrant status, and also control for a quadratic in years in the U.S.<sup>6</sup> There is some debate in the literature on how to interpret this coefficient.<sup>7</sup> Some have interpreted it as evidence of assimilation – that immigrants start off with lower wages/wealth than natives, but then grow faster to close the gap (Chiswick, 1978; LaLonde and Topel, 1992). However, Borjas (1985) argued that instead, this variable may be picking up a decline in skills of successive cohorts of immigrants. We refer to these coefficients as “assimilation effects”, but acknowledge that this interpretation may not be the only possible one.<sup>8</sup>

We then examine whether the inclusion of additional variables correlated with both wealth and immigrant status help to reduce the immigrant effect on these variables. These include age, years of education, self-reported health status, marital status, race, Hispanic ethnicity, and in some regressions, log family income. Some of these variables are clearly endogenously determined, so the regressions should be thought of as descriptive. They are meant to identify correlations and are not meant to imply causality. These regressions also

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<sup>6</sup> We have also estimated regressions where we control for years in the US in a linear specification, and where we allow for a nonlinear spline specification. Results are qualitatively similar, and available from the authors.

<sup>7</sup> See Borjas (1999) for a detailed discussion.

<sup>8</sup> In future work, we plan to examine this issue in more detail.

include year fixed effects. Standard errors are clustered at the household level, to account for the fact that we have multiple observations for households within our sample.

## **Empirical Analysis**

### *Differences in Retirement Resources*

We first examine how the resources available to households in retirement differ by immigrant status. Since the primary source of retirement income for most individuals in the United States is Social Security, we first look at Social Security benefits. For those 51-61, we predict the Primary Insurance Amount (PIA), while for those 65 and older we look at actual Social Security benefits.

Panel A of Table 2 looks at expected monthly Social Security benefits for those ages 51-61 in our sample. Summary statistics for this sample can be found in the left panel of Table 1b. As is shown in Column 1 of Table 2, immigrants have significantly lower expected Social Security benefits than do natives. For male-headed households, expected benefits are \$307 less for immigrants than for natives, and for female-headed households, they are less by \$264. The magnitudes of these differentials are large, given mean expected Social Security benefits of approximately \$1400 for men and \$800 for women. Column 2 allows for assimilation effects, and shows that the immigrant-native differential varies dramatically by years in the US. For a male immigrant in the US for only 10 years, expected monthly Social Security benefits are \$820 lower than for a native. However, this differential is reduced by half, to \$409, for an immigrant in the country for 20 years. For women, an immigrant in the US for 10 years (20 years) would have expected benefits lower by \$489 (\$313).

Columns 3 and 4 add additional control variables that would be expected to be correlated with both immigrant status and wealth, and that may reduce the raw immigrant-native differentials presented above. Column 3 adds controls for age, years of schooling, self-reported health status, and marital status.<sup>9</sup> The inclusion of these control variables reduces the immigrant-native differential in expected Social Security benefits for an immigrant in the country for ten years to \$740 for men, and to \$265 for women. Column 4 includes controls for race and Hispanic ethnicity, and reduces the differential a bit further, to \$681 for men and to \$250 for women.

The same story is true for actual annual Social Security benefits for the immigrants ages 65 and older in our sample, reported in Panel B of Table 1. Column 1 shows on average, male immigrants have actual annual Social Security income that is \$2767 less than natives, and the differential for females is \$1670. Again, however, there are larger differences for those immigrants who arrived more recently than those who have been in the country for longer. For male immigrants in the country for only 10 years, the immigrant differential is \$11,500, while for females in the country for 10 years, it is \$7165. Inclusion of additional demographic control variables again reduces the differential, to \$10,466 for men and \$5594 for women in Column 3. Adding race and Hispanic ethnicity further reduces the gap, to \$9379 for men and \$4934 for women. Immigrants in our sample appear to receive both lower expected and actual Social Security benefits than natives, and these differentials are reduced, but not eliminated by years in the United States, demographic variables, and race and ethnicity.

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<sup>9</sup> Marital status is only relevant for the male-headed households in our sample. The way we have defined the sample, none of the female-headed households are married.

### *Differences in Pension Coverage and Private Wealth*

We next move to examine pension coverage among immigrants and natives. These regressions are run on the sample of HRS households where the head is under age 65 and currently working for pay.<sup>10</sup> Summary statistics for this sample are in the right panel of Table 1b. Table 3, Column 1 shows the raw immigrant differentials for both males and females. Male immigrants are 11 percentage points less likely than their native-born counterparts to report that they have a pension, and female immigrants are 15 percentage points less likely. Again, these differentials are large in magnitude, give means of pension coverage of 57% for men and 55% for women.

Column 2 allows for assimilation effects, and again finds a great deal of variation among immigrants based on when they entered the U.S. Male immigrants in the U.S. for only ten years were 24 percentage points less likely to report pension coverage than natives. This differential is reduced to 7.6 percentage points for men in the U.S. for 40 years (i.e. they arrived in their teens or early twenties). Similar assimilation patterns are seen for female immigrants. The immigration differential in pension coverage for women in the U.S. for ten years was 35 percentage points while it was 7.9 percentage points for those who had been in the U.S. 40 years.

Column 3 adds in controls for age, years of schooling, self-reported health, and marital status, and reduces the immigrant differential for an immigrant in the U.S. for ten years to 23 percentage points for men and 26 percentage points for women. Column 4 adds in controls for race and Hispanic ethnicity. This does not change the immigrant differential for men, but further reduces it for women to 23 percentage points. Finally, in Column 5 we add a control variable for log family income. Family income is clearly endogenous to job choice and other

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<sup>10</sup> See footnote 4 for an explanation of this sample restriction.

wealth accumulation decisions, so these coefficients should not be interpreted as causal effects. Instead, the regressions should be thought of as descriptive, and we want to examine what share of the immigrant differential could be due to correlations between immigrant status and family income. This additional control further reduces the immigrant differential, to 21 percentage points for male immigrants in the country for 10 years, and to 20 percentage points for similarly-situated female immigrants.

Beginning in Table 4, we turn to measures of private wealth. Table 4 examines immigrant-native differentials in total net worth among all households in the HRS.<sup>11</sup> In Panel A, we look at the sample ages 51 to 64. Column 1 shows a large immigrant-native wealth differential in total net worth for men of \$100,192. This differential is roughly 1/3 of the average level of net worth for men in this age group. The differential for women is much smaller at \$30,411, but mean net worth for the women in this age group is also significantly lower, at only \$141,000. Column 2 again shows effects that vary significantly by length of time in the United States. A male immigrant in the US for only ten years has private wealth lower than a native of \$167,950, and for a woman the equivalent differential is \$43,496. Additional years of residence in the U.S. reduces the estimated difference in wealth. Adding in demographic control variables, in Column 3, reduces this differential to \$75,791 for men. For women, the immigrant differential is no longer statistically significant, and the point estimates suggest that the differential is eliminated for those who have been in the U.S. for ten years. Controls for race and Hispanic ethnicity, as in Column 4, further reduce the male differentials to \$51,710. Column 5 adds a control for log family income, which further reduces the differential for men to \$30,223.

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<sup>11</sup> We use OLS to examine differences at the mean. However, we find qualitatively similar patterns when using quantile regression to examine differences at the median.

In Panel B of Table 4, a similar analysis is carried out for individuals aged 65 and older. The general patterns are the same – there exists a large differential in wealth between immigrants and natives that is reduced as immigrants’ years in the United States increases. The differential also decreases as controls for age, schooling, health, and marital status are included, and decreases further with controls for race and ethnicity. However, it appears that once income is controlled for, there are no longer statistically significant differences between the wealth of immigrants and natives, suggesting that the major differences in wealth can be explained by the differences in income that have been well-studied in the existing economics literature (Borjas, 1999; Duleep and Regets, 1997; Blau et al., 2003).

Table 5 moves on to examine the incidence of homeownership among immigrants versus natives. Male immigrants ages 51-64 are 12 percentage points less likely to report homeownership than natives, and the differential for women in the same age group is roughly half that, at 6.3 percentage points. However, the mean probabilities of homeownership in this sample are significantly different for men and women, at 81% for men, and 59% for women. As in the previous regressions, we again see evidence of assimilation effects, as male (female) immigrants in the U.S. for only 10 years are approximately 26 (30) percentage points less likely to own homes. In comparison, male immigrants in the U.S. for 40 years are only five percentage points less likely to own homes and female immigrants in the U.S. that long are no less likely to own homes than natives. Adding in controls for demographic characteristics (Column 3), race and Hispanic ethnicity (Column 4) and log family income (Column 5) reduce but do not eliminate the immigrant differential. In the full model, including family income (Column 5), the immigrant differentials for those in the U.S. for ten years are approximately 19 percentage points for both men and women.

Panel B of Table 5 presents similar results for those aged 65 and older. The raw differentials are larger for both men and women (15 percentage points for men, 19 for women), and the differentials are reduced in a similar manner by both time in the U.S. and the control variables added in Columns 3-5. The model in Column 5 implies immigrant-native differentials for those immigrants in the U.S. ten years of 43 percentage points for men and 46 for women. These are large differences but it is not surprising that households that immigrate to the U.S. after age 55 (since our sample is ages 65 and older) may not be homeowners within ten years of arriving. In addition, many of them may have immigrated to live with family members. The immigrant differential is much smaller among the elderly that immigrated at a younger age. For example, it is reduced to eight (eleven) percentage points for elderly men (women) who immigrated 40 years ago.

Table 6 looks at levels of home equity for those who are homeowners. Here, the raw differential for immigrants and natives for men is actually positive – as male immigrant homeowners have home equity that is larger than natives by \$8043. However, this is clearly influenced by selection, both in terms of years in the U.S. and in terms of demographic characteristics. When assimilation effects and other control variables are taken into account, the home equity of immigrants is no longer statistically higher than that of natives for any of the four populations analyzed in Table 6 (men and women under 65, and men and women 65 and older).

There are also other characteristics that might be correlated with both wealth and immigrant status, which could be contributing to these immigrant differentials. In Table 7, we examine the effects of measured risk tolerance on the immigrant differentials found in the results presented earlier. The risk tolerance variable is calculated from a series of questions

that ask about willingness to take gambles over lifetime income (see Barsky et al., 1997 for a detailed description), and have been used extensively in the literature on savings and wealth.<sup>12,13</sup> The first column reprints results from the full models from earlier tables, controlling for age, education, self-reported health, marital status, race, Hispanic ethnicity, and log family income. The second column adds the measure of risk tolerance to the regressions, and shows how the coefficients on the immigrant variables change in response to its inclusion. Panel A examines pension coverage, and shows that the inclusion of risk tolerance really does not significantly change the effects of immigrant status on the likelihood of pension coverage. Those with greater risk tolerance are significantly less likely to have pension coverage. This could reflect a greater willingness to be self-employed or work for more lucrative jobs that are less likely to have pensions.

Panels B and C look at total net worth, first for those aged 51-64, and then for those aged 65 and older. Those with greater risk tolerance have greater estimated wealth. Among men ages 51-64, the inclusion of risk tolerance significantly *increases* the magnitude of the negative coefficient on immigrants. However, risk tolerance does not change the estimated immigrant gap for women or households over age 65, among whom there is no significant difference in immigrant wealth, once controlling for demographic variables.

Panels D and E examine the effect of risk tolerance on home ownership. Across both age groups and genders, those with greater risk tolerance are significantly less likely to be homeowners. Among the elderly and women ages 51-64, the inclusion of the risk tolerance variable reduces the magnitude of the negative coefficient on immigrant, suggesting that part

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<sup>12</sup> See, for example, Lusardi (1998) (wealth accumulation), Brown (2001) (decisions to annuitize), Shroder (2001) (decisions to become a landlord), and Charles and Hurst (2003) (intergenerational wealth correlations).

<sup>13</sup> We follow Kimball, Sahm, and Shapiro (forthcoming) in creating comparable measures of risk tolerance from the different questions asked across the different HRS waves.

of the lower rate of home ownership among immigrants is explained by higher levels of risk tolerance among immigrants. The inclusion of risk tolerance increases the magnitude of the estimated immigrant gap in home ownership among male headed households ages 51-64.

Table 8 examines how the effects of immigrant status on various measures of retirement resources change when controlling for family obligations, as proxied for by the number of children living within ten miles. Though we do not want to place too much weight on this variable, it could be a proxy for a variety of family dynamics. The presence of nearby children may be a drain on a retiree household's wealth. At the same time, it may indicate that the retiree can rely on family support in the future, perhaps reducing the need for precautionary saving. Immigrant households may be more likely to have these family commitments, and they may accumulate less wealth as a result. Our estimates suggest that while these family obligations themselves do have a significant effect on wealth accumulation, reducing net worth while increasing the probability of homeownership, their inclusion does not significantly change the immigrant differentials reported earlier in the paper.

#### *Differences in Employment Behavior*

The results above suggest that immigrants have lower levels of retirement resources than otherwise equivalent native-born Americans. These lower levels of resources could mean that immigrants are required to work longer into their older years and retire later, in order to continue earning income to finance their retirements. In this section of the paper, we examine the working behavior of the individuals in our sample, and how this differs by immigrant status.

In Table 9, we examine an indicator for whether the individual reported currently working. Panel A of Table 9 reports results for those under 65, and shows raw immigrant differentials that would be consistent with a story that immigrants would be more likely to be working in order to help finance later years. The raw differentials in Column 1 suggest that immigrant men are 4.9 percentage points more likely to be currently working, and immigrant women are 6.2 percentage points more likely to be currently working. However, as is illustrated in Columns 2-4, these results go away with the inclusion of assimilation effects and controls for socioeconomic characteristics. Panel B provides results for the 65 and older population, and shows a raw differential that is negative for both men and women – immigrants are *less* likely to report currently working. Again, however, after adding controls there are no statistically significant differences between immigrants and natives in current work.

Table 10 provides a similar analysis of immigrant effects on self-reports of retirement. Panel A provides results that are consistent with the story in Panel A of Table 9 – immigrants are less likely to report that they are retired than natives, but this result disappears entirely when controlling for other variables. However, the results in Panel B tell a different story. For the older individuals in this sample, immigrants are significantly less likely to report retirement status, and these results are reduced in magnitude but do not disappear as additional controls are added. For males over the age of 65, an immigrant in the U.S. for ten years would be 24.6 percentage points less likely to be retired, on a baseline probability of retirement of 81%. Inclusion of demographic characteristics in Column 3 reduces this effect to 23.4 percentage points, and inclusion of race and Hispanic ethnicity reduce it still further to 20.7 percentage points. However, this is still a sizeable differential.

For women the results are even more dramatic. A female immigrant in the U.S. for ten years is 37.4 percentage points less likely to report retirement, on a baseline of 61%. Inclusion of demographic characteristics in Column 3 reduces the differential to 25.5 percentage points, and including race and Hispanic ethnicity further reduces it to 21.1 percentage points. But overall, the older immigrants in our sample are significantly less likely to report that they are retired, and this effect remains both statistically and economically significant after controls are added. One might wonder why these results seem to be at odds with the results presented in Table 9, where older immigrants were not statistically more likely to be currently working. One possibility is that, since these results are based on self-reports of retirement status, that immigrants define retirement differently than do natives. Further research is necessary to fully understand this phenomenon.

## **VI. Summary**

An extensive literature in labor economics has focused on wage differentials between immigrants and natives, but much less attention has been paid to possible similar differences in retirement resources. In this paper we examine differences in the retirement resources of immigrants versus the native born. Our results suggest that pre-retirement immigrants have lower expected Social Security benefits than natives, and that retired immigrants have lower actual Social Security benefits. In addition, we find that working immigrants are significantly less likely to have private pension coverage. In addition, there are large differences in private wealth between immigrants and natives, and immigrants are also significantly less likely to report homeownership. The immigrant-native differentials in Social Security benefits, pension coverage, and homeownership are reduced by accounting for differences in

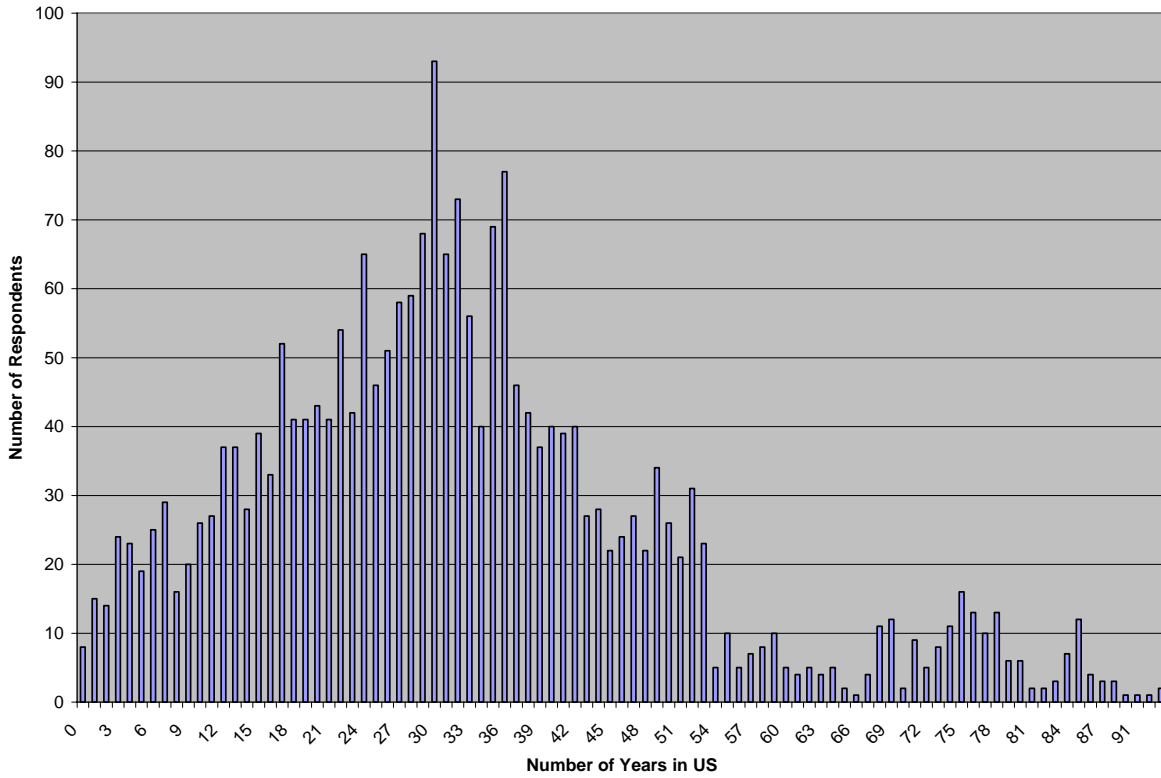
demographic characteristics, race and ethnicity, and family income, but are not eliminated. Differentials in private wealth do seem to go away after these observable characteristics are controlled for. We also find evidence that both male and female immigrants over the age of 65 are significantly less likely to report that they are retired. Taken as a whole, our findings suggest that immigrants enter retirement with significantly lower levels of total resources, which could have important implications for their well-being along a number of dimensions. Further research is necessary to fully understand the mechanisms through which these differentials occur, and to inform appropriate policies.

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**Figure 1: Distribution of Immigrants in the HRS, by Year of Arrival to U.S.**



Note: Based on responses at the time of first interview, among respondents ever interviewed in HRS 1992-2004.

**Table 1a: Summary Statistics, Main Sample**

	<i>Under Age 65</i>		<i>Over Age 65</i>	
	<u>Male-headed Households</u>	<u>Female-headed Households</u>	<u>Male-headed Households</u>	<u>Female-headed Households</u>
Immigrant	0.09	0.10	0.09	0.09
Age	58.22 (4.62)	58.34 (4.63)	74.59 (7.32)	78.65 (8.54)
Black	0.13	0.30	0.12	0.18
Hispanic	0.10	0.11	0.07	0.07
Years of schooling	12.79 (3.25)	12.33 (3.09)	11.73 (3.79)	11.10 (3.44)
Self-reported health	2.69 (1.14)	2.96 (1.21)	3.00 (1.14)	3.18 (1.15)
Married	0.79	--	0.73	--
Log income	10.82 (1.06)	9.81 (1.18)	10.42 (0.87)	9.56 (0.80)
Net worth	306,831 (417,638)	140,823 (261,927)	342,228 (433,832)	168,707 (284,357)
Is homeowner	0.81	0.59	0.79	0.57
Currently working	0.70	0.60	0.24	0.11
Retired	0.22	0.14	0.81	0.61
# of observations	13,077	5,416	18,766	14,064

Notes: The sample is a made up of households in the 1998, 2000, 2002 and 2004 HRS. The sample of men includes nonmarried men and married households, while the sample of women contains only nonmarried women. Financial variables are in 2006 dollars.

**Table 1b: Summary Statistics, PIA Sample and Pension Sample**

	<i>PIA Sample: 51-61 year olds</i>		<i>Pension Sample: Workers Under age 65</i>	
	<u>Male-headed Households</u>	<u>Female-headed Households</u>	<u>Male-headed Households</u>	<u>Female-headed Households</u>
Immigrant	0.09	0.10	0.10	0.09
Age	55.52 (3.10)	55.71 (3.19)	57.53 (4.68)	57.68 (4.57)
Black	0.14	0.33	0.11	0.26
Hispanic	0.08	0.10	0.10	0.10
Years of schooling	12.36 (3.35)	11.78 (3.26)	13.16 (3.12)	13.03 (2.78)
Self-reported health	2.54 (1.21)	2.91 (1.29)	2.44 (1.01)	2.56 (1.04)
Married	0.81	--	0.82	--
Log income	10.64 (0.88)	9.76 (1.02)	11.06 (0.92)	10.20 (0.95)
Currently working	0.79	0.66	--	--
Retired	0.11	0.06	0.07	0.04
PIA	1,422.96 (478.94)	833.48 (525.09)	--	--
Pension coverage	--	--	0.57	0.55
# of observations	3,951	1,396	9,526	3,338

Notes: The PIA sample is a made up of households in the 1992 or 1998 HRS who gave HRS permission to obtain their administrative records from SSA. The pension sample is made up of households in the 1998, 2000, 2002, and 2004 HRS. For both samples, the sample of men includes nonmarried men and married households, while the sample of women contains only nonmarried women. Financial variables are in 2006 dollars.

**Table 1c: Summary Statistics, Homeowner Samples**

	<i>Under Age 65</i>		<i>Over Age 65</i>	
	<u>Male-headed Households</u>	<u>Female-headed Households</u>	<u>Male-headed Households</u>	<u>Female-headed Households</u>
Immigrant	0.08	0.09	0.07	0.06
Age	58.34 (4.48)	58.52 (4.31)	73.83 (6.79)	77.11 (7.73)
Black	0.11	0.25	0.10	0.17
Hispanic	0.08	0.09	0.06	0.05
Years of schooling	13.08 (3.09)	12.91 (2.93)	12.08 (3.62)	11.69 (3.16)
Self-reported health	2.59 (1.09)	2.72 (1.15)	2.93 (1.12)	3.00 (1.13)
Married	0.86	--	0.83	--
Log income	10.98 (0.95)	10.06 (1.15)	10.55 (0.82)	9.74 (0.79)
Currently working	0.73	0.68	0.25	0.14
Retired	0.23	0.17	0.82	0.61
Home equity	124,945 (118,274)	96,226 (99,123)	140,125 (122,409)	109,373 (101,718)
# of observations	10,671	3,169	14,495	7,869

Notes: The sample is a made up of households in the 1998, 2000, 2002 and 2004 HRS. The sample of men includes nonmarried men and married households, while the sample of women contains only nonmarried women. Financial variables are in 2006 dollars.

**Table 2: Immigrant Effects on Social Security Wealth**

	<i>Male-headed Households</i>				<i>Female-headed Households</i>			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
<b>A. Expected (Monthly) Social Security Benefits/PIA (51-61)</b>								
Immigrant	-306.64*** (26.69)	-1352.88*** (99.44)	-1301.52*** (90.08)	-1261.04*** (88.98)	-264.03*** (47.14)	-700.63*** (184.58)	-443.74*** (155.34)	-436.69*** (1.56.45)
Years in the U.S.	--	59.38*** (7.88)	63.70*** (7.13)	66.08*** (7.04)	--	22.96 (15.71)	18.50 (13.19)	20.67 (13.22)
(Years in the U.S.) <sup>2</sup>	--	-0.61*** (0.15)	-0.75*** (0.13)	-0.81*** (0.13)	--	-0.18 (0.31)	-0.16 (0.26)	-0.20 (0.26)
Age	--	--	-7.79*** (2.22)	-9.12*** (2.18)	--	--	-8.05** (3.79)	-8.34** (3.79)
Years of schooling	--	--	30.25*** (2.18)	23.62*** (2.25)	--	--	59.90*** (4.02)	58.44*** (4.10)
Self-reported health	--	--	-80.87*** (5.87)	-76.44*** (5.80)	--	--	-107.72*** (9.90)	-103.06*** (10.12)
Married	--	--	224.13*** (16.94)	190.87*** (16.97)	--	--	--	--
Black	--	--	--	-203.63*** (19.69)	--	--	--	-49.69* (25.92)
Hispanic	--	--	--	-179.49*** (28.94)	--	--	--	-71.20 (47.90)
<b>B. Actual Annual Social Security Benefits (65+)</b>								
Immigrant	-2767.19*** (281.34)	-16257.89*** (868.17)	-15413.31*** (830.13)	14282.24*** (834.29)	-1670.35*** (218.17)	-9990.14*** (825.45)	-8229.57*** (797.88)	-7525.38*** (809.34)
Years in the U.S.	--	514.94*** (43.43)	540.53*** (41.44)	536.89*** (40.89)	--	305.33*** (38.31)	286.94*** (36.59)	283.48*** (36.34)
(Years in the U.S.) <sup>2</sup>	--	-3.92*** (0.47)	-4.52*** (0.46)	-4.66*** (0.45)	--	-2.28*** (0.39)	-2.34*** (0.37)	-2.43*** (0.37)
Age	--	--	189.86*** (9.66)	180.34*** (9.69)	--	--	68.42*** (6.18)	56.37*** (6.16)
Years of schooling	--	--	271.44*** (18.97)	204.02*** (20.01)	--	--	301.17*** (16.66)	238.78*** (18.09)

Self-reported health	--	--	-246.27*** (52.90)	-221.19*** (52.56)	--	--	-198.27*** (40.37)	-152.67*** (39.65)
Married	--	--	5251.14*** (138.86)	5128.79*** (139.25)	--	--	--	--
Black	--	--	--	-1622.27*** (200.17)	--	--	--	-1699.79*** (130.84)
Hispanic	--	--	--	-2288.17*** (293.56)	--	--	--	-1413.83*** (240.44)

Notes: The sample in Panel A is a made up of households in the 1992 or 1998 HRS who gave HRS permission to obtain their administrative records from SSA. The sample in Panel B is made up of households in the 1998, 2000, 2002, and 2004 HRS. For both samples, the sample of men includes nonmarried men and married households, while the sample of women contains only nonmarried women. Financial variables are in 2006 dollars. \*\*\* denotes statistical significance at the 1% level, \*\* at the 5% level, and \* at the 10% level.

**Table 3: Immigrant Effects on Pension Coverage**

	<i>Male-headed Households</i>					<i>Female-headed Households</i>				
	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
Immigrant	-0.109*** (0.017)	-0.332*** (0.079)	-0.408*** (0.079)	-0.405*** (0.079)	-0.359*** (0.080)	-0.151*** (0.029)	-0.559*** (0.138)	-0.468*** (0.024)	-0.419*** (0.138)	-0.342** (0.139)
Years in the U.S.	--	0.010* (0.006)	0.020*** (0.005)	0.020*** (0.005)	0.017*** (0.006)	--	0.024** (0.010)	0.024** (0.010)	0.022** (0.010)	0.017* (0.010)
(Years in the U.S.) <sup>2</sup>	--	-0.00009 (0.00009)	-0.0002*** (0.00009)	-0.0002*** (0.00009)	-0.0002** (0.00009)	--	-0.0003* (0.0002)	-0.0003* (0.0002)	-0.0003* (0.0002)	-0.0002 (0.0002)
Age	--	--	-0.010*** (0.001)	-0.010*** (0.001)	-0.010*** (0.001)	--	--	-0.005*** (0.002)	-0.005*** (0.002)	-0.005** (0.002)
Years of schooling	--	--	0.023*** (0.002)	0.023*** (0.002)	0.015*** (0.002)	--	--	0.033*** (0.003)	0.032*** (0.003)	0.020*** (0.003)
Self-reported health	--	--	-0.021*** (0.005)	-0.021*** (0.005)	-0.014*** (0.005)	--	--	-0.010 (0.008)	-0.010 (0.009)	0.003 (0.008)
Married	--	--	0.111*** (0.013)	0.113*** (0.013)	0.077*** (0.013)	--	--	--	--	--
Black	--	--	--	0.026 (0.016)	0.041** (0.016)	--	--	--	0.024 (0.020)	0.056*** (0.020)
Hispanic	--	--	--	-0.009 (0.020)	0.011 (0.020)	--	--	--	-0.057 (0.035)	-0.031 (0.035)
Ln income	--	--	--	--	0.071*** (0.006)	--	--	--	--	0.115*** (0.010)

Notes: The sample is a made up of households in the 1998, 2000, 2002 and 2004 HRS in which the head is currently working for pay. The sample of men includes nonmarried men and married households, while the sample of women contains only nonmarried women. Financial variables are in 2006 dollars. \*\*\* denotes statistical significance at the 1% level, \*\* at the 5% level, and \* at the 10% level.

**Table 4: Immigrant Effects on Total Net Worth**

	<i>Male-headed Households</i>					<i>Female-headed Households</i>				
	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
<b>A. Under 65</b>										
Immigrant	-100,192*** (12,582)	-173,500*** (60,443)	-154,554*** (56,790)	-144,455** (56,476)	-86,768 (p=0.119) (55,700)	-30,411*** (11,677)	-121,547** (56,409)	-59,316 (53,159)	-27,645 (52,643)	-11,336 (55,945)
Years in the U.S.	--	947.41 (4108.87)	9,220.01** (3,858.91)	10,975*** (3,843.55)	6684.28* (3779.94)	--	8902.83** (3845.36)	8,514.48** (3,615.63)	7991.00** (3,555.57)	5637.26 (3749.44)
(Years in the U.S.) <sup>2</sup>	--	-39.24 (65.81)	-134.37** (61.72)	-170.05*** (61.49)	-102.98* (60.28)	--	-109.77* (61.77)	-106.95* (58.07)	-95.10* (57.11)	-57.83 (59.90)
Age	--	--	8,001.53*** (759.10)	7848.50*** (755.59)	9482.67*** (730.90)	--	--	2939.53*** (745.12)	2648.94*** (733.16)	3034.38*** (745.21)
Years of schooling	--	--	36,020*** (1,136.86)	33,036*** (1175.46)	19,680*** (1211.54)	--	--	12,261*** (1,195.24)	18,935*** (1205.28)	14,287*** (1281.48)
Self-reported health	--	--	-47,224*** (3,160.53)	-43,796*** (3151.75)	-22,355*** (3133.74)	--	--	-37,488*** (2983.32)	-32,259*** (2958.78)	-22,418*** (3098.29)
Married	--	--	120,262*** (8,369.35)	107,697*** (8378.82)	22045** (8523.87)	--	--	--	--	--
Black	--	--	--	-126650*** (10,219)	-98881*** (9967.01)	--	--	--	-96,469*** (7443.87)	-87,317*** (7622.63)
Hispanic	--	--	--	-77,387*** (13,562)	-46096*** (13172)	--	--	--	-89,131*** (13,333)	-89,218*** (13,671)
Ln income	--	--	--	--	130,053*** (3781.01)	--	--	--	--	43,589*** (3260.34)
<b>B. 65+</b>										
Immigrant	-74,667*** (11,222)	-490,422*** (54,068)	-363,655*** (49,527)	-306,835*** (49,592)	-61,041 (47,536)	-49,563*** (8286.16)	-226,172*** (42,715)	-66,721* (40,321)	-72,241* (40,565)	25,885 (39,846)
Years in the U.S.	--	17,422*** (2444.41)	17,018*** (2240.20)	16,538*** (2225.38)	7585.73*** (2117.04)	--	6485.94*** (1852.97)	3490.21** (1744.81)	3523.14** (1731.85)	-197.38 (1679.97)
(Years in the U.S.) <sup>2</sup>	--	-149.01*** (25.25)	-157.72*** (23.21)	-161.97*** (23.09)	-90.64*** (21.80)	--	-49.53*** (18.40)	-31.63* (17.35)	-33.63* (17.22)	-2.82 (16.55)
Age	--	--	2510.36*** (427.17)	1846.57*** (426.36)	4596.05*** (395.09)	--	--	1629.66*** (278.10)	1101.33*** (279.10)	1904.70*** (260.19)

Years of schooling	--	--	37,798*** (823.60)	33,320*** (872.03)	14,174*** (867.43)	--	--	25,237*** (703.29)	23,324*** (746.44)	8975.92*** (755.44)
Self-reported health	--	--	-43,624*** (2686.56)	-41,657*** (2670.70)	-20,338*** (2482.68)	--	--	-29,436*** (2033.46)	-27,158*** (2024.17)	-13,400*** (1900.84)
Married	--	--	133,524*** (6975.97)	122,326*** (6969.58)	6087.71 (6707.15)	--	--	--	--	--
Black	--	--	--	-141,598*** (9467.38)	-97,393*** (8753.57)	--	--	--	-88,453*** (6079.03)	-55,503*** (5699.51)
Hispanic	--	--	--	-110,308*** (13,544.27)	-36,483*** (12,551)	--	--	--	-6131.40 (10,737)	7633.96 (10,005)
Ln income	--	--	--	--	235,266*** (3990.57)	--	--	--	--	151,446*** (3067.92)

Notes: The sample is a made up of households in the 1998, 2000, 2002 and 2004 HRS. The sample of men includes nonmarried men and married households, while the sample of women contains only nonmarried women. Financial variables are in 2006 dollars. \*\*\* denotes statistical significance at the 1% level, \*\* at the 5% level, and \* at the 10% level.

**Table 5: Immigrant Effects on Homeownership**

	<i>Male-headed Households</i>					<i>Female-headed Households</i>				
	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
<b>A. Under 65</b>										
Immigrant	-0.120*** (0.012)	-0.402*** (0.056)	-0.377*** (0.052)	-0.366*** (0.051)	-0.322*** (0.051)	-0.063*** (0.022)	-0.525*** (0.105)	-0.428*** (0.101)	-0.435*** (0.101)	-0.384*** (0.107)
Years in the U.S.	--	0.016*** (0.004)	0.018*** (0.003)	0.019*** (0.003)	0.016*** (0.003)	--	0.025*** (0.007)	0.024*** (0.007)	0.023*** (0.007)	0.021*** (0.007)
(Years in the U.S.) <sup>2</sup>	--	-0.00018*** (0.00006)	-0.00023*** (0.00006)	-0.00026*** (0.00006)	-0.00022*** (0.00006)	--	-0.00027** (0.0001)	-0.00026** (0.0001)	-0.00026** (0.0001)	-0.00022* (0.0001)
Age	--	--	0.005*** (0.001)	0.004*** (0.001)	0.005*** (0.001)	--	--	0.007*** (0.001)	0.007*** (0.001)	0.007*** (0.001)
Years of schooling	--	--	0.014*** (0.001)	0.012*** (0.001)	0.003*** (0.001)	--	--	0.026*** (0.002)	0.025*** (0.002)	0.017*** (0.002)
Self-reported health	--	--	-0.037*** (0.003)	-0.035*** (0.003)	-0.020*** (0.003)	--	--	-0.073*** (0.006)	-0.068*** (0.006)	-0.053*** (0.006)
Married	--	--	0.315*** (0.008)	0.306*** (0.008)	0.255*** (0.008)	--	--	--	--	--
Black	--	--	--	-0.083*** (0.009)	-0.063*** (0.009)	--	--	--	-0.096*** (0.014)	-0.075*** (0.015)
Hispanic	--	--	--	-0.073*** (0.012)	-0.056*** (0.012)	--	--	--	-0.006 (0.026)	-0.003 (0.026)
Ln income	--	--	--	--	0.074*** (0.003)	--	--	--	--	0.069*** (0.006)
<b>B. 65+</b>										
Immigrant	-0.153*** (0.010)	-0.758*** (0.050)	-0.701*** (0.047)	-0.685*** (0.047)	-0.604*** (0.048)	-0.187*** (0.014)	-0.807*** (0.073)	-0.657*** (0.071)	-0.678*** (0.072)	-0.622*** (0.076)
Years in the U.S.	--	0.025*** (0.002)	0.022*** (0.002)	0.022*** (0.002)	0.019*** (0.002)	--	0.026*** (0.003)	0.020*** (0.003)	0.020*** (0.003)	0.018*** (0.003)
(Years in the U.S.) <sup>2</sup>	--	-0.00022*** (0.00002)	-0.00018*** (0.00002)	-0.00018*** (0.00002)	-0.00015*** (0.00002)	--	-0.00022*** (0.00003)	-0.00015*** (0.00003)	-0.00015*** (0.00003)	-0.00013*** (0.00003)
Age	--	--	-0.004*** (0.0004)	-0.004*** (0.0004)	-0.003*** (0.0004)	--	--	-0.008*** (0.0005)	-0.008*** (0.0005)	-0.008*** (0.0005)
Years of schooling	--	--	0.010*** (0.0008)	-0.010*** (0.0008)	0.0009 (0.0009)	--	--	0.018*** (0.001)	0.018*** (0.001)	0.008*** (0.001)
Self-reported health	--	--	-0.021*** (0.003)	-0.020*** (0.003)	-0.011*** (0.003)	--	--	-0.054*** (0.004)	-0.053*** (0.004)	-0.042*** (0.004)

Married	--	--	0.280*** (0.007)	0.276*** (0.007)	0.233*** (0.007)	--	--	--	--	--
Black	--	--	--	-0.044*** (0.009)	-0.026*** (0.009)	--	--	--	-0.036*** (0.011)	-0.009 (0.011)
Hispanic	--	--	--	-0.029** (0.013)	0.002 (0.013)	--	--	--	0.028 (0.019)	0.038** (0.019)
Ln income	--	--	--	--	0.088*** (0.004)	--	--	--	--	0.119*** (0.006)

Notes: The sample is a made up of households in the 1998, 2000, 2002 and 2004 HRS. The sample of men includes nonmarried men and married households, while the sample of women contains only nonmarried women. Financial variables are in 2006 dollars. \*\*\* denotes statistical significance at the 1% level, \*\* at the 5% level, and \* at the 10% level.

**Table 6: Immigrant Effects on Home Equity, among Homeowners**

	<i>Male-headed Households</i>					<i>Female-headed Households</i>				
	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
<b>A. Under 65</b>										
Immigrant	8043.15* (4174.14)	-9968.33 (23171.63)	-18,264 (21987)	-17,321 (21,888)	-4053.65 (21,626)	44,221*** (5917.75)	22,303 (37,734)	14,019 (36,417)	27,071 (35,944)	29,449 (37,245)
Years in the U.S.	--	-350.47 (1514.17)	2557.64* (1438.36)	2973.80** (1439.73)	1963.30 (1421.31)	--	1397.24 (2357.44)	2405.66 (2271.73)	2354.52 (2234.23)	2319.41 (2306.45)
(Years in the U.S.) <sup>2</sup>	--	24.71 (23.43)	-30.11 (22.26)	-38.85* (22.28)	-23.40 (21.98)	--	-19.82 (35.30)	-30.07 (33.99)	-28.84 (33.44)	-30.06 (34.40)
Age	--	--	2247.76*** (246.33)	2240.96*** (245.74)	2663.36*** (241.56)	--	--	1230.22*** (394.85)	1275.24*** (388.72)	1356.51*** (395.68)
Years of schooling	--	--	9822.82*** (373.49)	9206.90*** (385.96)	6310.48*** (403.02)	--	--	6001.04*** (611.32)	5402.94*** (611.69)	4223.34*** (655.42)
Self-reported health	--	--	-13,455*** (1030.26)	-12,613*** (1029.00)	-8962.00*** (1026.06)	--	--	-13,850*** (1536.05)	-11,549*** (1526.20)	-9636.16*** (1575.05)
Married	--	--	23,175*** (3051.74)	20,781*** (3049.03)	7299.95** (3065.17)	--	--	--	--	--
Black	--	--	--	-34,170*** (3448.09)	-30,276*** (3396.52)	--	--	--	-37,081*** (3875.43)	-34,759*** (3949.88)
Hispanic	--	--	--	-14,364*** (4581.33)	-7284.48 (4511.29)	--	--	--	-39,397*** (6778.56)	-38,817*** (6910.15)
Ln income	--	--	--	--	28,355*** (1296.06)	--	--	--	--	9746.41*** (1602.35)
<b>B. 65+</b>										
Immigrant	9,060.72** (3875.88)	-99,699*** (23,116)	-80,046*** (21,771)	-63,523*** (21,862)	-28,226 (22,121)	25,718*** (4586.77)	48,896 (33,925)	64,009** (32,293)	67,334** (32,199)	65,867** (33,330)
Years in the U.S.	--	4912.77*** (991.90)	5306.49*** (934.89)	4889.35*** (931.17)	3492.54*** (936.44)	--	-1260.05 (1325.34)	-1244.90 (1260.97)	-1425.72 (1251.32)	-1414.66 (1286.63)
(Years in the U.S.) <sup>2</sup>	--	-48.73*** (9.89)	-56.00*** (9.34)	-53.70*** (9.30)	-42.05*** (9.28)	--	15.42 (12.29)	14.32 (11.70)	15.20 (11.61)	14.86 (11.83)
Age	--	--	628.62*** (144.71)	479.82*** (144.66)	1035.98*** (142.03)	--	--	960.66*** (143.52)	774.70*** (143.52)	974.66*** (141.49)
Years of schooling	--	--	9907.19*** (276.05)	8952.89*** (291.11)	5503.38*** (306.97)	--	--	8863.51*** (357.26)	8251.10*** (375.44)	5280.98*** (404.69)
Self-reported health	--	--	-10,279*** (884.38)	-9614.40*** (881.84)	-6304.73*** (864.92)	--	--	-8538.06*** (987.05)	-7521.75*** (983.14)	-5015.25*** (974.93)

Married	--	--	20,747*** (2552.63)	18,280*** (2549.46)	2731.13 (2536.36)	--	--	--	--	--
Black	--	--	--	-37,460*** (3229.07)	-31,379*** (3150.89)	--	--	--	-34,061*** (2961.38)	-27,558*** (2935.76)
Hispanic	--	--	--	-20,683*** (4626.14)	-7070.68 (4534.90)	--	--	--	-3197.89 (5364.39)	-814.03 (5274.16)
Ln income	--	--	--	--	40,415*** (1379.32)	--	--	--	--	27,982*** (1552.60)

Notes: The sample is a made up of homeowner households in the 1998, 2000, 2002 and 2004 HRS. The sample of men includes nonmarried men and married households, while the sample of women contains only nonmarried women. Financial variables are in 2006 dollars. \*\*\* denotes statistical significance at the 1% level, \*\* at the 5% level, and \* at the 10% level.

**Table 7: Effects of Risk Tolerance on Immigrant Differentials**

	<i>Male-headed Households</i>		<i>Female-headed Households</i>	
	<u>Baseline Model</u>	<u>W/ Risk Tolerance</u>	<u>Baseline Model</u>	<u>W/ Risk tolerance</u>
<b>A. Pension coverage</b>				
Immigrant	-0.359*** (0.080)	-0.367*** (0.093)	-0.342** (0.139)	-0.333** (0.147)
Years in US	0.017*** (0.006)	0.016** (0.006)	0.017* (0.010)	0.015 (0.010)
Years in US squared	-0.0002** (0.00009)	-0.00018* (0.0001)	-0.0002 (0.0002)	-0.00017 (0.00017)
Risk tolerance	--	-0.511*** (0.070)	--	-0.381*** (0.118)
<b>B. Net worth, under 65</b>				
Immigrant	-86,768 (p=0.119) (55,700)	-121,145* (65,474)	-11,336 (55,945)	-27,912 (59,044)
Years in US	6684.28* (3779.94)	7858.44* (4368.09)	5637.26 (3749.44)	5181.77 (3897.52)
Years in US squared	-102.98* (60.28)	-107.44 (68.35)	-57.83 (59.90)	-32.09 (62.08)
Risk tolerance	--	288,562*** (46,620)	--	103,372** (47,793)
<b>C. Net worth, 65 and older</b>				
Immigrant	-61,041 (47,536)	-83,078 (70,177)	25,885 (39,846)	-62,069 (71,261)
Years in US	7585.73*** (2117.04)	9777.38*** (3636.40)	-197.38 (1679.97)	6052.19 (3788.26)
Years in US squared	-90.64*** (21.80)	-126.45*** (45.08)	-2.82 (16.55)	-94.56* (48.70)
Risk tolerance	--	95,318* (55,186)	--	63,775 (53,851)
<b>D. Homeowner, under 65</b>				
Immigrant	-0.322*** (0.051)	-0.372*** (0.059)	-0.384*** (0.107)	-0.342*** (0.116)
Years in US	0.016*** (0.003)	0.020*** (0.004)	0.021*** (0.007)	0.017** (0.008)
Years in US squared	-0.00022*** (0.00006)	-0.00027*** (0.00006)	-0.00022* (0.0001)	-0.00015 (0.00012)
Risk tolerance	--	-0.221*** (0.042)	--	-0.166* (0.093)
<b>E. Homeowner, 65 and older</b>				
Immigrant	-0.604*** (0.048)	-0.562*** (0.065)	-0.622*** (0.076)	-0.447*** (0.138)
Years in US	0.019*** (0.002)	0.017*** (0.002)	0.018*** (0.003)	0.011 (0.007)
Years in US squared	-0.00015*** (0.00002)	-0.00014*** (0.00004)	-0.00013*** (0.00003)	-0.00004 (0.00009)
Risk tolerance	--	-0.142*** (0.051)	--	-0.020 (0.104)

Notes: The sample is a made up of households in the 1998, 2000, 2002 and 2004 HRS. The sample of men includes nonmarried men and married households, while the sample of women contains only nonmarried women. Financial variables are in 2006 dollars. \*\*\* denotes statistical significance at the 1% level, \*\* at the 5% level, and \* at the 10% level.

**Table 8: Effects of Family Obligations on Immigrant Differentials**

	<i>Male-headed Households</i>		<i>Female-headed Households</i>	
	<u>Baseline Model</u>	<u>Adding in Children</u>	<u>Baseline Model</u>	<u>Adding in Children</u>
<b><u>A. Net worth, under 65</u></b>				
Immigrant	-86,768 (p=0.119) (55,700)	-91,527* (55,245)	-11,336 (55,945)	7211.69 (55,925)
Years in US	6684.28* (3779.94)	6806.85* (3752.43)	5637.26 (3749.44)	5995.86 (3748.49)
Years in US squared	-102.98* (60.28)	-101.21* (59.90)	-57.83 (59.90)	-63.78 (59.90)
# of children w/in 10 miles	--	-41,781*** (7062.03)	--	-21,920*** (7199.73)
<b><u>B. Net worth, 65 and older</u></b>				
Immigrant	-61,041 (47,536)	-58,664 (47,518)	25,885 (39,846)	27,140 (39,856)
Years in US	7585.73*** (2117.04)	7465.37*** (2116.25)	-197.38 (1679.97)	-268.61 (1680.84)
Years in US squared	-90.64*** (21.80)	-89.59*** (21.79)	-2.82 (16.55)	-2.09 (16.56)
# of children w/in 10 miles	--	-23,955*** (5508.15)	--	-5492.06 (4387.37)
<b><u>C. Homeowner, under 65</u></b>				
Immigrant	-0.322*** (0.051)	-0.327*** (0.051)	-0.384*** (0.107)	-0.380*** (0.107)
Years in US	0.016*** (0.003)	0.016*** (0.003)	0.021*** (0.007)	0.020** (0.007)
Years in US squared	-0.00022*** (0.00006)	-0.00022*** (0.00005)	-0.00022* (0.0001)	-0.00021* (0.00011)
# of children w/in 10 miles	--	0.055*** (0.006)	--	0.028** (0.014)
<b><u>D. Homeowner, 65 and older</u></b>				
Immigrant	-0.604*** (0.048)	-0.607*** (0.048)	-0.622*** (0.076)	-0.626*** (0.076)
Years in US	0.019*** (0.002)	0.019*** (0.002)	0.018*** (0.003)	0.018*** (0.003)
Years in US squared	-0.00015*** (0.00002)	-0.00015*** (0.00002)	-0.00013*** (0.00003)	-0.00014*** (0.00003)
# of children w/in 10 miles	--	0.025*** (0.006)	--	0.019** (0.008)

Notes: The sample is a made up of households in the 1998, 2000, 2002 and 2004 HRS. The sample of men includes nonmarried men and married households, while the sample of women contains only nonmarried women. Financial variables are in 2006 dollars. \*\*\* denotes statistical significance at the 1% level, \*\* at the 5% level, and \* at the 10% level.

**Table 9: Immigrant Effects on Current Employment**

	<i>Male-headed Households</i>				<i>Female-headed Households</i>			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
<u>A. Under 65</u>								
Immigrant	0.049*** (0.018)	0.148* (0.082)	-0.027 (0.078)	-0.035 (0.078)	0.062* (0.032)	0.052 (0.126)	0.110 (0.129)	0.072 (0.125)
Years in the U.S.	--	-0.001 (0.006)	0.013** (0.006)	0.012** (0.006)	--	0.001 (0.009)	0.001 (0.009)	0.0009 (0.008)
(Years in the U.S.) <sup>2</sup>	--	-0.00005 (0.00010)	-0.00025*** (0.00010)	-0.00024** (0.00010)	--	-0.0001 (0.0001)	-0.0001 (0.0001)	-0.0001 (0.0001)
Controls for demographics	No	No	Yes	Yes	No	No	Yes	Yes
Controls for race/ethnicity	No	No	No	Yes	No	No	No	Yes
<u>B. 65 and older</u>								
Immigrant	-0.027* (0.016)	-0.112 (0.078)	0.056 (0.072)	0.071 (0.072)	-0.036*** (0.012)	-0.020 (0.070)	0.054 (0.063)	0.080 (0.063)
Years in the U.S.	--	0.002 (0.003)	-0.002 (0.003)	-0.002 (0.003)	--	0.0008 (0.003)	-0.004 (0.003)	-0.004* (0.003)
(Years in the U.S.) <sup>2</sup>	--	-0.00005 (0.00003)	0.00003 (0.00003)	0.00002 (0.00003)	--	-0.00001 (0.00003)	0.00005** (0.00002)	0.00005** (0.00002)
Controls for demographics	No	No	Yes	Yes	No	No	Yes	Yes
Controls for race/ethnicity	No	No	No	Yes	No	No	No	Yes

Notes: The sample is made up of households in the 1998, 2000, 2002 and 2004 HRS. The sample of men includes nonmarried men and married households, while the sample of women contains only nonmarried women. Financial variables are in 2006 dollars. \*\*\* denotes statistical significance at the 1% level, \*\* at the 5% level, and \* at the 10% level.

**Table 10: Immigrant Effects on Reports of Retirement**

	<i>Male-headed Households</i>				<i>Female-headed Households</i>			
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)
<b>A. Under 65</b>								
Immigrant	-0.113*** (0.012)	-0.207*** (0.040)	0.013 (0.068)	0.020 (0.069)	-0.059*** (0.015)	-0.158*** (0.046)	-0.081 (0.054)	0.072 (0.125)
Years in the U.S.	--	0.00005 (0.004)	-0.011** (0.005)	-0.010** (0.005)	--	0.002 (0.004)	0.0008 (0.009)	0.0009 (0.004)
(Years in the U.S.) <sup>2</sup>	--	0.00008 (0.00007)	0.0002** (0.00008)	0.00019** (0.00008)	--	0.00003 (0.0008)	-0.0001 (0.0001)	0.00001 (0.00008)
Controls for demographics	No	No	Yes	Yes	No	No	Yes	Yes
Controls for race/ethnicity	No	No	No	Yes	No	No	No	Yes
<b>B. 65 and older</b>								
Immigrant	-0.050*** (0.015)	-0.332 (0.081)	-0.353*** (0.078)	-0.336*** (0.078)	-0.098*** (0.020)	-0.531*** (0.096)	-0.392*** (0.095)	-0.348*** (0.095)
Years in the U.S.	--	0.009*** (0.003)	0.013*** (0.003)	0.013*** (0.003)	--	0.017*** (0.004)	0.015*** (0.004)	0.015*** (0.004)
(Years in the U.S.) <sup>2</sup>	--	-0.00004 (0.00003)	-0.00011*** (0.00003)	-0.0001*** (0.00003)	--	-0.00013 (0.00004)	-0.00013*** (0.00004)	-0.00013*** (0.00004)
Controls for demographics	No	No	Yes	Yes	No	No	Yes	Yes
Controls for race/ethnicity	No	No	No	Yes	No	No	No	Yes

Notes: The sample is made up of households in the 1998, 2000, 2002 and 2004 HRS. The sample of men includes nonmarried men and married households, while the sample of women contains only nonmarried women. Financial variables are in 2006 dollars. \*\*\* denotes statistical significance at the 1% level, \*\* at the 5% level, and \* at the 10% level.