

September 2018

**Free and Clear: National Origins and Progress toward Unencumbered  
Homeownership among Post-Civil Rights Era Immigrants**

Amon Emeka  
Skidmore College

A manuscript prepared for presentation at the  
2019 Annual Meetings of the  
*Population Association of America*

## **Free and Clear: National Origins and Progress toward Unencumbered Homeownership among Post-Civil Rights Era Immigrants**

### **ABSTRACT:**

Homeownership has been a central part of community and wealth building strategies in the US, and prior research demonstrates that Post-Civil Rights Era immigrants have employed these strategies with remarkable success. However, research on immigrant homeownership does not differentiate that which is encumbered by mortgage debt and that which is “free and clear.” This is an important distinction since wealth held in the form of encumbered home equity can be fleeting. I use US Census and American Community Survey data to chart progress toward unencumbered homeownership among immigrants born in the 1950’s who immigrated to the US in the 1970’s. Observing this cohort across a 25 year period (1990-2015), I uncover a robust pattern of unencumbered home equity accumulation as they approach the retirement ages. By the end of the period, this small cohort had amassed more than 66 billion dollars in unencumbered home equity, and some immigrant groups exhibited higher rates of “free and clear” homeownership than their US-born white counterparts. Other immigrant groups lagged in ways that cannot be explained by compositional differences between groups. I address the theoretical implications of these findings and offer suggestions for a new research agenda on immigrant advancement toward free and clear homeownership.

## **Introduction**

Immigration to the U.S. from Asia, Latin America, the Caribbean and Africa accelerated after 1968, and there has been considerable debate about prospects for immigrant social and economic integration since that time (Hirschman 2005; Borjas 1999; Gans 2009). Fifty years hence, the cumulative processes of immigrant adaptation have run their course for many of the early Post Civil Rights Era immigrants. Much has been made of their diverse social and economic *origins*; now we are in a position to observe their social and economic *destinations*. To this end, I will trace patterns of “free and clear” or unencumbered homeownership in a subset of those immigrants as they approach the end of their working lives. This is an important question since unencumbered homeownership presages financial security in retirement as well as the ability of immigrants to pass the fruits of their labor onto any US born heirs they may have. In the end, I uncover patterns of “free and clear” homeownership in immigrant groups that exceed rates observed among their US born white cohorts and impressive accumulations of unencumbered real estate wealth in immigrant communities. But results also reveal troubling differences across national origins groups that are not explained by human capital differentials. I discuss the possible causes and implications of these differences and outline a research agenda to better understand them.

## ***Background***

I refer to the immigrants under study here as “Post-Civil Rights Era” immigrants to denote both the timing, and legal and social context of their arrivals. The Civil Rights Era refers to the period of organized struggle in the mid-twentieth century to undo racial segregation and systematic exclusion in the U.S. The first large waves of Post-Civil Rights Era immigrants

arrived in 1970's—the decade following the passage of landmark Civil Rights legislation outlawing racial and ethnic discrimination in polling places, work places, public accommodations, and in immigrant admissions processes. The Immigration Act of 1965 eliminated national origins quotas established in the 1920's to maintain European predominance in the U.S. (King 2002; Ngai 1999); a short time after its enactment, Asia and Latin America overtook Europe as the leading places of origin for immigrants to the U.S. In the 1950's more than half of all immigrants had come from Europe; in the 1970's less than one-fifth did so. More than 80% hailed from Asia, Latin America, the Caribbean, and included the first-ever substantial waves of voluntary migration from Sub-Saharan Africa. The largest groups of immigrants in the 1970's hailed from Mexico, the Phillipines, Korea, Cuba, China, Vietnam, Canada, India, the Dominican Republic, and Haiti (U.S. Department of Homeland Security 2016).

The Immigration Act spurred change not only in the ethnic and racial makeup of immigration flow to the U.S. but also to the socioeconomic composition by allocating visas on the basis of family reunification, occupational skills, and refugee status. Many of the largest sending countries of the Post-Civil Right Era had been summarily excluded by prior U.S. immigration law (Ngai 1999), so aspiring migrants rarely had U.S. family connections to draw upon for purposes of family unification. Instead, they relied disproportionately on occupational certifications to gain admission to the U.S. leading to highly select migrations from most Asian and African countries. Vietnamese and Cuban immigrants who attained visas through the new preference system, often came under the refugee provisions. Some Latin American groups benefitted from the family reunification provisions of the act since immigration from the Americas had been largely unrestricted prior to 1952. All of this is to say that some immigrant groups tended to be highly select, arriving equipped with human capital and perhaps financial

capital that would facilitate quick entry into primary labor markets and, soon after, into housing markets—setting them on a course to free and clear homeownership—while others were bound to struggle to find work and “pay the rent.”

Finally, it is important to note that, by virtue of the Civil Rights Acts of 1964 and 1968, the immigrants under study here have always lived in U.S. that was free of “For Whites Only” signs. They have always lived in a country with an Equal Employment Opportunity Commission and a Fair Housing Act. These were certainly meaningful changes, but we also know that many institutionalized patterns of racial and ethnic exclusion were impervious to them (Lucas 2013). Roger Daniels (2002) remarked that though we had reached a “high-water mark in a national consensus of egalitarianism,” by 1965, it was a mark “from which much of the country would recede in the subsequent years” (338). While the magnitude and direction of the effects may be difficult to sort out, the enactment of Civil Rights laws and the social and political backlash against it has surely born on the ability of immigrants to translate whatever human capital they arrived with into commensurate locational attainment, home equity, homeownership, and wealth, more generally.

### ***Progress toward Free and Clear Homeownership among Immigrants***

Homeownership has been the most common strategy for wealth building in the U.S. (Hao 2007; Keister 2000). Further, it has been a defining feature of the American Dream and a compelling pull factor for immigrants to the U.S. (Clark 2003) due to the material and psychic benefits associated with owning a home. While there has been considerable study of the rates and determinants of homeownership among immigrants (Alba and Logan 1992; Myers and Lee 1998; Painter, Gabriel and Myers 2001), most studies are limited to observations of

homeownership that is encumbered by debt. Homeowners in such studies are one significant step closer to free and clear homeownership than renters/tenants, but they are often saddled with substantial mortgage debt and monthly costs associated with it. Wealth and financial security *may* be reflected in homeownership measured in this way, but we can only be *certain* when homeownership does not have a mortgage tied to it.

There is considerable evidence that Post-Civil Rights Era immigrants have been anxious to own homes (Fannie Mae 1995). As they have gained footholds in US labor markets, recent immigrants have quickly turned their attentions to housing markets with varying degrees of success across groups (Alba and Logan 1992; Myers and Lee 1998; Painter, Gabriel and Myers 2001). It is not surprising that Post Civil Rights Era immigrants have striven for home ownership given that many have migrated, in part, to build wealth and economic security. Life course perspectives suggest that households accumulate assets as their (household) heads move toward retirement ages at which point they begin to consume more than save (Modigliani 1986; Ando and Modigliani 1963). There has been some debate about patterns of saving and consumption in old age (Keister and Moller 2000), but the pattern of wealth accumulation in the prime working years is nearly universal. And this is no less true for immigrants in the U.S. than it is for natives who tend to place homeownership at the center of their wealth building strategies (Hao 2007). For the vast majority of first-time homebuyers, securing a mortgage loan is necessary, and doing so is a victory in itself since it allows young renters to become homeowners. Moving from the status of tenant to homeowner is a critical step, but as I will argue it is not the last step necessary to gain financial independence and security.

\*\*\* Figure 1 about here \*\*\*

Figure 1 offers a simple model of progress toward unencumbered homeownership. It makes sense that, with age, individuals move from a state of dependence (i.e., on parents) to a state of independence. This most obviously manifests as adult children leave the homes of their parents and move from the status of non-householder to that of householder. However, even as householders, most young adults are dependent on landlords and banks for the maintenance of their households. They are renters and encumbered homeowners who are beholden to unrelated persons and institutions who hold title to or liens against the dwellings in which they reside. In this sense, the second and third stages are similar, but this is where the similarity ends. Encumbered homeowners are encumbered by their debt obligations, but they accumulate wealth by virtue of those encumbrances; renters do not. For this reason moving from the second stage to the third is of profound importance. However, moving from encumbered to unencumbered homeownership is at least as important as an indicator of more enduring financial security for individuals, families, and communities.

Few studies of homeownership acknowledge the difference between encumbered versus unencumbered homeownership and, therefore, provide an important but incomplete picture of financial security among immigrants. Homeownership, operationalized in this way, can leave us with unduly optimistic views if, for instance, immigrants more often “own” homes that are heavily leveraged. This problem is partly averted in studies that focus on net home equity which is calculated as the market value of a given property less any mortgage debt (Hao 2007; Krivo and Kaufman 2004). However, the accumulation of positive home equity does not tell the whole story either. Home equity is dependent on the income and savings patterns of homebuyers but also on housing markets that can be fickle—as was made clear in the collapse of the U.S.

housing market in 2006. To demonstrate, it is in real terms more preferable to arrive at one's 67<sup>th</sup> birthday living in a home that is worth \$300k but is owned "free and clear" compared to arriving at retirement age living in a home worth \$400k that is encumbered by \$100K in mortgage debt. Both cases have \$300K in equity, but the first has no monthly mortgage payments and lower tax, insurance, and maintenance costs. The second case may have monthly mortgage, tax, insurance, and maintenance costs that are prohibitive. If this is true, we might suggest that the second owner sell, cash out the equity, and move in next door to the first. However, this may not be feasible given fluctuations in housing markets, sales commissions, tax and fees, and relocation costs that would leave the seller with considerably less than \$300K to spend on her next home—not to mention the physical and mental health costs associated with such a move (Danermark and Ekstrom 1990). For these reasons, it is crucial that we pay attention to patterns of unencumbered homeownership when considering the well-being of older immigrants. To date, these patterns have received little attention from social scientists, but patterns of mortgaged homeownership and home equity in the early Post Civil Rights Era may provide important clues as to how successful immigrants of the period have been at *commencing* with the process of wealth accumulation through homeownership.

Because "free and clear" homeownership is most often the culmination of a decades-long process of accumulation in the form of a 30-year mortgage debt repayment, it is crucial that we know who was renting and who was buying the homes they reside in at younger ages. Getting an early start is crucial to *finishing* the process of buying a home. Alba and Logan (1995) showed that, by 1980, many of the largest Post-1965 immigrant groups had homeownership rates equal to or greater than 50%, and homeownership deficits relative to US born whites were largely attributable to compositional differences (i.e., group differences in average levels of age,



education, income, and marital and parental statuses). However, their single cross section could not capture change over time or homeownership trajectories. Tracking cohorts of Asian and Latin American immigrants across the 1980 and 1990 US Census, Myers and Lee (1998) uncovered a *universal* pattern of advancement into homeownership as immigrants aged. They demonstrated that soon after their arrival, rates of homeownership among Asian immigrants in southern California were comparable to those of US born whites, and patterns observed among Latin American immigrants were suggestive of a convergence with the US born whites despite their typically humble origins. All of this is suggestive that members of the largest immigrant groups of the Post-Civil Rights Era were off to good starts with regards to the accumulation of home equity by 1990.

\*\*\* Table 1 about here \*\*\*

Popular news outlets seized on these patterns as they became more pronounced in local areas (Taylor 2010; Rhodes 2003; Showley 2010). In several U.S. metropolitan areas Asian and Latin American surnames became predominant among new homebuyers. The case of San Diego County is instructive. Table 1 demonstrates that as late as 1990, eight of the ten most common surnames among homebuyers were Anglo (Smith, Johnson, Brown, Miller, Williams, Jones, Anderson, and Davis) with two Spanish surnames (Garcia and Lopez) rounding out the list. By 2010, only two Anglo surnames remained on the list with the Vietnamese “Nguyen” sitting atop as the single most common surname among homebuyers. All said, among top ten surnames in 2010 two were Anglo, four were Spanish, and four were Asian. This remarkable pattern is probably reflective of both socioeconomic advancement among Asian and Latin American

immigrants themselves and also the entry of many of their high achieving US born children into U.S. housing markets by 2010.

As I have suggested, however, entry into the housing market and into a mortgage loan agreement is only a first step toward wealth building in the form of home equity accumulation and, ultimately, “free and clear” homeownership. Some scholarly attention has been given to the accumulation of home equity among immigrants which may inform our expectations with regards to unencumbered homeownership in retirement. Hao (2007) found that immigrant groups tended to hold most of their wealth in the form of home equity despite their relatively low rates of homeownership.

However, there are good reasons to think that early Post-Civil Rights Era immigrant groups differ in terms of their ability to access and compete in housing markets given that they have significantly different contexts of reception and socioeconomic profiles on arrival (Portes and Rumbaut 2006). *First*, prospective immigrants were differentially impacted by the 1965 legislation meant to exhume overt racism from U.S. immigration law. When the national origins quotas enacted in the 1920’s were stricken from the admissions criteria, we were left with a set of criteria that placed the highest priority on family reunification. Going forward the largest share of immigrants were selected on whether people from their home countries had been allowed to enter in the years prior to 1965. This made legal entry into the US highly selective for immigrants coming from previous excluded countries of origin (i.e., China, India, Korea and nearly all of the African countries) and less selective for those hailing from countries from which migration had been less restricted (i.e., Mexico). Those with no US resident family members to reunify with relied upon “occupational criteria” to gain entry which meant that immigrants from most Asian and African countries (Ngai 1999; King 2002) would be disproportionately well-

endowed in terms of educational background, occupational skill, job prospects, and, by implication, financial capital. Figure 2 illuminates substantial differences in educational attainment between young immigrants from African, Asian, Caribbean and Latin American countries in 1980. While well less than half of the Latin American immigrants in Figure 2 had completed high school, more than nine out of ten African and Indian immigrants had done. The educational attainment for those last three groups appears to be more favorable than that of US-born non-Hispanic whites. It makes sense that these highly select groups would exhibit more rapid entry into US housing markets and accumulation of home equity than less select groups.

\*\*\* Figure 2 about here \*\*\*

The Immigration Act of 1965 also formally recognized and admitted political refugees. Immigrants who leaned heavily on the refugee criterion (e.g., Vietnamese) were not highly select in terms of education and occupational skill which can also be seen in Figure 2, but government funded refugee resettlement assistance programs had favorable affects that helped to offset human capital deficits (Rumbaut 1996; Zhou and Bangston 1998). Finally, it is worth mentioning that the 1965 Act placed the first-ever omnibus cap on migration from Western Hemisphere which led to mounting pressure on the U.S.-Mexico border, eventually leading to more unauthorized migration from Mexico (Massey et al. 2002) and larger population of unauthorized Mexican immigrants who would not have easy access to U.S. housing markets. In all, the provisions of the Immigration Act of 1965 left us with new immigrant populations who varied substantially in terms socioeconomic composition and legal standing, and those

differences would conceivably lead to differing levels of access to the credit and capital necessary enter US housing markets.

A *second* reason we can expect immigrant groups to differ is that each has more of less co-ethnic community resources they may draw upon to establish themselves economically after arriving in the US. While the foregoing explanation highlights the impacts of immigration law on the prevalence of certain individual characteristics (i.e., human capital) in immigrant groups, segmented assimilation theory (Portes and Rumbaut 2001; Portes and Zhou 1993) holds that the translation of human capital into a commensurate quality of life will depend partly on the existence of co-ethnic communities, organizations, and institutions. Job and housing information are said to flow through established co-ethnic communities in the US to its newest immigrant members (Quillian and Redd 2008) and the absence of such communities may make it difficult new arrivals to gain the economic traction necessary to begin moving toward homeownership. Studies have shown that “rotating credit” practices in ethnic communities have provided venture capital for immigrants where none may have been otherwise available (Besley et al. 1993; Portes and Manning 1986). There is ample evidence of this practice in early as well as more recently established Asian immigrant communities (Light 1972; Min 1997), and recent studies suggest that similar practices have emerged in Caribbean and African immigrant communities in the US (Tesfai 2016; Bashi 2007). In short, some groups may have more “ethnic capital” to draw on as they arrive in the US and go about pursuing their American dreams of business and/or homeownership.

The *third* and final reason for intergroup differences has to do with the continuing correlation between race and life chances for immigrants in the US. Portes and Rumbaut (2001) argue that “in America, race is a paramount criterion of social acceptance that can overwhelm the

influence of class background, religion, or language... A racial gradient continues to exist in U.S. culture so that the darker one skin is . . . the more difficult it is to make his or her qualifications count” (47). In the last decades of the 20<sup>th</sup> century, as new immigrants were making their way into U.S. labor markets and housing markets, there were well documented patterns of exclusion that put Black and Latino homebuyers at significant disadvantages when trying to secure financing and insurance for home purchases (Yinger 1995; Oliver and Shapiro 1995). There were also well-documented patterns of segregation that led most Caribbean and African immigrants to concentrate socially isolated Black communities (Iceland 2008). And those communities were especially hard hit by the foreclosure crisis that commenced in 2007 (Rugh and Massey 2010; Tesfai 2017). To the extent that Black and Latin American immigrants are treated in U.S. housing markets like US born Blacks and Latinos, we can expect to see more residential segregation and less home equity accumulation among them which will logically lead to lower rates of “free and clear” homeownership later in the life course.

For all of these reasons, we can expect to see different patterns of free and clear homeownership across national groups as they approach retirement ages. While there has yet been no empirical address of this question, research on accumulated home equity provides some clues. In an article on racial and ethnic differences in home equity, Krivo and Kaufman (2004) demonstrated that by 2001, White, Black, Asian, and Hispanic householders had amassed, on average, \$92k, \$37k, \$101k, and \$47k in home equity, respectively. For most groups there was a clear immigrant disadvantage. For instance, foreign-born Black householders had, on average, \$19k less home equity than their US born counterparts. Among Asians, the immigrant disadvantage was \$26k. Among Latinos there was \$13k difference between US born and foreign-born non-naturalized householders, but much less difference between US born and

foreign-born but naturalized householders. Even with the disadvantages associated with foreign-birth, Asian immigrants had levels of home equity comparable to that of US born White householders. The same cannot be said for Black and Latino immigrants whose net disadvantages left them with well less than half the home equity of US born White householders with identical background characteristics. These findings suggest that by 2001, Asian immigrants had made considerably more progress toward free and clear homeownership than Black and Latin American immigrants.

All of this suggests that many immigrants commenced with the home-buying process not long after arriving the U.S. and built considerable equity in their homes, but patterns of homeownership and home equity accumulation differ across race and national origins (Hao 2007) for reasons that have to do with their socioeconomic characteristics and their receiving contexts. Previous literature does not address the question of whether Post-1965 immigrants have tended to complete the process—that is, whether they have or will tend to pay their mortgages off by the time they reach retirement ages. I will do so here, highlighting differences that may emerge between immigrant groups and between immigrants and natives.

## **Data and Methods**

U.S. Census and American Community Survey (ACS) data are employed here because they are the only national random samples large enough to yield robust samples of immigrants of particular national origins, of particular birth cohorts, of particular immigration cohorts, at particular times. Specifically, I use the double-cohort method developed by Myers and his colleagues (Myers and Lee 1996; Myers and Cranford 1998) to offer illustrations of progress toward free and clear homeownership among immigrants who were born in the 1950's and

arrived in the US during the 1970's as they move through their working lives. They are in their twenties by 1980, in their thirties by 1990, in their forties by 2000, and in their fifties by 2010. 2015 is the last year observed here, and by that time the cohort was nearing retirement age and perhaps the apex of their real estate wealth acquisition (Keister 2000).

The central dependent variable in this paper is homeowner status. For descriptive purposes I employ a four-category variable constructed from Census and ACS items that ascertain 1) respondents' relationship to the head in his or her household and 2) whether the household is rented, owned with a mortgage, or owned without a mortgage. Households often depend equally on economic inputs from two or more residents and are owned and managed jointly, but there can be only one head of household designated on the Census and ACS. For this reason, I treat both householders and spouses of householders as heads of household. The resulting variable has four possible values:

1. Non-householder – neither the head nor the spouse of the head of household
2. Renter – head or spouse of the head of a household that is being rented
3. Encumbered Owner -- head or spouse of the head of a household that is owned with one or more mortgages
4. Unencumbered Owner -- head or spouse of the head of a household that is owned with no mortgage

Therefore, progress toward unencumbered homeownership is operationalized as movement from the first category above to the fourth. This operationalization is consistent with the model of progress toward unencumbered homeownership outlined earlier in this paper but is not meant to imply that progress toward “free and clear” homeownership is inevitable or unidirectional. We will see that as the cohort understudy here ages across the period (1980 to 2015) their

distribution across the four categories changes in some predictable ways. Ultimately, I will focus on the *dichotomous* distinction between those who are unencumbered owners ( $Y=1$ ) and those who are not in 2015 to see how nativity and human capital (education and occupation) bear on the probability of owning a home “free and clear” by the end of ones working life.

## **Results**

Figure 3 illustrates the progress of native and foreign born birth cohorts as they move from living in the homes of their parents during their twenties to unencumbered homeownership in their 50's and 60's. This progress consists of three transitions: from the status of non-householder to householder, from renter to encumbered homeowner, and, finally, to unencumbered owner. While we cannot follow individuals through this process, we can see prevailing patterns across the decades that conform to expectations arising from the model of progress outlined earlier. These patterns are similarly pronounced in the Baby Boom and immigrant cohorts compared here.

\*\*\* Figure 3 about here \*\*\*

By 1980, 38.9% of young immigrants who had arrived in the decade prior lived in households which they did not head. They may have relied on family or other associations for their housing. The same was true of 36.9% of their US-born age mates (i.e., Baby Boomers). By 1990, far fewer appeared to be dependent in this way, with only 14.7% and 15.1% of immigrants and natives, respectively, remaining in households that they did not head. There is not much change in this regard after 1990. By 2015, 5 out of 6 immigrants reside in households headed by



themselves or their spouses, and the same is true of 7 out of 8 of their US born age mates. Explaining why non-trivial numbers of immigrants and natives continue to reside in households that neither they nor their partners head is beyond the scope of this paper, but it should be noted that such a living situation does not necessarily reflect economic stagnation. It is easy to imagine financially stable immigrants residing with family members who are able to make it “free and clear” only because of the contributions of co-resident kin (Bashi 2007).

Those who do establish households of their own, favor homeownership over renting. Whatever migration-related challenges they may have faced, by 1990, when the immigrant cohort was in their 30’s, 85% of them were household heads or spouses of household heads, and, of those, the majority were homeowners—not renters. In all, 42.1% of immigrants in their thirties had homes mortgaged in their names, and another 4.4% owned homes outright. By the final year observed (2015), 64.3% of the immigrant cohort owned homes. This number represents more than three-quarters of immigrant household heads. More than a fifth (22.1%) of all immigrants and a quarter (26.4%) of immigrant household heads owned their homes outright, and just more than 10% owned homes worth one million dollars or more (author tabulations). Figure 4 shows that, collectively, the immigrant cohort had amassed no less than 66 billion dollars in unencumbered real estate holdings by 2015.

\*\*\* Figure 4 about here \*\*\*

Not surprisingly, patterns of homeownership and progress toward “free and clear” homeownership are even more pronounced among US Baby Boomers. As we will see later, this

difference is partly attributable to ethnic, racial, and educational differences within and across the native and immigrant cohorts studied here.

***Which Groups Make It “Free and Clear?”***

There is significant variability among immigrant groups in terms of progress toward unencumbered homeownership. Figure 5 displays progress for 12 immigrant groups and includes US born white, black, Hispanic, and Asian Americans as reference groups. Taken together, these groups exhibited unencumbered homeownership rates between 1% and 7% in 1990, but those rates fan out to between 8% and 35% by 2015. As we move from the Asian immigrant story in the upper left panel of Figure 5 to the African immigrant story in the lower right panel, the pattern changes from encouraging to troubling.

\*\*\* Figure 5 about here \*\*\*

Slightly more than a third of Chinese and Indian immigrants who arrived during the 1970’s were residing in homes they owned free and clear by 2015. They are substantially more likely to own homes outright than are their US-born White age mates. This was not true prior to 2000. In their twenties and thirties, Chinese and Indian immigrants had rates of unencumbered home ownership that were not significantly different from those of US-born Whites nor from Mexican immigrants. Only when the cohorts reach their fifties and sixties do we see this Chinese and Indian advantage emerge—suggesting an acceleration of housing wealth accumulation as they head into their fifties. Vietnamese immigrants exhibit a similar pattern ending up with rates of unencumbered homeownership nearly identical to that of US-born

Whites. This is a surprising finding given that Vietnamese immigration of the 1970's was dominated by refugees who tend to be less select than voluntary migrants like those who ventured from China and India at that time (see Figure 2). Koreans and Filipinos exhibit less impressive progress on this measure, but still fair better than most non-Asian immigrant groups.

Turning to the Latin American immigrant panel, Mexican immigrants exhibit rates of unencumbered homeownership equal to or better than those of US born Whites in 1990, but their relatively flat linear advancement over the period leaves them with a rate considerably lower than that of the White reference group by 2015. Still, they outperform their Salvadoran, Dominican, Filipino, Caribbean and African counterparts by wide margins. This pattern of progress is remarkable given their low average levels of education (see Figure 2). The relatively low levels of unencumbered home ownership evidenced among Dominicans and Salvadorans may reflect their lower than average levels of human capital.

The lower half of Figure 5 traces intragenerational progress among Caribbean and African immigrants. Those from Sub-Saharan African exhibit very low rates of unencumbered homeownership throughout the period, but experience some acceleration as they enter their late fifties and sixties that leaves them with a rate of unencumbered homeownership that is less than that of US born Whites but greater than that of their US born Black age mates. They are the only Black immigrant group to outperform US born blacks on this measure which is not surprising given the very high levels of education attainment evidenced among them. Haitian, Jamaican, and Dominican immigrants fair worse than all other groups—including US born Blacks--on this measure with only 7 to 12% achieving free and clear homeownership by the end of the period. What might explain these differences?

### ***Dispensing with Easy Explanations of Group Differences***

Table 2 displays results from logistic regression analyses run to identify statistically significant predictors of unencumbered homeownership among U.S. immigrants and natives nearing the end of their working lives in 2015. The analyses are performed twice—once including US born residents for purposes of comparison and once with only immigrants. The first exercise is meant to shed light on how and why immigrant groups differ from US born cohorts, and the second is meant to shed light on why immigrant groups differ from one another. While a thoroughgoing explanation of the causal mechanisms behind patterns of free and clear homeownership is beyond the scope of this paper, the analyses to follow may eliminate some easy explanations and leave us with a clearer sense of whether group differences are attributable to compositional differences between them or something more complicated.

\*\*\* Table 2 about here \*\*\*

As was suggested earlier, average human capital and life course characteristics may differ across groups in ways that lead to more unencumbered homeownership in some groups than in others. Educational attainment, marital status, age, and sex may bear directly and indirectly on patterns of unencumbered homeownership and may explain the group differences depicted in Figure 5. There are numerous other predictors that may bear on the outcome of interest, but many of them matter in ways that can only be accurately captured longitudinally. Income is an excellent example; it is surely influential, but income at age 58 or 64 is probably less telling than income at age 33 or 46 since achieving unencumbered homeownership is, for most, a lifelong process. Accounting for the effects of income requires knowing something about earnings and

income patterns *across* the working life course—not just at the end. It may be the people who had high incomes earlier and lower incomes now are the ones we find enjoying unencumbered homeownership—a possibility that cannot be addressed in cross-sectional analysis. Similarly, it may be people who had co-resident children earlier in life and do not later in life who are more likely attain free and clear homeownership. Here, I take account of commonly cited factors that are more or less fixed across the adult life course: educational attainment, marital status (ever married), age (birth cohort), and sex.

In the first column of Table 2, we see the group differences in Figure 5 confirmed. US born racial minorities as well as seven of the twelve immigrant groups identified here have unencumbered homeownership rates that are significantly lower than those of US born White who make up the referent category. Korean and Vietnamese immigrants do not differ significantly from US born Whites on this count while Chinese and Indian immigrants in the cohort outperform US born Whites by a statistically significant margin.

The bottom half of column two displays the effects of education, marital status, age, and sex. High school and college have statistically significant, but small, effects. All else being equal, having a college degree is associated with 8% increase the odds of unencumbered homeownership which translates to a one or two percentage point increase in the probability. Marital status has a much larger effect, with marriage and widowhood boosting the odds by 76% and 51%, respectively. Age seems to have the strongest effect of all. Despite the fact that we are looking at a birth cohort with a limited set of ages (55 to 64), each additional year within that age range is associated with a 8.3 ( $\text{Exp}[B]=1.083$ ) increase in the odds of achieving free and clear ownership. This means that the average 64 year old has odds that are twice as great ( $1.083^9 = 2.05$ ) as the average 55 year old—a double digit improvement to the probability. This makes

sense in that, as workers near retirement there is added incentive to reduce monthly costs associated with housing. The inclusion of sex in the model tells us that, all else being equal, men in this age group are less likely than women to own their homes outright. This may be attributable to the fact that women more often enter this age range sharing household headship with a spouse or partner who is older than she. In any case, sex is included to account for the possible effects of different sex compositions that often exist across immigrant groups.

The inclusion of these variables does surprisingly little to explain intergroup differences. The Indian advantage noted in the first model ( $\text{Exp}[B]=1.29^*$ ) is reduced to statistical insignificance in the second ( $\text{Exp}[B]=1.07$ ) suggesting that it is, in part, a function of the educational, marital, age, and sex composition differences between Indian immigrants and US born Whites that favor the former. However, the other group differences moderate little if at all with the addition of these controls.

The second set of models include only immigrants to assess the extent of differences between immigrant groups in a way that accounts for the possibility that education, marital status, age and sex influence patterns of unencumbered homeownership differently among them. Chinese immigrants are treated as the referent category since they have the highest observed rate of unencumbered homeownership. Their odds are significantly greater than all but two other immigrant groups—Indians and Vietnamese. High school graduation appears to be significantly less influential among immigrants; neither high school nor college graduation is a statistically significant predictor of free and clear homeownership. Marital status, on the other hand, appears to be a more influential predictor than is true among the US-born. Age and gender also bear significantly, but the addition of these variables does little to explain the advantages of Chinese,

Indian, and Vietnamese immigrants. There is clearly more to their success story than high educational attainments and commitment to marriage.

It should also be noted that Dominican, Haitian, and Jamaican immigrants fair worse than all others—including US born Black Americans—in the analyses above. Salvadoran and Sub-Saharan African immigrants exhibit net rates of unencumbered homeownership that do not differ significantly from the low level among US born Black people. Like the Asian advantage highlighted above, the African and Afro-Caribbean disadvantage that emerges here cannot be attributed to low levels of education or marital stability in these groups.

In all, we are left with evidence of extraordinary achievement and underachievement among immigrants where free and clear homeownership is concerned. Explanations of these differences are surely many and varied, and uncovering the mechanisms that generate each is too ambitious a task for a single paper. Therefore, I offer suggestions in the next section as to a research agenda that would flesh out our understanding of immigrant (and non-immigrant) progress toward free and clear homeownership over the life course.

## **Discussion and Conclusions**

The social and economic destinations of the earliest Post-Civil Rights Era immigrants are only now coming into view given that many of them are nearing retirement ages after 30 or more years spent living and working in the U.S. Whether or not they have “made it” is assessed here by examining patterns of homeownership which have been crucial to the wealth building strategies of US immigrants and natives alike (Hao 2000; Keister 2000). We must be careful to differentiate between encumbered homeownership and unencumbered or “free and clear” homeownership when making such assessments since real estate that is encumbered by mortgage

debt is not safe from foreclosure (Rugh and Massey 2010; Tesfai 2017). This paper is the first to examine patterns of progress to “free and clear” homeownership in a cohort of Post-Civil Rights Era immigrants, uncovering impressive rates of free and clear homeownership and massive accumulations of unencumbered real estate in immigrant communities. But the study also reveals troubling disparities across immigrant groups that cannot be explained by compositional differences between them. In this closing section, I will highlight several key findings of this study and outline a research agenda for unpacking them—all with an eye toward understanding the dynamics of economic integration and wealth building in immigrant communities.

U.S. Census and American Community Survey respondents who were born in the 1950’s and immigrated to the U.S. in the 1970’s constitute the Post-Civil Rights Era immigrant cohort examined here. As they age through their working lives in the U.S. most move from the status of non-householder to renter, from renter to homeowner, and, finally, more than a fifth (22.1% by 2015) achieve free and clear homeownership. As a cohort, they accumulated no less than \$66 billion in unencumbered real estate holdings by 2015, and this does not include equity in homes still being paid off. Those billions of dollars translate into hundreds of millions paid in local property taxes every year—substantial material contributions to the welfare of American communities probably tied to affective investments in and commitments to those same communities (Blum and Kingston 1984). To the extent that this true, the achievement of free and clear homeownership may capture social and economic integration in a way that few measures can.

By the time they reached their mid-fifties and early sixties, Chinese, Indian, and Vietnamese immigrants compared favorably to their US born White counterparts (Baby Boomers). More than a quarter of them achieved free and clear homeownership. Afro-



Caribbean groups fared worse on this measure than all others with rates of 12% or less. Mexican, Filipino, Korean, and African immigrants had levels that ranged from 17 to 24%. Compositional differences across the groups in terms of education, marital status, age, and gender do not explain why some groups move more rapidly toward free and clear homeownership. We are left with net effects whose unpacking may shed new light on processes of immigrant adaptation and wealth accumulation.

More theoretical and empirical work is in order. Segmented assimilation theory may provide useful concepts for this purpose. The theory posits that government, community and societal receptivity to immigrants will bear on their socioeconomic trajectories. Government receptivity to immigrant groups is said to range from hostility to passive acceptance to active encouragement (Portes and Rumbaut 2001). Groups studied here probably run the gamut in this respect, but measuring government receptivity involves analysis of legislation, programs, and practices that is yet to be offered for many of these groups. We might hypothesize that the unexpected and remarkable success of Vietnamese immigrants charted in this study is partly attributable to the fact of their entrance as refugees whose resettlement was aided by government and non-governmental agencies (Zhou and Bangston 1998; Rumbaut 1996). Despite their humble origins, by the end of the period under study here, their rates of unencumbered homeownership were no less than those of U.S. born Whites. Identifying the mechanisms that facilitated their success may require comparative historical methods that could benefit immigration scholarship more broadly.

Community receptivity refers to the quantity and quality of co-ethnic community connections available in an area receiving immigrants. This concept calls for a careful consideration of geography. Where do immigrants settle? How large and well developed are the

co-ethnic communities and/or enclaves in those places? More specifically to this study, what sources of credit and capital exist in those communities? These questions assess the importance of geography above and beyond housing costs. Co-ethnic community connections may facilitate home purchases where they would not otherwise be possible. Chinese immigrants have tended to cluster in the most expensive housing markets in the country (New York, San Francisco, and Los Angeles), but they are nonetheless able to pay off their homes faster than any other group—immigrant or native. The possibility that their success is reflective of, for instance, informal lending conventions and institutions housed in co-ethnic communities (Light 1972; Portes and Manning 1998; Bashi 2007) warrants closer examination, the presence or absence of such entities could contribute to intergroup differences in unencumbered homeownership.

Societal receptivity refers to how the general public responds to the presence of a given group. Since many US born residents have little familiarity with national and ethnic distinctions within groups widely thought of in racial terms, societal reception may “raced.” In other words, it may be more important that immigrants are visibly black or Asian or Latino than that they were born in one country versus another. Waters (1999) poignantly describes a pattern of “white flight” when upwardly mobile West Indians begin to purchase homes in a working class white Brooklyn neighborhood. Such a pattern is often accompanied by stagnation or decline in property values which would chip away at resources and motivations necessary for encumbered homeowners to keep progressing toward free and clear homeownership. This may explain the very low rates of free and clear homeownership of Jamaican, Haitian, and African immigrants in this study. But that remains an open empirical question.

Outside of these theoretically motivated inquiries, there are at least three ways in which data could be improved to gain a better understanding of progress toward free and clear

homeownership. First, since that progress often spans entire working lives, measures of educational attainment, occupation, income, family structure, residential tenure, etc. are needed as those characteristics change over the life course. For this reason, longitudinal data would be ideal. Second, however, there is more that could be done using cross sectional methods with additional variables like number of children ever born, age at first marriage, etc. A measure of asset holdings at time of arrival in the US would also be tremendously helpful. On a small scale, these improvements are feasible, but large national random samples may be hard pressed to meet these specific needs. A third a final problem is that of return migration which may, over time, siphon immigrants from the cohort observed here. This would be problematic if such migrations are selective on economic success, but there is reason to think any selectivity may work in two ways that counterbalance each other. Some US immigrants may leave when they have failed to live up to their economic aspirations while others may leave when they have achieved their goals (i.e., raising sufficient funds for capital improvements or real estate purchases in their home countries). While it is not essential here, assessing the impact of return migration on observed patterns of free and clear homeownership in the US *and in countries of origin* would provide for a more complete story.

These inquiries and improvements would improve our understanding of patterns of progress toward unencumbered homeownership revealed in this paper. It is crucial that we do so since free and clear homeownership reflects substantial material investments in American communities, presages immigrant well-being in old age and, perhaps most importantly, affects their ability to serve as economic anchors to subsequent immigrant generations as they confront the challenges of life in the 21<sup>st</sup> century US.

## Works Cited

- Ando, Albert and Franco Modigliani. 1963. "The Life Cycle Hypothesis of Saving: Aggregate Implications and Tests." *American Economic Review* 53: 55-84.
- Alba, Richard and John Logan. 1992. "Assimilation and Stratification in the Homeownership Patterns of Racial and Ethnic Groups." *International Migration Review* 26(4): 1314-41.
- Clark, William A. 2003. *Immigrants and the American Dream: Remaking the Middle Class*. New York: Guilford Press.
- Danermark, Berth and Mats Ekstrom. 1990. "Relocation and Health Effects on the Elderly A Commented Research Review." *Journal of Sociology and Social Welfare* 17 (3): 25-49.
- Daniels, Roger. 2002. *Coming to America: A History of Immigration and Ethnicity in American Life*. New York: Harper Collins.
- Bashi, Vilna. 2007. *Survival of the Knitted: Immigrant Social Networks in a Stratified World*. Redwood City, California: Stanford University Press.
- Besley, Timothy, Stephen Coate, and Glenn Loury. 1993. "The Economics of Rotating Savings and Credit Associations." *American Economic Review* 83 (4): 792–810.
- Blum, Terry and Paul Kingston. 1984. "Homeownership and Social Attachment." *Sociological Perspectives* 27(2): 159-80.
- Borjas, George. 1999. *Heaven's Door: Immigration Policy and the American Economy*. Princeton, New Jersey: Princeton University Press.
- Fannie Mae. 1995. *Fannie Mae National Housing Survey, 1995: Immigrants, Homeownership, and the American Dream*. Washington, D.C.: Federal National Mortgage Association.
- Gans, Herbert. 2009. "First Generation Decline: Downward Mobility among Refugees and Immigrants." *Ethnic and Racial Studies* 32 (9): 1658-70.

- Hao, Lingxin. 2007. *Color Lines, Country Lines: Race, Immigration, and Wealth Stratification in America*. New York: Russell Sage Foundation.
- Hirschman, Charles. 2005. "Immigration and the American Century." *Demography* 42 (4): 595-620.
- Iceland, John. 2009. *Where We Live Now: Immigration and Race in the United States*. Los Angeles: University of California Press.
- Keister, Lisa. 2000. *Wealth in America: Trends in Wealth Inequality*. New York: Cambridge University Press.
- Keister, Lisa and Stephanie Moller. 2000. "Wealth Inequality in the United States." *Annual Review of Sociology* 26: 63-81.
- King, Desmond. 2002. *Making Americans: Immigration, Race, and the Origins of the Diverse Democracy*. Cambridge, Massachusetts: Harvard University Press.
- Krivo, Lauren and Robert Kaufman. 2004. "Housing and Wealth Inequality: Racial and Ethnic Differences in Home Equity in the United States." *Demography* 41(3): 585-605.
- Lucas, Samuel. 2013. *Just Who Loses? Discrimination in the United States*. Philadelphia, Pennsylvania: Temple University Press.
- Massey, Douglas, Jorge Durand and Nolan Malone. 2002. *Beyond Smoke and Mirrors: Mexican Immigration in an Era of Economic Integration*. New York: Russell Sage Foundation.
- Min, Pyong-Gap. 1996. *Caught in the Middle: Korean Communities in New York and Los Angeles*. Berkeley, CA: University of California Press.
- Myers, Dowell and Cynthia Cranford. 1998. "Temporal Differentiation in the Occupational Mobility of Immigrant and Native-Born Latina Workers." *American Sociological Review* 63: 68-93.

- Myers, Dowell and Seong Woo Lee. 1996. "Immigration Cohorts and Residential Overcrowding in Southern California." *Demography* 33: 51-65.
- Myers, Dowell and Seong Woo Lee. 1998. "Immigrant Trajectories into Homeownership: A Temporal Analysis of Residential Assimilation." *International Migration Review* 32 (3): 593-626.
- Modigliani, Franco. 1986. "Life Cycle, Individual Thrift, and the Wealth of Nation." *American Economic Review* 76 (3): 297-313.
- Ngai, Mae. 1999. "The Architecture of Race in American Immigration Law: A Reexamination of the Immigration Act of 1924." *Journal of American History* 86 (1): 67-92.
- Oliver, Melvin and Thomas Shapiro. 1995. *Black Wealth/White Wealth: A New Perspective on the Racial Inequality*. New York: Routledge.
- Painter, Gary, Stuart Gabriel and Dowell Myers. 2001. "Race, Immigrant Status, and Housing Tenure Choice." *Journal of Urban Economics* 49 (1): 150-67.
- Portes, Alejandro and Manning, Robert D. 1986. "The Immigrant Enclave: Theory and Empirical Examples." Pp. 47-64 in *Competitive Ethnic Relations*, edited by Nagel, J., Olzak, S. Orlando, FL: Academic Press
- Portes, Alejandro and Ruben Rumbaut. 2001. *Legacies: The Story of the Immigrant Second Generation*. New York: Russell Sage Press.
- Portes, Alejandro and Ruben Rumbaut. 2006. *Immigrant America: A Portrait*. Berkeley, California: University of California Press.
- Portes, Alejandro and Zhou, Min. 1993. "The New Second Generation: Segmented Assimilation and Its Variants among Post-1965 Immigrant Youth." *Annals of the American Academy of Political and Social Science* 530: 74-98.

- Rhodes, Elizabeth. 2003. "In Like Nguyen: Vietnamese Name Most Common among Local Buyers." *Seattle Times*: July 20, 2003.
- Ross, Stephen and John Yinger. 2002. *The Color of Credit: Mortgage Discrimination, Research Methodology, and Fair-Lending Enforcement*. Cambridge, Massachusetts: MIT Press.
- Ruggles, Steven, Katie Genadek, Ronald Goeken, Josiah Grover, and Matthew Sobek. 2017. *Integrated Public Use Microdata Series: Version 7.0* [dataset]. Minneapolis: University of Minnesota.
- Rugh, Jacob and Douglas Massey. 2010. "Racial Segregation and the American Foreclosure Crisis." *American Sociological Review* 75 (5): 629-651.
- Rumbaut, Ruben. 1996. "A Legacy of War: Refugees from Vietnam, Laos and Cambodia" in S. Pedraza and R. Rumbaut, eds., *Origins and Destinies: Immigration, Race, and Ethnicity in America*, pp. 315-333. Belmont, California: Wadsworth.
- Showley, Roger. 2010. "What are Homebuyers' Most Common Names?" *San Diego Union Tribune*: December 21, 2010.
- Tesfai, Rebecca. 2017. "Continued Success or Caught in the Housing Bubble? Black Immigrants and the Housing Market Crash." *Population Research and Policy Review* 36: 531-560.
- Tesfai, Rebecca. 2016. "The Interaction between Race and Nativity on the Housing Market: Homeownership and House Value of Black Immigrants in the United States." *International Migration Review* 50 (4): 1005-1045.
- United States Department of Homeland Security. 2016. *Yearbook of Immigration Statistics: 2015*. Washington, D.C.: U.S. Department of Homeland Security, Office of Immigration Statistics.

Yinger, John. 1995. *Closed Doors, Opportunities Lost: The Continuing Costs of Housing Discrimination*. New York: Russell Sage.

Waters, Mary. 1999. *Black Identities: West Indian Immigrant Dreams and American Realities*. Cambridge, Massachusetts: Harvard University Press.

Zhou, Min and Carl Bangston. 1998. *Growing Up American: How Vietnamese Children Adapt to Life in the United States*. New York: Russell Sage Foundation.



## Tables

**Table 1. Most Common Surnames among Homebuyers in San Diego County**

<u>1990</u>	<u>2000</u>	<u>2010</u>
Smith	Smith	Nguyen
Johnson	Johnson	Smith
Brown	Garcia	Lee
Miller	Miller	Johnson
Williams	Lopez	Garcia
Jones	Williams	Lopez
Garcia	Brown	Gonzalez
Andeson	Martinez	Rodriguez
Lopez	Rodriguez	Chen
Davis	Nguyen	Tran
Source: San Diego Union Tribune, December 21, 2010		

**Table 2.** Logistic Regression Predicting Free and Clear Homeownership in 2015

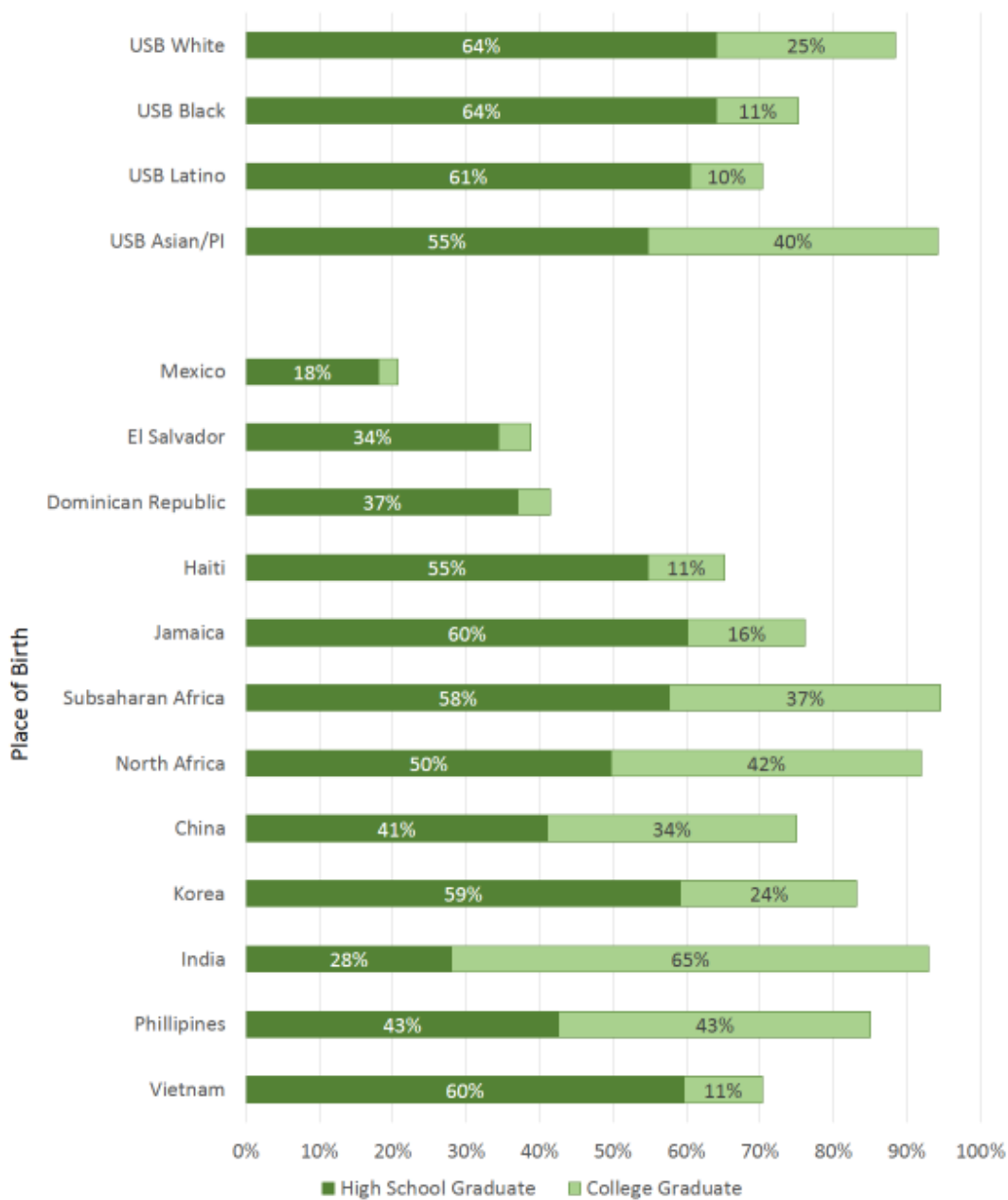
	<i>All U.S. Residents 55 to 64 yrs old</i>				<i>All Immigrants 55 to 64 yrs old who arrived in the 1970's</i>			
	Exp(B)		Exp(B)		Exp(B)		Exp(B)	
USB White	Ref		Ref		NA		NA	
USB Black	0.43	***	0.50	***	NA		NA	
USB Latino	0.66	***	0.71	***	NA		NA	
USB Asian/PI	0.70	***	0.71	***	NA		NA	
FB Mexican	0.80	***	0.83	***	0.56	***	0.62	***
FB Salvadoran	0.37	***	0.39	***	0.26	***	0.30	***
FB Dominican	0.24	***	0.26	***	0.17	***	0.20	***
FB Jamaican	0.30	***	0.32	***	0.21	***	0.26	***
FB Haitian	0.28	***	0.28	***	0.20	***	0.23	***
FB Sub-Sahara African	0.49	***	0.48	***	0.34	***	0.38	***
FB North African	0.59		0.54	*	0.41	**	0.42	**
FB Chinese	1.44	**	1.30	*	Ref		Ref	
FB Korean	0.87		0.78	*	0.60	**	0.59	**
FB Indian	1.29	*	1.07		0.90		0.81	
FB Filipino	0.54	***	0.47	***	0.37	***	0.37	***
FB Vietnamese	1.10		1.06		0.77		0.84	
No Diploma			Ref				Ref	
HS Graduate			1.11	***			0.96	
College Graduate			1.08	***			1.07	
Married			1.76	***			2.84	***
Widowed			1.51	***			2.30	***
Seperated/Divorced			0.85	***			1.36	*
Never Married			Ref				Ref	
Age			1.08	***			1.06	***
Sex (male=1)			0.90	***			0.82	***
Constant	0.46	***	0.00	***	0.66	***	0.01	***
Nagelkerke R <sup>2</sup>	0.017		0.056		0.042		0.076	
N	396,241				8,590			
Data Source: 2015 American Community Survey (Ruggles et al., 2017)								
* P < .05 ** P < .01 *** P < .001								

## Figures

Figure 1. A Model of Progress toward Unencumbered Homeownership



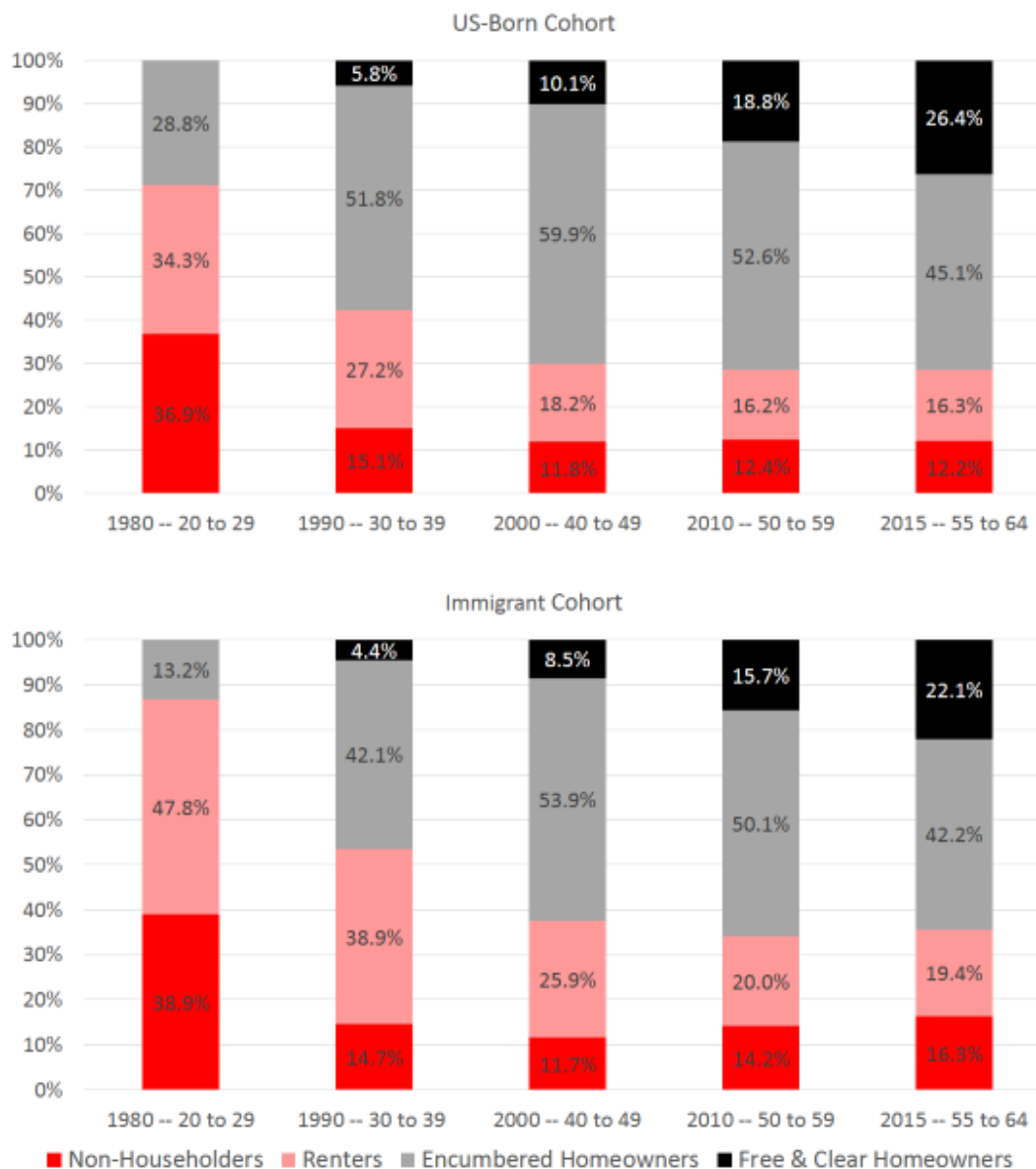
Figure 2. Educational Attainment in the Immigrant Cohort\* at ages 25 to 29 (1980)



Data Source: 1980 U.S. Census 5% Public Use Files (Ruggles et al. 2017)

\*The cohort consists of men and women born between the years 1951 and 1955 and who immigrated to the U.S. between 1970 and 1979.

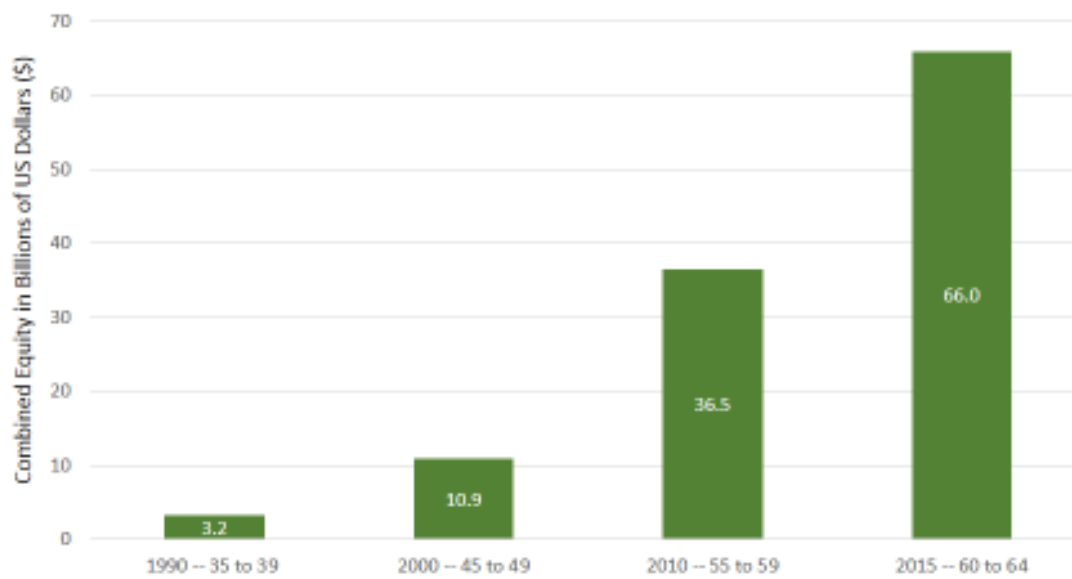
**Figure 3. Progress Toward Free and Clear Homeownership in the US-Born and Immigrant Cohorts\*, 1990-2015**



Data Source: 1990 & 2000 U.S. Census 5% Public Use Files and 2010 & 2015 American Community Survey 1% Files (Ruggles et al. 2017)

\*The US-Born cohort consists of men and women born in the U.S. between the years 1951 and 1960; the immigrant cohort consists of men and women born between the years 1951 and 1960 who immigrated to the U.S. between 1970 and 1979.

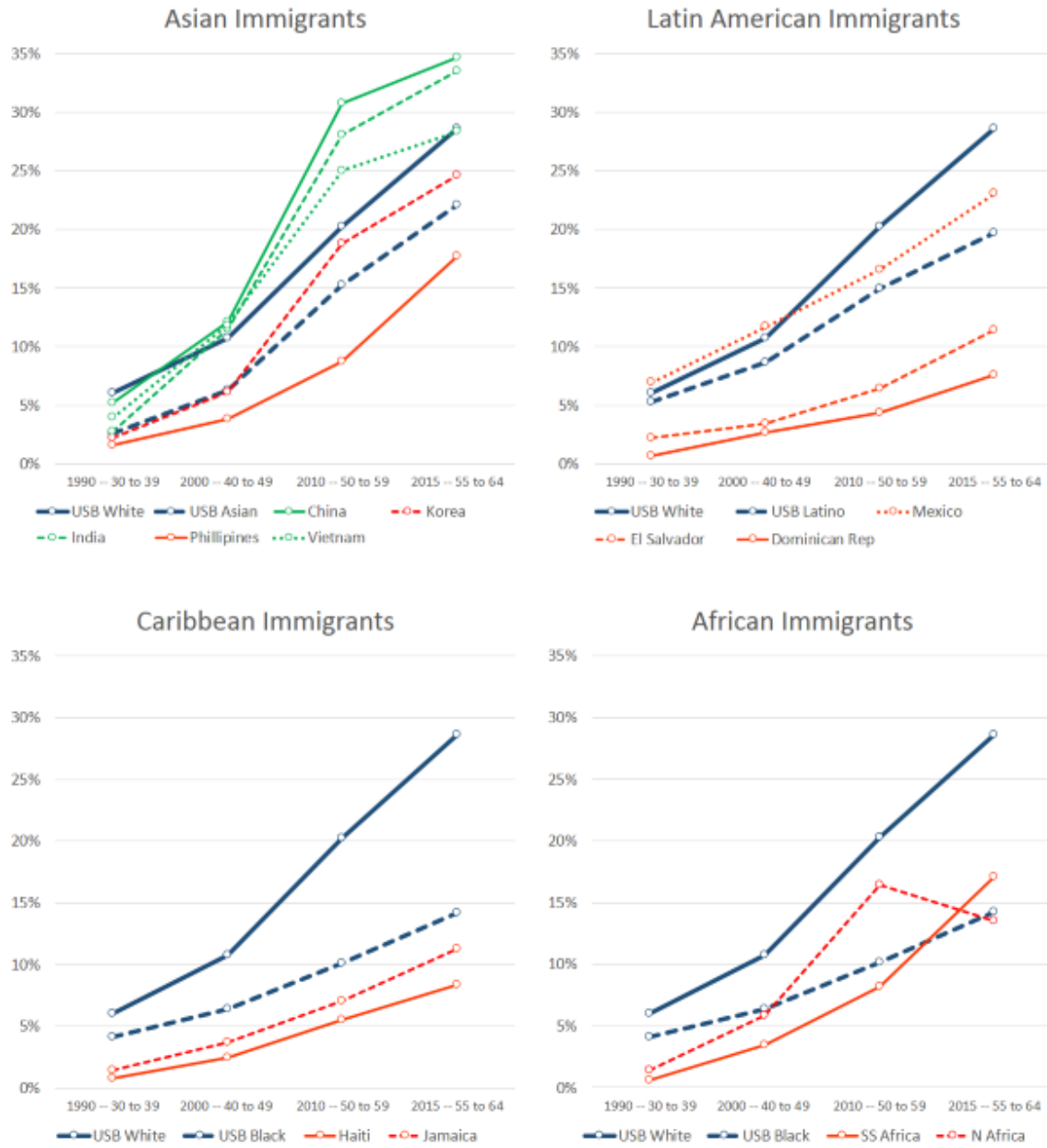
Figure 4. Unencumbered Home Equity in a U.S. Immigrant Cohort\*, 1990-2015



Data Source: 1990 & 2000 U.S. Census 5% Public Use Files and 2010 & 2015 American Community Survey 1% Files (Ruggles et al. 2017).

\*The cohort consists of householders born between the years 1951 and 1960, who immigrated to the U.S. between 1970 and 1979, and who now own their homes "free and clear."

Figure 5. Progress Toward Free and Clear Homeownership in Selected Immigrant Groups, 1990-2015



Data Source: 1990 & 2000 U.S. Census 5% Public Use Files and 2010 & 2015 American Community Survey 1% Files (Ruggles et al. 2017)  
 \*The cohort consists of men and women born between the years 1951 and 1960 who immigrated to the U.S. between 1970 and 1979.