

## **Gender, U.S. Immigration Policy, and the Wages of Latino Immigrants**

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### Abstract

Prior studies suggest that the passage of the Immigration Reform and Control Act (IRCA) in 1986 signaled a deterioration in the labor market conditions of U.S. Latino migrants – especially Mexicans. In this paper, we examine whether and how labor market conditions worsened for migrant women after 1986, and the extent to which these shifts were comparable to those experienced by men. Our analysis relies on a new source of data that offers comparable data across four national origins. We estimate multivariate models that capture the effects of demographic attributes, human and social capital, migration-specific human and social capital, legal status, period of trip, national origin, and other controls on the hourly wages earned by household heads and whether they received cash wages on their last U.S. trip. Models with interaction terms reveal significant sex differences in pre- and post-1986 effects. IRCA comparably affected the wages of migrant men and women, but it raised women's odds of receiving wages in cash. These findings suggest a negative impact of IRCA on Latino migrant wages never before documented for men and women.

## **Gender, U.S. Immigration Policy, and the Wages of Latino Immigrants**

Since the late 1980s, a substantial literature has emerged to examine the consequences of immigration policies on Mexico-U.S. migration. These studies suggest that immigration policies implemented since 1986 have had disastrous effects on the conditions that Mexican migrants face in U.S. labor markets. Whether in the form of declining wages, more hours worked, or an increased likelihood of working in the informal sector, the evidence points to shifts in employment conditions faced by Mexican migrants after 1986, when the Immigration Reform and Control Act (IRCA) was passed (Massey et al. 2002; Phillips and Massey 1999; Donato and Massey 1993; Donato et al. 1992). During the 1990s, after policy makers attempted to raise the costs and lower the benefits for migrants by beefing up border enforcement, penalizing employers for hiring unauthorized workers, and barring immigrants from social programs, the “deleterious consequences of current U.S. policies” for Mexican immigrants intensified (Massey et al. 2002).

In this paper, we ask whether recent immigration policy affected women’s and men’s employment outcomes, and if so, whether the effects were comparable across gender lines. Because empirical research has not yet examined these questions, many may assume that migrant women have experienced the same worsened employment conditions as a result of shifts in immigration policy as men. In fact, until the late 1980s, the tendency to generalize from the immigrant experience of men has been especially common in migration studies. Therefore, the principal objective of this paper is to assess whether employment effects that are linked to the passage of recent immigration policies and have been documented for men hold for women

immigrants. This is an especially relevant question, given that women represent a large part of migration flows from some Latin American nations (Houstoun et al. 1984; Tyree and Donato 1996). Moreover, among nations like Mexico that have traditionally sent many more women than men, women's representation has grown since the early 1980s (Donato 1993).

The present paper addresses this issue by examining two employment outcomes (i.e. hourly wages and whether migrants receive their earnings in cash) and by posing three questions. First, we ask whether there are differences in the wages and likelihood of receiving salary in cash between men and women before and after 1986. As Massey et al. (2002) discuss, this was a watershed year, when the U.S. Congress passed IRCA – the first piece of legislation designed to reduce undocumented migration to the United States. Second, we ask whether and how IRCA and other policies affected migrant wage outcomes by examining whether men and women experienced pre- and post-1986 differences in wages and receipt of cash wages. Finally, we ask whether the pre- and post-1986 effects observed for women are significantly different from effects for men. In this way, we assess the extent to which effects for women are comparable to, or different from, those observed for men.

### **Bringing Women In**

Although prior studies offer insights into the effects of recent immigration policy, most share one key shortcoming: they focus only on men's experience. To begin to understand how the migration process (and therefore the effect of recent immigration policies) may differ for men and women, we draw from studies that have described decision making about migration as constrained by patriarchal norms and gender-linked power differences (Benería and Roldán 1986; Pedraza 1991; Hondagneu-Sotelo 1997; Kanaiaupuni 1999). As a result, many more men than women migrated to the United States.

Although fewer Mexican women than men migrate to the United States (Cerrutti and Massey 2001; Kanaiaupuni 2000; Donato 1993), when women did migrate, Mexican families try to maintain traditional gender divisions by controlling and protecting women in the process more so than men. As a result, women's successful migration often mean entering as spouses with legal documents years after men's arrival. Alternatively, if women enter without documents, their families spend considerable financial and social capital to insure their safe arrival. Compared to men, most women are less likely to migrate independently and their migration is strongly linked to having parents and/or spouses in the United States (Cerrutti and Massey 2001; Donato 1993; Lindstrom 1991). By having an immediate family member in the United States, families try to insure women's safety -- either as they cross the border, arrive and settle in U.S. destinations, or both.

Since the beginning of the twentieth century, sex-specific preferences among Mexican families to send men as migrants matched U.S. demand for male labor to fill agricultural and unskilled urban jobs (Massey et al. 1987; Grindle 1988; Stephen 1992; Donato 1994). Between 1942-64, the U.S. government facilitated men's legal migration when it passed temporary Bracero Worker programs between 1942 and 1964, and later in the late 1980s, Congress facilitated men's entry with the passage of the Immigration Reform and Control Act (IRCA) in

1986 (Donato 1994; Kanaiaupuni 2000).<sup>1</sup> Thereafter, however, as Congress increased its allocation of funds to support INS buildup at the border, and as newly legalized Mexican men sponsored their family members, migration has become more feminized (Massey et al. 2002). By the mid 1990s, women and men were now more likely than their counterparts entering before 1987 to migrate without documents for many reasons. Yet, despite women's growing numbers, prior studies on the effects of recent immigration policies have focused – almost exclusively – on Mexican migrant men.

### **Data and Methods**

In this paper, we use new data that offer us comparable data on the wages and other attributes of migrants from Mexico, Nicaragua and the Dominican Republic to answer the three questions posed above. Specifically, we combined data from the Latin American Migration Project (LAMP) ([www.ssc.upenn.edu/lamp/home-en.html](http://www.ssc.upenn.edu/lamp/home-en.html)) with those from the Mexican Migration Project (MMP) (<http://www.pop.upenn.edu/mexmig>). Because the LAMP is an extension of the MMP, both projects share the same methodology, i.e. ethnosurvey. This permits us to obtain comparable information across national origins, including data on basic demographics, family composition, labor histories of household heads, and ownership of properties and businesses. It also offers detailed data on internal migration, migration to the mainland United States, and on multiple aspects of U.S. trips, i.e. when the trip occurred, U.S. work experience, legal status, and duration. For this paper, we use LAMP data collected in the Dominican Republic and Nicaragua and extracted all migrant household heads (men and women) who reported receiving wages for work while on their last trip in the United States. To this sample, we added an extract of MMP migrant household heads who reported U.S. wages: only those who originated in Mexican communities surveyed by the project in the three most recent years.

Both projects collect data from representative surveys of communities located in Mexico, Nicaragua, and the Dominican Republic. Within each community, 150 to 200 households were randomly selected and interviewed in the winter months of successive years between 1999 and 2002. These months were the best times to locate U.S. migrants in their origins because many returned to spend the holidays with their families.

The data were supplemented with a non-random survey of outmigrants located in the United States during the summer after the original survey was taken. Interviewers found out where in the United States migrants had settled permanently and then went to those areas to interview households. Snowball sampling methods were used to compile a sample of 20 out-migrant households from each community. Although these data do not represent all out-migrants, they provide a partial control for biases originating from selective emigration. Migrants who remain in the United States for prolonged periods tend to be relatively more successful economically than migrants who returned home early (Massey 1987; Borjas 1985).

### **Methods**

We present results from ordinary least square regression models that predicted logged

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<sup>1</sup>The 1965 amendments permitted more women to legally enter, usually spouses or children of male migrants. Furthermore, IRCA's amnesty programs offered legal papers to many more men than women in large part because women lacked the connections to the formal economy that men had. Without documentation of formal sector employment, women's chances for amnesty were much lower than men.

hourly wages, and logistic models that estimated the likelihood of receiving salary in cash. For the wage model, we include all household heads that had a job in the United States. For those with missing wage information (approximately 25 percent of the male sample and 18 percent of the female sample—see Table 1), we substituted average wage data by sex and national origin to insure as large a sample size as possible. Because we had less missing data for whether migrants received salary in cash, we predicted this outcome using all available information for a total of 1,275 household heads.

We use logged hourly wages reported by migrant household heads on their most recent U.S. trip. Wages were converted into 1990 constant dollars using consumer price indices (CPI) published by the U.S. Bureau of Labor Statistics (see <http://www.bls.gov/cpi/#data>). The second dependent variable, whether respondents received wages in cash on their last U.S. trip, was binary, where 1=receipt of cash and 0=otherwise.

In the models, we control for many of the variables demonstrated by prior studies to be important in migrant wage models. Therefore, we include demographic attributes of the household head, e.g. age at last U.S. trip. We also include measures of human and social capital, such as years of education because this variable links to productivity and therefore wages (Becker 1975), and the percent of respondents with parents or siblings who have previous U.S. experience because these variables may facilitate migration and access to jobs (Aguilera and Massey 2003; Espinosa and Massey 1997). Our models contain measures for migration-specific indicators of human and social capital, such as the number of prior U.S. trips, duration of last trip, and speaking English well, belonging to a social club, and knowing Latinos or Anglos on the last trip. These measures reflect skills and knowledge acquired in the migration process (Massey and Espinosa 1997), and have been shown to influence labor market outcomes (Aguilera and Massey 2003; Donato and Massey 1993; Donato et al. 1992). National origin is measured as a dummy variable indicating whether the respondent was Dominican, Nicaraguan, Costa Rican, or Mexican (the reference category). We also control for whether respondents were interviewed in the United States, whether they had missing values for hourly wages, and for U.S. unemployment. Controlling for unemployment in the year of the last trip is critically important and reflect shifts in labor demand that are linked to wages and a rise in informal sector activity.

In general, we focus on the wage effects of sex, legal status, and the timing of U.S. trips. Sex is coded as a dummy variable, with 1=female, 0=males. Undocumented status refers to migrants who crossed the border without documents to work, or those who crossed legally as a tourist but subsequently found employment. Finally, following Phillips and Massey (1999), we captured period effects in two ways. We include the year the U.S. trip was taken as a way to measure the overall time trend, and then a dummy variable indicating whether the last trip was taken after 1986, i.e. post-IRCA.

We begin by estimating two models, one that predicts logged hourly wages and the second that predicts the likelihood of receiving salary in cash. We expect to observe significant and negative wage effects for household heads if they made their last U.S. trip after 1986, a watershed year after which labor market conditions worsened for Mexican migrants in the United States. For the same reason, we also expect a higher likelihood of receiving wages in cash if the trip occurred in the post-1986 period.

Because the analysis described above assumes that the effect of making a post-1986 trip on wages is the same for men and women, we then introduce the interaction between period of

entry and national origin. Building on earlier multivariate models, we add interaction variables for women who made their last trip after 1986 and use men making a post-1986 U.S. trip as the reference category. These interactions permit us to investigate whether there are wage differences between men and women before and after 1986, how IRCA affects wage outcomes for migrant men and women, and whether post-1986 effects for women are significantly different from those for men.

### **Findings**

Table 1 presents means and standard deviations for the variables in our analysis. Significant differences between men and women appear. For example, men were younger on their last trip than women by five years. Men averaged less years of formal schooling than women (approximately 7 vs. 8 years, respectively).

Table 1 about here

Sex differences also appeared in migration-specific human capital. Women reported fewer U.S. trips than men, but had longer durations of U.S. residence (121 and 48 months, respectively). Women also reported greater English language competency. Approximately 15 percent spoke and understood English well, compared to eight percent of men. Women were more likely than men to have parents, and average more siblings, with previous U.S. experience. They were also more likely than men to belong to a social club during their last U.S. trip. Men, however, were more likely to report knowing Anglos.

Interestingly, legal status differences are not significant. Less than 20 percent of men and women were without legal documents on their last U.S. trip. Perhaps because fewer women were able to receive amnesty as part of IRCA, women's last U.S. trip occurred a few years earlier than men's. This pattern holds for those making their last U.S. trip after 1986. Approximately 52 percent of women did so, compared to 64 percent of men.

National origin differences reflect the sex composition of national origin immigrant flows to the United States. For example, fully 80 percent of men originated from Mexico compared to 41 percent of women. In contrast, 37 percent of women originated from the Dominican Republic and 17 percent from Nicaragua, compared to nine and five percent of men from these nations. Costa Ricans represent the smallest migrant group: approximately seven percent were men and five percent women. Big differences also appeared for place of interview, with disproportionately more women than men interviewed in the United States. Finally, wages were not dramatically different for men and women. Both earned an average hourly wage of approximately \$10, and one-third reported receiving their wages in cash.

### **Additive Models**

Table 2 presents the baseline models that estimate hourly wages and the likelihood of receiving wages in cash. The results reveal that women earned less than men, but that there was no significant gender effect on the likelihood of receiving earnings as cash. Education mattered in the wage model; as years of schooling increased, so too did wages. As respondents amassed more migration-specific human capital (whether in the form of longer durations or in the number of prior trips), hourly wages increased and the likelihood of receiving wages in cash dropped. However, speaking English well did not reduce the odds of receiving cash wages.

Table 2 about here

Overall effects for general social capital are also important. Having parents with U.S. experience reduced the odds of receiving cash as salary, but having siblings with U.S. experience did not. In contrast, siblings did improve U.S. wages but had no effect on receipt of cash.

Interestingly, measures that capture migration-specific social capital had little effect on either dependent variable. The exception was for knowing Anglos; it reduced the odds of receiving salary in cash.

Although legal status had no significant effect in the wage model, consistent with prior studies, wages significantly declined after 1986. In contrast, effects for undocumented status and post-1986 year of last trip were not significant in the model estimating the likelihood of receipt of cash wages. Also large were effects for national origin. Relative to Mexicans, Dominicans and Costa Ricans earned higher wages than Mexicans. Both groups were also more likely to receive cash wages than Mexicans, but Nicaraguans reported wages outcomes comparable to Mexicans. Finally, among effects for the controls in the wage model, wages were higher for those interviewed in the United States and those missing wage data. The effect for unemployment was especially large; as it increased the wages of migrants dropped.

#### Interaction between Gender and Period of Entry

In this section, we test whether the post-1986 effects observed in Table 2 are the same for men and women. Table 3 presents coefficients taken from the interaction models shown in the appendix. The first panel asks whether there are differences in the wage outcomes between women and men before and after 1986, when IRCA was passed. No matter what the outcome, we see that women were significantly different from men in both periods. Relative to men who made their last trip before 1987, women who made their last trip during the same period earned lower wages ( $b = -.191$ ) but were no more likely to receive wages in cash. After 1986, women still earned significantly lower hourly wages than men [ $b = -.177 + .010$ ]. However, women were more likely than men post-1986 to face higher odds of receiving income in cash [ $b = .582 + 1.025$ ].

Table 3 about here

In Panel B, we ask how IRCA affected the wages of migrant men and women. For men, the answer is found in coefficients for the post-IRCA effect; for women, answers are found in the sum of coefficients for the post-IRCA effect and for the interaction between being female and post-IRCA. Once again, the findings are quite consistent. For example, relative to men before the passage of IRCA, those making their most recent trip after 1986 earned significantly less ( $b = -.150$ ). This pattern of lower wages after IRCA's passage was not significant for women, although the effect was in the same direction. After 1986, however, women were significantly more likely than their counterparts migrating earlier to report receiving wages in cash. These findings suggest that 1986, the year of IRCA's passage, was a critically important year after which the labor market conditions faced by women and men shifted toward lower wages and more informal sector employment.

Panel C asks the final question: whether the pre- and post-1986 differences observed in Panel B are significantly different for women compared to men. On the whole, coefficients for the interactions between national origin and post-IRCA U.S. trip suggest that the wage effects for women were no different than those of men. In contrast, IRCA's effect on the receipt of cash wages for women was significantly different than the comparable effect for men. Thus, IRCA appears to have equally affected the wages of migrant women and men, but raised the odds of receiving wages as cash among women only.

#### Conclusions

Prior studies suggest that IRCA's passage in 1986 signaled a deterioration in the labor market conditions of Mexican migrants with and without documents. Whether in the form of declining wages, rising informal sector employment, or the receipt of cash wages, the evidence is



clear. Mexican migrants faced more difficult conditions after 1986 compared to earlier. In this paper, we sought to examine whether and how labor market conditions worsened for men and women after 1986, and the extent to which the shifts experienced by women were comparable to those experienced by men.

Our analysis relied on a new source of data that uses the same methodology and therefore offered comparability across four national origins. These data are a rich source of information about the U.S. migration experience secured from migrants in origin and destination communities. We estimated multivariate models that measured the effects of demographic attributes, human and social capital, migration-specific human and social capital, legal status, period of trip, national origin, and other controls on the hourly wages earned by household heads and whether they received cash wages on their last U.S. trip.

Models with interaction terms revealed significant pre- and post-1986 effects for all groups. Compared to men before or after IRCA, women making their last U.S. trip during comparable periods reported lower wages. However, despite worse standing relative to men, women experienced comparable wage outcomes after IRCA compared to their female counterparts before 1987, whereas men's wages worsened before and after 1986. Finally, although the wage outcomes of men and women were in the negative direction over time, wage trends for women were no different from men. Only IRCA's effect on the receipt of wages in cash appeared to be significantly different for women than men.

These findings provide a first glimpse at IRCA's effect on the employment conditions of Latino male and female migrants. Although these effects have been well documented for Mexican men (Massey et al. 2002), the analysis presented here suggests a broader negative impact of IRCA – for women – than has been documented elsewhere. Thus, this preliminary analysis suggests that the devastating impact of recent immigration policies may extend beyond the experience of men to include women migrants in the United States. In the next few months, we will extend the preliminary analysis to examine sex differences in other employment outcomes. We expect that our final paper will help us understand just how far-reaching these post-IRCA effects extend to women and men who migrate to the United States from Central and South America and the Caribbean.

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