Immigrants' Access to Financial Services & Asset Accumulation[*]

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1. Introduction

More than 191 million people live outside their country of birth and about twenty percent of these international migrants live in the U.S. (United Nations 2005). Today at least one in nine U.S. residents, or 35 million people, was born abroad and nearly one in five U.S. school children have an immigrant parent (Capps et al., 2005). Immigrants make up a disproportionate share of low- and moderate-income U.S. residents. Among individuals with below-median income, one in six was born abroad.

There is a substantial wealth gap between immigrants and the native-born. Figure 1 examines the wealth distribution of immigrants compared to the native-born.[1,2] Immigrants are much more likely to have zero wealth and are also less likely to have accumulated higher levels of wealth. The median immigrant family has wealth of $10,164 per person, just 27 percent that of the median family born in the U.S. The gap in financial wealth is even more striking. The median immigrant family has just 18 percent of the financial wealth of the median native-born family.

In the tradition of Oliver and Shapiro (1995), we can think of wealth as a summary of past experiences that translate into today's economic opportunity. Together with their labor market experiences and family background, international migrants bring perspectives acquired in their country of origin to the U.S. In addition to offering a summary of the past, wealth is an important measure of the economic prospects of future generations. By studying the wealth of U.S. immigrants we can gain insights into how past experiences have shaped their current circumstances and also gauge whether the economic adaptation of current immigrants and their children will keep pace with their demographic growth.

This paper explores three broad areas that influence immigrants' wealth accumulation and decisions to participate in various financial markets, relying primarily on data from the 2001 Survey on Income and Program Participation. Consistent with models of savings behavior, socioeconomic and demographic characteristics like age, education, family structure, ethnicity and income play an important role in immigrant as well as native-born choices regarding financial services. These characteristics are only part of the story, however. Immigrants are less likely to participate in a broad array of financial markets compared with the native-born, even after taking into account differences in socioeconomic and demographic factors.

A second goal of this study is to examine the role of immigrant adaptation in shaping financial market behavior. To accomplish this, we investigate characteristics that capture the extent to which immigrants have adapted to life in the U.S. We examine how time

[1] Unless otherwise noted, the data used in this paper come from the 2001 Survey on Income and Program Participation. These panel data were collected in nine waves between 2001 and 2003. Wealth data were collected approximately annually in waves 3, 6 and 9. Information on immigration was collected in the second wave of the survey. We restrict the sample to households headed by an individual who is 18 or older, who lives in an MSA and who has non-missing data in the "immigrant" field. All of the summary statistics and regression results are weighted to be representative of the U.S. population.

[2] Figure 1 presents kernel density estimates of the wealth distribution for immigrants and the native-born.

spent in the United States, age at migration, language barriers, intentions of returning to their native country, remittances sent to support family members abroad, an orientation toward country of origin institutional norms, legal status and the tendency to cluster in neighborhoods with other immigrants from the same country shape the financial choices of immigrants. While there is some evidence that immigrants are as likely otherwise similar individuals who were born in the U.S. to own a checking account if they have spent enough time in the U.S., adaptation is less complete for financial products that look to the future: savings accounts, IRA/Keogh accounts and stock and mutual funds. The findings also suggest that for immigrants the desire to purchase a home may interact with other financial decisions in a way that accounts for some of the differences in financial market participation for immigrants relative to the native-born.

Finally, it is important to recognize that immigrants financial choices are influenced by the features of products and services offered by banks compared with those offered by the alternative financial services sector, including: cost, anonymity, documentation requirements, minimum balance requirements, and convenience – both in the United States and, in the case of remittances, in the country of origin. Less tangibly, but of enormous importance, the "culture" of the institution determines how welcoming and familiar it feels to a potential immigrant customer. Many of these factors also influence the financial decisions of low- and moderate-income individuals who were born in the United States.

The rest of the paper is organized as follows. In the next section, we compare asset holdings and financial market participation of immigrants and the native-born for various racial and ethnic groups. That comparison leads us to focus on the decision to participate in various financial markets. In section 3, we present regression estimates of the probability of owning a checking account, a savings account, an IRA/Keogh account and stock or mutual funds. This analysis allows us to characterize the gap in financial market participation between otherwise similar immigrants and the native-born. In section 4, we examine the impact of various measures of adaptation to the U.S. and other factors that are unique to immigrants. In section 5, we consider how housing might account for the persistence of the gap in financial market participation for some financial products. Section 6 reviews the evidence on how the location of financial institutions and the design of various financial products influence immigrant participation in U.S. financial markets. Finally, section 7 offers conclusions and a discussion of policy priorities based on our findings.

2. Wealth and Financial Market Participation

Immigrants v. Native-born Differences in Wealth and Financial Market Participation

We begin with an overview of some stylized facts. The median family with a U.S.-born head has nearly four times the total wealth and more than five times the financial wealth of the median immigrant-headed family. When we examine the components of financial wealth separately, a very different picture of the immigrant-native wealth gap emerges, however. If we restrict our attention to immigrants and natives who own a particular

asset, the difference in the amount of wealth held in that asset is much smaller than the difference in total wealth. These findings are consistent with recent studies that document that immigrants have substantially lower wealth levels than the native-born, but conditional on holding a given asset, immigrant-native wealth differences are relatively small (Amuendo-Dorantes and Pozo, 2002, Hao, 2004, Cobb-Clark and Hildebrand 2006, Krivo and Kaufman, 2004).

Financial wealth is the second largest component of household wealth in the U.S., after housing, and accounts for 42% of total household assets in 2001 (Survey of Consumer Finances, 2001). The relative similarity between asset holdings among natives and immigrants who own a particular financial asset can be seen in Figure 2 which presents kernel density estimates of various components of financial wealth for immigrants and the native-born, in each case restricting the sample to households who report ownership of a particular asset. Among households who own have an interest bearing account at a bank, immigrants have a median balance of $1,201, roughly 60 percent of that of the median family born in the U.S (see Table 1). The value of median non-interest bearing accounts for immigrants is 77 percent that of the native-born and the figure for IRA/Keogh accounts is 59 percent and for stock and mutual funds it is 74 percent.

Why is the gap between immigrants and the native-born so much larger when we look at total wealth versus its components? While there is a large literature that examines sources of immigrant-native differences in labor market, health, and educational outcomes, relatively little is known about the determinants of wealth differences between immigrants and the native-born. One important answer lies in financial market participation. Immigrants are less likely to own a broad array of financial assets compared to the native born. Figure 3 presents non-parametric regressions of the likelihood of owning various financial assets for immigrants and the native-born as a function of age.[3] These estimates show that immigrants of all ages are less likely to participate in a wide range of financial markets compared to the native-born.

This pattern is reinforced by examining the data on financial market participation presented in Table 1. While 57 percent of native-born households have a savings account, only 45 percent of immigrant households do. Sixty-six percent of native-born households have a checking account compared to 52 percent of immigrant households. Overall, 79 percent of native-born households have either a savings or a checking account compared to just 68 percent of immigrant households.[4] When we turn our attention away from

[3] For each observation in Figure 3, a weighted regression is performed using 80% (bandwidth = 0.8) of the data around that point. The data are weighted using a tri-cube weighting procedure that puts more weight on the points closes to the observation in question. The weighted regression results are used to produce a predicted value for each observation.

[4] These figures are lower than similar figures from the 2001 Survey of Consumer Finances (SCF), which reports that 91 percent of all households have a transaction account. There are two main differences between the SCF and the SIPP data that are likely to account for this discrepancy. First the SCF over samples wealthy households and second the SCF includes accounts that are likely to be held by wealthy individuals in its definition of transaction accounts (money market mutual funds and call accounts at brokerage firms, for example). In addition, even when sampling weights are used the SIPP under-

these very safe and liquid assets and look at higher return, higher risk assets, the difference is larger. For example, twice as many (30 percent) native-born households have an IRA or Keogh account compared to immigrant households. Similarly, while 34 percent of native-born households own stock or a mutual fund, the figure for immigrant households is just 20 percent.

The fact that the wealth gap between immigrants and the native-born manifests itself, at least partly, in financial market participation can provide insights into reasons for limited participation in financial markets. Some research on low rates of financial market participation emphasizes the presence of market frictions mostly in the form of high fixed entry and/or transaction costs (Bertaut and Starr-McCluer, 2000; Vissing-Jorgenson, 2000) and the role of information networks (Hong, Kubik and Stein, 2004). However, other studies argue that time and risk preferences (see Brimmer, 1998, for example) play a dominant role. The large gap in financial market participation between immigrants and the native-born suggests that transaction and information costs are important for understanding these differences.

In addition to the substantive reasons outlined above, focusing on financial market participation, rather than on levels of wealth, has some empirical advantages. Researchers have noted concerns with measurement error and non-response in reported wealth holdings (see Smith (1995, for example). Survey respondents are more likely to refuse to answer questions about levels of financial wealth than questions about financial market participation. Estimates of financial market participation using the SIPP data rely much less on imputed responses relative to information on levels of financial asset holdings.[5] By focusing on financial market participation as the key outcome of interest, we hope to avoid some of these issues.

3. Controlling for Characteristics

Immigrant v. Native-born Differences in Characteristics

Household decisions about how to best allocate their wealth across different asset classes are influenced by a comparison of returns, transaction costs, risk and liquidity. Disparities in wealth and financial market participation between immigrant and native-born households are likely to be driven (at least in part) by differences in household income, age, education and family structure as well as other characteristics. Figure 4A provides a comparison of median monthly per capita household income for immigrants and the native-born. Monthly per capita income is significantly lower for immigrants compared to the native-born. In particular, median monthly per capita household income for immigrant households is $1,137 compared to $1,641 for native-born households.

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represents high income families. See Social Security Bulletin, Volume 65, number 1, May 2004 for more details.

[5] Smith (1995) documents item non-response rates for financial market participation of less than 2 percent in the SIPP. Non-response rates for levels of financial asset holdings are much higher, ranging from 13.3 percent for checking accounts to 41.5 percent for stock.

Note that the income gap, while substantial, is much smaller than the wealth gap: the median income of immigrant households is 69 percent that of native-born households, while the median wealth of immigrant households is just 27 percent. This is consistent with other studies that document differences in wealth exceed the income gaps for various racial and ethnic groups. The large body of empirical studies on wealth (Altonji and Doraszelski, 2005; Blau and Graham 1990; Hurst, Luoh, and Stafford 1998; Menchik and Jiankopolos, 1997; Wolff 1998, 2000, for example) show that white households have at least five times the wealth of non-white households yet earn, on average, just twice as much as non-white households. Like other studies we find that the gap, both in income and in wealth, depends very much on the comparison group. For example, the median black immigrant household has higher income than the median black native-born household, but the median income of native-born black households is less than half that of the median native-born white household.

Racial and Ethnic Differences in Financial Market Participation

The comparison of all immigrants with all of the native-born, obscures a diversity of experience across racial, ethnic and income sub-groups. When we divide the sample into groups based on income and ethnicity, we observe that financial market participation varies substantially depending on the sub-group. White and Asian immigrants and natives have relatively high rates of asset ownership and Hispanic immigrants and natives have low rates of ownership. However, the gap in financial market participation between the native-born and immigrant households is generally fairly similar. For example, among Asians, 88 percent of native-born households have a savings or a checking account compared to 78 percent of immigrants.

One notable exception to this pattern is found among black households. Black immigrant households are *more* likely to participate in many financial markets than their native-born counterparts. Sixty-three percent of black immigrant households have a savings or a checking account compared to 57 percent of black native-born households. This appears to be due mostly to low financial market participation among native-born black households rather than by particularly high asset ownership among black immigrants. However, it is important to note that black immigrants also differ significantly from native-born blacks in educational attainment, labor market experience and family structure.[6]

Table 2 provides a detailed comparison of other characteristics of immigrants and the native-born. Compared to the native-born, immigrants are younger, more likely to be married, to have a spouse that was born abroad, to have children, and more likely to have a male household head. Immigrants also tend to have strikingly less education than the native-born. Nearly 28 percent of immigrants in the sample have not completed high school compared to only 11 percent of the native-born sample. However, the percentage of immigrants and the native-born who have an advanced degree is comparable at about 12 percent.

[6] Several authors find higher employment rates and income levels for some black immigrants relative to their native-born counterparts (see Butcher 1994, Foner, 2001 and Waters, 1999, for example).

Figure 4B compares the percentage of immigrants and the native-born who have not completed high school with the percentage that have completed additional education beyond high school for various sub-populations.[7] The patterns in Figure 4B mirror those for financial market participation, white and Asian immigrants are more likely to have completed education beyond high school as are white and Asian natives. Hispanic immigrants have notably low levels of education, with nearly half never having completed high school. Hispanic natives are also relatively less educated, with about one-third not having completed high school.

Estimates of Financial Market Participation

All of these characteristics (and others) are likely to effect the decision to participate in various financial markets. So far, we have examined only the role of age in Figure 3. Consistent with life-cycle effects in savings behavior, the Figure shows that financial market participation tends to increase with age. However, the relationship between age and participation is somewhat different for immigrant and native-born households. While ownership of financial assets generally rises with age, it does so more slowly for immigrant households.

To control for the effect of characteristics on the financial market participation of immigrants the native-born more generally, we estimate the decision to participate in a particular financial market using the following linear probability model:

$$S_{isj} = \alpha + \beta_1 I_i + \beta_2 X_i + \delta_s + \varepsilon_{isj},$$

Where S_{isj} is the decision to own asset j for household i who lives in metropolitan statistical area s. Individual controls are incorporated in X_i and include education, income quintiles, wealth quintiles, marital status, labor force participation, sex, age, whether the household is headed by a single parent along with controls for the number of adult males, females and children of various ages living in the household. Regressions for the full sample and for those with income below the 40th percentile also include controls for Black, Hispanic, Asian and "Other". A full set of MSA controls are included in δ_s. Finally, the regression includes the key variable of interest: *I* or "immigrant", which is equal to one if the household reference person was born abroad. The estimate of the coefficient β_1 indicates the remaining gap in financial market participation between immigrants and the native-born holding characteristics fixed.

All of the reported standard errors have been corrected to account for the heteroscedasticity that is implicit in the linear probability model and are also adjusted to allow for correlation across repeated observations for the same household.[8]

[7] The percentage who graduate high school and end their education are not included here, so the figures do not add up to 100 percent.

[8] We use a linear probability model because it is computationally attractive given the large number of fixed effects, is consistent under weak assumptions and because the coefficient estimates are easy to interpret. In

Estimates of whether or not a household has a checking account for the whole sample and various sub-groups are found in Table 3A. In addition to the effect of being an immigrant, the effects of the other control variables on checking account ownership are also reported in Table 3A. Table 3B reports the estimates of the coefficient on the immigrant variable for savings account ownership, IRA/Keogh account ownership and Stock/Mutual Fund ownership for the same groups.

Estimates of the Impact of Characteristics on Financial Market Participation

Before turning our attention to the effect of being an immigrant, we discuss the impact of important characteristics on the likelihood of having a checking account. These results are presented in Table 3A. In general, the qualitative effect of education, wealth and income is similar for savings accounts, IRA/Keogh account ownership and for stock and mutual fund ownership, so we focus our discussion on checking accounts, the most commonly held financial asset. Income has a strong positive correlation with checking account ownership. For the whole sample, relative to the lowest income quintile, households with per capita monthly income in the second quintile are 7.3 percentage points more likely to have a checking account and households with incomes in the third, fourth and fifth quintiles are 11.1 to 13.5 percentage points more likely to have a checking account compared to households in the lowest income quintile (column [1]).

All of the estimates also include controls for wealth quintiles. Wealthier households are more likely to have checking accounts according to these estimates. Households in the second wealth quintile are 12.9 percentage points more likely to have a checking account compared to households in the lowest wealth quintile. Increases in wealth raise the probability of having a checking account even more. Households in the third wealth quintile are 18.7 percentage points more likely than households in the lowest wealth quartile to have a checking account. The equivalent figure for the fourth quintile is 21.1 percentage points and for the fifth wealth quintile it is 24.7 percentage points. Studies of limited financial market participation that emphasize the role of transactions costs predict that financial market participation will be increasing with wealth, consistent with what we find here. The effect of wealth on the ownership of IRA/Keogh accounts and stock and mutual funds is even stronger.

Some studies emphasize the importance of education in lowering the information costs of participating in various financial markets (see Bernheim, 1998, for example). Our results are consistent with these theories. We find that checking account ownership increases significantly with education. Households headed by someone with a high school degree are 8.9 percentage points more likely to have a checking account compared to households whose head has not completed high school. Additional schooling raises the likelihood of having a checking account: households whose head has completed some college are 15.7 percentage points more likely to have a checking account, those with a bachelor's degree are 18.5 percentage points more likely and those with an advanced degree are 19.2

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particular, the coefficients on interaction terms are straight-forward to interpret (see Ai and Norton, 2003). Non-linear estimation methods, such as probit or logit, generate similar results.

percentage points more likely to have a checking account compared to households whose heads have not completed high school. Similar to the effect of wealth, for IRA/Keogh accounts and stock and mutual funds, the impact of education is stronger for this class of financial assets.

Households headed by Hispanic or black individuals are less likely to own various financial products. In contrast households headed by Asians are as likely to have a savings or checking account as households headed by whites. However, Asian-headed households are less likely to have IRA/Keogh accounts and to own stock or mutual funds. This is consistent with recent empirical studies of household financial behavior that document significant differences in the use of financial services by race, even after controlling for income and education (Altonji and Doraszelski, 2005; Blau and Graham, 1990; Chiteji and Stafford, 1999; Smith, 1995).

In addition, we find that married households are more likely to participate in a wide-range of financial markets. Single parents and households who are headed by someone who is not in the labor force are less likely to have a checking account. While age has little effect on checking and savings account ownership after controlling for other characteristics, we find that IRA/Keogh account ownership and stock market participation increase with age. The likelihood of owning one of these accounts is also higher for those who are out of the labor force, probably because they are retired. The effect of these variables as well as the effect of income, wealth and education is largely consistent across the various income and ethnic sub-groups that we examine.

Estimates of the Impact of Being an Immigrant on Financial Market Participation

Even after controlling for characteristics, we find that immigrants are generally significantly less likely to have a checking account (Table 3A), a savings account (Table 3B), to have an IRA or Keogh account (Table 3B) or to own stock or mutual funds (Table 3B). Figure 5 compares the raw gap in checking account ownership with the effect of being an immigrant controlling for characteristics. For the whole sample, the raw gap in checking account ownership is 14 percentage points. After controlling for characteristics, the gap is predicted to be 4 percentage points. This implies that differences in characteristics account for about 10 percentage points or 71 percent of the difference in checking account ownership between immigrants and the native-born. The remaining 30 percent is not explained by differences in characteristics and has something to do with being an immigrant.

Variation by Race and Ethnicity

When we compare white immigrants with native-born whites and Hispanic immigrants with native-born Hispanics, we find that more of the difference in checking account ownership is related to being an immigrant. For example, among whites, 43 percent of the difference in checking account ownership can be explained by differences in characteristics and 57 percent has to do with being an immigrant.

However, there a few important exceptions to the overall pattern that immigrants are less likely to participate in a wide variety of financial markets, after controlling for characteristics. When we restrict the sample to households headed by blacks, we find no difference in checking account ownership, savings account ownership, IRA/Keogh ownership and stock and mutual fund ownership between immigrants and the native-born once we have controlled for differences in characteristics. Recall that black immigrants have higher or just slightly lower ownership rates of the various financial assets compared to native-born blacks (Table 1).

The main source of this pattern seems to be that blacks who were born in the U.S. have lower than expected (given their characteristics) financial market participation, not that black immigrants have particularly high rates of financial market participation. This is generally consistent with Blau and Graham (1990) who analyze data from the National Longitudinal Study of Youth (NLSY) and find that almost three-quarters of the black-white wealth gap cannot be explained by measured characteristics. They suggest that differences in intergenerational transfers as well as barriers to the accumulation of home and business equity may account for the black-white wealth gap. Altonji and Doraszelski (2005) suggest that differences in saving behavior and rates of return on assets are more important than inter-vivos and intergenerational transfers in explaining the black-white wealth gap.

In addition, we find no significant difference in savings account and stock and mutual fund ownership for immigrant and native-born Asians, once characteristics are controlled for. However, Asian immigrants are significantly less likely to have a checking account and to have an IRA/Keogh account compared to otherwise similar Asians who were born in the U.S. Overall, however, immigrant headed households are about 4 percentage points less likely to have checking, savings, and IRA/Keogh accounts and stock and mutual fund relative to otherwise similar households headed by individuals born in the U.S.

4. Immigrant Specific Characteristics

In this section we discuss regression estimates that are designed to explore how various aspects of the immigration experience impact the likelihood of owning financial assets. Using the SIPP data, we examine the role of time in the U.S., age at migration, citizenship and the ability to speak English. We supplement this analysis with information from the New Immigrant Survey (NIS) to examine the role of return migration intentions, remittances and the possibility of owning assets abroad. We also consider how the tendency of immigrants to cluster in neighborhoods with other immigrants from the same country shapes financial choices and how country of origin characteristics influence these choices, drawing on our own previous work (Osili and Paulson, 2004, 2006 and *forthcoming*).

Table 4 repeats the regressions presented in Table 3A and B for different sub-samples of immigrants that vary in how adapted (or adaptable) they are to the U.S. Specifically, we run financial market participation regressions for various financial products with groups

of immigrants that vary along the characteristics described above. For example, in one regression we restrict the immigrant sample to immigrants who have become naturalized citizens. In another we look only at immigrants who have *not* become naturalized citizens. By comparing the coefficient on the immigrant variable in these two regressions we gain insights into how legal status impacts the likelihood that immigrants participate in various financial markets, holding other characteristics fixed. The native-born sample remains the same for each of the regressions.

For comparison purposes, the first column of Table 4 presents the estimates for the whole sample from Table 3A and B. In columns [2] – [5], we examine the effect of time in the U.S. by dividing the immigrant sample into three groups: those who have been in the U.S. for less than 5 years, for 6 – 15 years and for 16 or more years. For checking and savings account ownership the negative effect of being an immigrant appears to dissipate with time in the U.S. Immigrants who have been in the U.S. for 16 or more years are as likely as otherwise similar native-born households to have savings or checking accounts. For retirement investments (IRA and Keogh accounts) and higher risk/higher return investments (stock and mutual funds), however, even immigrants who have been in the U.S. for 16 years or more continue to be significantly less likely to own these assets compared to otherwise similar native-born households.

Several authors have shown quite convincingly that immigrants who arrive at younger ages have higher levels of langauge proficiency, and higher earnings compared to immigrants who migrate as adults (See Bleakely and Chin (2004), for example) Age at migration also serves as a proxy for important aspects of the immigrant experience. In particular, immigrants who arrive as children are more likely to have completed the bulk of their formal schooling in the US compared to immigrants who arrive as adults. While all of our estimates of financial market participation include controls for education, age at migration may also serve as a proxy for schooling quality and exposure to information about U.S. financial markets.

To examine the impact of age at migration, we divide the sample of immigrants who have been in the U.S. for 16 or more years into two groups: those who arrived in the U.S. at age 17 or younger and those who arrived at age 18 or older. Estimates of financial market participation for these two groups are presented in columns [5] and [6]. Our findings mirror those of the Bleakley and Chin (2004) in the sense that we see relatively complete financial adaptation for immigrants who arrive in the U.S. as children, for all of the financial assets that we consider. However, immigrants who arrive as adults are less likely to have savings accounts, IRA/Keogh accounts and to own stock or mutual funds even if they have been in the U.S. for 16 or more years.[9]

Legal Status

[9] Restricting the sample to immigrants who have been in the U.S. for more than 16 years helps to address concerns about potential changes in immigrant cohort quality. Borjas (1985) argues that more recent arrivals have experienced lower rates of socio-economic progress compared to immigrants who arrived in the U.S. earlier due to a decline in (unobserved) cohort quality.

A number of existing studies emphasize the effect of legal status on wages and occupation choice. For example, Cobb-Clark and Kossoudji (2002) find that the 1986 Immigration Reform and Control Act (IRCA) which granted amnesty to previously undocumented workers significantly improved wages and labor market opportunities for this group of workers. Legal status can be a barrier to financial market participation both in perception and in reality.[10] Many U.S. banks now accept identification issued by foreign governments to comply with the USA Patriot Act "Know Your Customer" provisions, and the U.S. Internal Revenue Service issues Individual Taxpayer Identification Numbers (ITINs) to individuals who do not qualify for Social Security Numbers (SSNs) but have taxable income, however others have chosen not to do so. In addition, financial institutions have been criticized for making account ownership too easy for undocumented immigrants. Anecdotal accounts suggest that many immigrants remain concerned that financial institutions will share their identity and financial information with immigration authorities.[11]

The SIPP data contain information on whether immigrants have become naturalized U.S. citizens. Comparing households headed by naturalized citizen immigrants and native-born households, we find no difference in checking account ownership once other characteristics have been controlled for (columns [7] and [8]). Immigrants who are naturalized citizens are 3 percentage points less likely to have a savings account, while immigrants who are not citizens are nearly 7 percentage points less likely to have a savings account. We see a similar pattern for checking account ownership. In fact, citizen immigrants have the same probability of owning a checking account as otherwise similar individuals who were born in the U.S. By contrast, non-citizen immigrants are 6.8 percentage points less likely to have a checking account. These findings (and others) are broadly consistent with Amuedo-Dorantes and Bansak (2006) who find that undocumented immigrants are significantly less likely to have a bank account, while immigrants who speak English, earn more, stay for longer periods of time in the United States, and who bring their spouses along with them to the United States are significantly more likely to have bank accounts.

Legal status does not appear to play a large role in explaining differences in immigrant and native-born behavior when it comes to more sophisticated investments like IRA/Keogh accounts and owning stock or mutual funds. In both of these cases, the likelihood that citizen and non-citizen immigrants own these assets is lower compared to the native-born by roughly the same amount.

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[10] Amuedo-Dorantes and Bansak (2006) find that only 9 percent of the Mexican Migrants surveyed by the Mexican Migration Project had a bank account in the U.S. Approximately 60 percent of that sample is undocumented.

[11] For some immigrants, concerns about proper documentation contribute to a more general distrust of banks. Many people fear that the failure to produce valid immigration papers at a bank will jeopardize their ability to stay in the U.S. (Suro et al., 2002). A nation-wide survey of Latin American immigrants living in the U.S. found that 25 percent believe that to open an account they need a social security number or a driver's license. Other common misconceptions held by immigrants are that they will lose access to the funds in their account when the documentation they used to open an account expires, or that the funds in their accounts will be liquidated if they are deported (Hogarth et al., 2005).

English Ability

One important barrier to participating in U.S. financial markets is the ability to communicate in English. The regression results bear this out. While immigrants who speak English very well are as likely than the native-born to have a savings or a checking account, immigrants who do not speak English very well less likely than all immigrants to own these accounts: 8.3 percentage points versus 4.1 percentage points for checking accounts and 7.8 percentage points versus 4.4 percentage points for savings accounts.[12]

Repeating the pattern that we have seen for other measure of adaptation to the U.S., IRA/Keogh account ownership and stock and mutual fund ownership remains lower even among immigrants who speak English very well. While those who speak English very well are 5.9 percentage points less likely to have and IRA or Keogh account, immigrants who do not speak English very well are 6.3 percentage points less likely to have one of these retirement accounts compared to otherwise similar households headed by someone born in the U.S. The results indicate that stock and mutual fund ownership rates are similarly insensitive to the ability to speak English.

Country of Origin Characteristics

The likelihood of having a bank account prior to migration is likely to vary depending on the country of origin. Even among developed countries, there is significant variation in the fraction of individuals who use financial services. In the U.S., a significant subset of the population makes little use of even basic financial services. In Sweden, Germany and Canada the fraction of people without a bank account is much lower than in the U.S, closer to 3 percent. Although the data are sparse, in some developing countries the norm is to be without a bank account. Approximately 75% of households in Mexico lack an account as do 90% of Kenyans.[13,14]

Recent survey evidence from the U.S. suggests that a significant fraction of households choose not to hold bank accounts because they "often are imbued with a cultural distrust of banks, and they may be concerned with privacy" (FDIC, 2003). Survey evidence from several developing countries, including Columbia and Mexico, suggests that similar concerns play a role in low rates of formal financial market participation in developing countries as well. Although low rates of participation are influenced by high transaction costs, lack of assets and geographical proximity to banks, many households also have concerns about the security of holding financial assets in weak institutional environments (Caskey, Ruiz Duran and Solo (2006); Solo and Manroth, (2006)).

[12] Immigrants are coded as speaking English very well if (1) they speak a language other than English at home and they reported that they spoke English very well or (2) if they reported that they did not speak a language other than English at home.

[13] Beck, Demirgüç-Kunt and Peria (2007)

[14] A lack of bank infrastructure and low rates of account ownership in the country of origin can contribute to low rates of account ownership in the U.S., if immigrants who send remittances choose to do so outside of banks because it is more convenient and safer for the remittance recipients to receive funds through money transfer firms or other less formal means.

In some countries, banks are not a safe place to put money, especially for relatively poor people. Growing up in a place where financial crises, lack of transparency, fraud, inflation and theft erode account values leads immigrants from some countries to distrust banks. For example, the banking crisis that crippled Mexico in the mid-1990s heightened suspicions that banks were unreliable (Hernandez-Coss, 2005).

Not all immigrants come to the U.S. with negative perceptions of financial institutions, however. Immigrants who come from countries that do a better job of protecting private property and providing incentives for investment are more likely to participate in U.S. financial markets (Osili and Paulson, 2006 and *forthcoming*). Holding income, education and wealth (and other factors), we find immigrants from countries with more effective institutions are more likely to have a relationship with a bank and also use formal financial markets more extensively. These findings are summarized in Figure 8, which shows the predicted relationship between institutional quality and having a bank account for immigrants from various countries. These results are robust to different ways of measuring country of origin institutional quality, adding additional country of origin controls and various methods of addressing potential bias due unobserved individual characteristics, including specifications with country fixed-effects. Country of origin institutions affect the financial market participation of recent immigrants as well as those with up to 27 years of U.S. experience. They also influence the behavior of immigrants who arrive in the U.S. as children as well as those who migrate as adults. Institutional quality appears to shape preferences and beliefs in a way that influences financial behavior.[15]

Ethnic Concentration

In addition to studying the effect of country of origin characteristics, researchers have also shown a long-standing interest in understanding how immigrant outcomes vary with the characteristics of their destination communities. One aspect of the destination community that has received close attention is ethnic concentration, the tendency to cluster together in cities or neighborhoods with other immigrants from the same country. Immigrants tend be geographically concentrated. For example, three-quarters of the foreign-born population is lives in just eight states (California, New York, Florida, Texas, New Jersey, Illinois, Massachusetts, and Arizona) and more than half of these immigrants reside in just eight metropolitan areas.

But not all immigrants from the same country settle in the same way. For example the median Cuban immigrant lives in an area where 17 percent of the population is also from Cuba, and the median Mexican immigrant lives in an area where 9 percent of the population is also from Mexico. By contrast, immigrants from Vietnam and India much less likely to cluster: the former account for only 0.7 percent of their typical

[15] In addition to general country of origin characteristics like institutional quality, experiencing adverse financial outcomes may have an important impact on future behavior. In on-going work (Osili and Paulson, 2007), we find that living through a bank crisis before migrating to the U.S., significantly lowers the likelihood of having a bank account in the U.S., even controlling for institutional quality in the country of origin.

neighborhood, the latter just 0.3 percent. In addition to variation by country, there is also variation in the tendency to cluster for immigrants from a particular country: For example, Mexican immigrants in Chicago account for 4.2 percent of the population, but Mexicans in Milwaukee only account for 0.5% of the population.[16]

The geographic concentration of immigrants has been shown to have important consequences for the pace of economic and social adaptation. For example, several recent studies have found have found that immigrant networks impact employment probabilities (Munshi, 2003), wage growth and human capital accumulation (Borjas, 1995 and 2000), as well as language proficiency (Chiswick and Miller, 1996).

Ethnic concentration may impact immigrants' labor market outcomes through its effect on language skills and job contacts. Apart from labor market performance, ethnic concentration can influence the availability and the quality of information about U.S. financial institutions. Specifically, immigrants who reside in ethnically concentrated communities may rely mainly on other immigrants from the same origin country for information regarding savings and investment decisions.

Residential settlement may have an adverse impact on financial market decisions if immigrants who reside in ethnically concentrated communities are isolated from mainstream society and lack information and knowledge about U.S. financial institutions. Thus, ethnic concentration may have a *direct* effect of financial market outcomes by limiting/curtailing the flow of information about mainstream financial services—thus reinforcing low rates of financial asset ownership.

Social interactions and peer effects have been shown to affect portfolio selection and financial market decisions in other contexts (see for example, Duflo and Saez, (2003) and Hong, Kubik, and Stein (2003)).[17] Ethnic concentration may also have an *indirect* effect of financial market outcomes if immigrants who reside in ethnically concentrated communities also face less favorable labor market prospects.

In Osili and Paulson (2004), we show that immigrants who live in ethnically concentrated metropolitan areas are less likely to participate in U.S. financial markets. For example, our results imply that if an immigrant from Chicago were to move to Milwaukee, the likelihood that they would have a checking account would increase by 5 percentage points, and the likelihood that they would have a savings account would go up by 2 percentage points. Recall that Mexican immigrants account for 4.2 percent of the population of Chicago, but that Mexicans in Milwaukee only account for 0.5 percent of that metropolitan area's population.

[16] Calculations from 1990 Census data.

[17] Duflo and Saez (2003) find that an employee's decision to enroll in a 401(K) plan and contribution amounts to a retirement plan in a large university is influenced by the decisions of other employees. Similarly, Hong, Kubik, and Stein (2004) argue that social interactions matter for stock market participation because individuals may learn about the benefits and costs from their friends and neighbors.

Ethnic concentration may also reinforce the effect of country of origin characteristics. We find that the effect of home country institutions is stronger for immigrants who live in neighborhoods with other immigrants from the same country (Osili and Paulson 2006 and *forthcoming*). For these immigrants, attitudes toward institutions that were forged in the country of origin are likely to be reinforced through interactions with other immigrants from the same country who share exposure to that country's institutions.

Remittances, Return Migration Intentions, Wealth Held Abroad

One possible explanation for why immigrant financial market participation lags that of otherwise similar native-born households, even for immigrants who have been in the U.S. for a substantial period of time and who arrived in the U.S. as children, could be the fact that they are supporting family members living abroad through remittances. The responsibility for supporting family members abroad could delay or substitute for the accumulation of financial assets in the U.S. However, the relationship between financial market participation and remittances may be complicated. Sending remittances is often cheaper for people with bank accounts, for example. To explore this issue, we tabulated information from the New Immigrant Survey on financial market participation and remittances. At first glance, these data suggest that remittances do not substitute for owning accounts in the U.S.: remitters are more likely to have a savings, checking or money market account and to own stock in the U.S. compared to non-remitters.[18]

Another potential influence on immigrant participation in U.S. financial market is return migration intentions. Dustmann (1997) and Galor and Stark (1990) argue that immigrants who have a higher probability of returning to a lower wage country should save more while they are in the U.S. High fixed costs might also discourage immigrants who plan to leave the U.S. soon from participating in U.S. financial markets. New Immigrant Survey tabulations of financial market participation as function of return migration intentions suggest that the Dustmann (1997) and Galor and Stark (1990) view is more prominent, as those who plan to leave the U.S. have higher rates of account ownership than those who plan to stay in the U.S.

Finally, data from the New Immigrant Survey allows us to examine the role of wealth held abroad. One possibility is that immigrants hold financial assets abroad, possibly in their countries of origin instead of in the U.S. Our tabulations suggest that this is not a likely explanation for the lower financial market participation of immigrants in the U.S. Immigrants who own assets abroad are also more likely to own financial assets in the U.S.

Tabulations from the New Immigrant Survey

	% who have savings, checking or money market account	% who own stock

[18] Of course one reason to open a bank account is to lower the cost of remitting and to increase access to savings vehicles. Interestingly, Amuedo-Dorantes and Bansak (2006) find the Mexican immigrants who have a bank account bring larger amounts back to Mexico with them when they return.

Remit	73.20%	17.25%
Don't Remit	50.50%	11.05%
Plan to Stay in U.S.	50.19%	8.16%
Plan to Leave U.S.	56.41%	20.66%
Own Wealth Abroad	73.40%	21.16%
Don't Own Wealth Abroad	47.46%	8.51%

While very suggestive, these inferences based on tabulations from the New Immigrant Survey should be viewed as preliminary. The New Immigrant Survey focuses on recent immigrants, all of whom are legal, permanent residents. Their experiences may not translate to immigrants more generally.

5. Housing and Financial Market Participation

In this section, we consider the possibility that the prioritizing the accumulation of real assets, specifically housing slows down the accumulation of financial assets like retirement accounts and stock and mutual funds for immigrants relative to the native-born. Sixty-nine percent of native-born households and 52 percent of immigrant households own a home (Table 1). Among home owners, median home equity is $38,500 for native-born households and $31,500 for immigrant households. These figures are roughly consistent with previous research. For example, Borjas (2002) and Kossoudji and Sedo (2004) find that while immigrants are less likely to own homes compared to similar native-born individuals, conditional on home ownership, the difference in home equity between immigrants and the native-born is smaller.

This comparison of homeownership rates and home equity accumulation among immigrants follows the same pattern that we have seen for financial market participation for immigrants versus the native-born: large gaps in the percentage of families who own the asset and smaller gaps in the value of the asset conditional on ownership. However, along other dimensions, homeownership diverges from the patterns we see for financial asset holdings. For example, Figure 7A provides non-parametric estimates of the probability of owning a house and other financial assets as a function of time in the U.S. for immigrant households. These estimates demonstrate that the probability that an immigrant family owns a home goes up more rapidly with time in the U.S. than the ownership of other financial assets does. This is broadly consistent with the possibility that immigrant families prioritize homeownership at the expense of accumulating assets for retirement and investing in the stock market.

In Figure 7B, we present non-parametric estimates of the owning a home as a function of age for immigrant and native households. The gap in the probability of homeownership for immigrants and the native-born widens until about age 50 and then stays constant, with the native-born having higher rates of homeownership at all ages. One possibility suggested by these figures is that immigrants, most of whom arrive in the U.S. as adults, simply do not have enough productive years in the labor market to accumulate enough assets to purchase a home.

In Tables 5A and 5B we present regression estimates of the probability of homeownership for various groups of immigrants and natives controlling for the set of characteristics that we discussed earlier. Overall, immigrants are 4 percentage points less likely to own a home compared to otherwise similar native-born households. The gap is smaller for immigrants and the native-born whose incomes are below the 40th percentile and is not statistically significant when we compare native-born Hispanics with immigrant Hispanics or native-born Asians with immigrant Asians. In contrast to the findings for financial market participation, black immigrants are significantly less likely to own a home than otherwise similar native-born Blacks.

In contrast to our findings for retirement savings and investing in the stock market, we find broad evidence that the gap in homeownership disappears with time in the U.S. (see Table 5B). Immigrants who have lived in the U.S. for at least 16 years, regardless of age at arrival in the U.S., are as likely as their native-born counterparts to own homes. While the gap in homeownership is smaller for immigrants who report speaking English very well, compared to those who do not, it remains negative and significant. Immigrants who have become naturalized citizens appear to be as likely as otherwise similar native-born households to be homeowners. In contrast, non-citizen immigrants are 7.5 percentage points less likely to own a home compared with native-born households, again controlling for characteristics. Changes in the effect of being an immigrant on homeownership with time in the U.S. most closely resemble those for checking accounts and hint that the goal of buying a home in the U.S. takes precedence over accumulating financial assets.

6. Supply-side factors: Location and the Design of Financial Institution and Products

Our analysis emphasizes demand-side explanations for explaining financial market participation.[19] To some extent the regression analysis will control for many supply-side factors as well. For example, the inclusion of MSA fixed effects controls for variation in the supply of financial services at the MSA level. Of course much of the meaningful variation in the location and distance to financial services may occur at the neighborhood level within an MSA. To the extent that financial institutions – both mainstream institutions like banks and credit unions and alternative financial services providers like check-cashers and currency exchanges – rely on potential customer characteristics in making decisions about where to open branches, these supply side factors will be controlled for by the inclusion of household characteristics like income, wealth, education and immigrant status in the analysis. The potential correlation of the availability of financial services and products with household characteristics should be taken into account in interpreting the estimated coefficients on these characteristics.

In addition to decisions about where to locate, financial institutions may have other practices that make them more or less attractive to potential immigrant clients. Banks

[19] For a more complete discussion of financial institution practices as they relate to immigrants see Paulson et al. (2006), especially Chapter 3.

face stiff competition for the financial business of immigrants. That competition comes largely from the alternative financial services sector. The number of check-cashing outlets, pawnbrokers and rent-to-own businesses increased from 25,000 to 35,000 between 1995 and 1999 (Temkin and Sawyer, 2004). Meanwhile, the number of payday lenders grew nationwide from virtually no establishments in 1994 to 9,000 establishments in 2000. The growth of these and other kinds of alternative financial services demonstrates the high demand for financial services outside of the mainstream banking sector.

In practice, bank accounts are often very expensive for low-income immigrants. A full comparison of costs does not necessarily favor the use of banks over check-cashers and other alternative financial service providers. In a direct cost comparison, banks often charge less for similar services. For example, a bank may charge nothing for an account holder to cash a check. But check-cashers will provide this service only for a fee.

Capturing the savings associated with having a bank account, however, requires careful management of the account in order to avoid high overdraft or other additional fees (Dunham, 2001). Many immigrants are likely to be vulnerable to such fees: they live paycheck to paycheck, have incomes that fluctuate frequently, and they may lack knowledge about how to properly manage their accounts. As a result, many very sensibly avoid opening bank accounts.

Minimum balances discourage immigrants from owning bank accounts. Minimum balance requirements are among the most burdensome barriers to opening a bank account. For every increase of $100 in the initial minimum balance, the probability of owning an account (among lower-income households) decreases by as much as 2.5 percentage points depending on the type of account (Washington, 2003). Survey responses among Latin American immigrants show that negative views about banks are related to perceptions of high minimum balances requirements (Suro et al., 2002).

The procedures that banks use to screen potential clients may be an additional barrier. Conventional methods to measure income and creditworthiness may not accurately reflect an immigrant's economic status. Immigrants may not have pay stubs or other proof of income often required by banks to confirm income. They are often deemed ineligible for bank approval when their conventionally measured assets and income are screened by standardized automated processes. For example, the ChexSystems database, which is used by approximately 80 percent of U.S. bank branches to determine if a prospective banking customer can be permitted to open an account, is accessed with a Social Security Number.

7. Summary of Findings and Policy Priorities

Key Findings

Native-born households have four times the total wealth and five times the financial wealth of immigrant households. Some of this difference in wealth manifests itself in

financial market participation. We find that immigrant households are less likely than otherwise similar households headed by native-born individuals to own a wide variety of financial assets: checking accounts, savings accounts, IRA/Keogh accounts and stock and mutual funds.

For checking accounts, immigrants "catch-up" with native-born households with time in the U.S. This adaptation occurs at a fairly measured pace, playing out over the first 16 years that immigrants are in the U.S. Checking accounts are a tool for managing current income and expenditures. For financial assets that represent the future: saving for retirement, to purchase homes, businesses or for future generations, only the small minority of immigrants who arrive before the age of 18 "catch up" with other wise similar native-born. The vast majority of immigrants who arrived in the U.S. as adults are less likely to have savings accounts, IRA/Keogh accounts and stock and mutual funds compared to the native-born. These patterns suggest that wealth differences between immigrants and the native-born may persist across generations.

Among immigrant sub-groups, we find evidence that black and Asian immigrants are as likely to participate in various financial markets as otherwise similar blacks and Asians who were born in the U.S. This raises an important policy question about whether the appropriate benchmark for immigrant financial access should be behavior that is similar to that of the majority or that of the minority group to which they belong.

Leading explanations for the lower financial market participation of immigrants include a desire to prioritize the accumulation of real assets, particularly housing, over financial assets, the tendency to locate in ethnic enclaves and country of origin characteristics including institutional quality. Supply-side explanations are likely to be important as well. However, much of the existing literature focuses on understanding supply-side issues related to banking. While this is undoubtedly important, a more complete analysis would include analysis of supply-side issues as they relate to IRA and Keogh account ownership and stock and mutual fund ownership.

Policy Priorities

In addition to policy interventions that focus specifically on homeownership and country of origin experiences, our analysis, together with recent demographic trends, suggest that one important priority is to reach out to the children of immigrants. Persistently lower ownership of savings accounts, IRA/Keogh accounts and stock and mutual funds among immigrant families mean that the children of immigrants may face important milestones, like the decision to pursue higher education, at a financial disadvantage relative to children with parents who were born in the U.S. The next wave of immigrant growth will come not from new arrivals, but from the children of immigrants already here. In some states with large immigrant populations, Arizona, Illinois and Massachusetts, for example, the second generation is already larger than the first. By 2020, second generation Latinos are projected to outnumber their parents throughout the country (Suro and Passel, 2003). Currently, the children of immigrants account for 19 percent of school age children in the U.S. (Capps et al., 2005).

For children and youth, early exposure to financial literacy either in the home or at school can have an important impact on their financial decisions of adults. Using data from the PSID, Chiteji and Stafford (1999) find that financial asset ownership among parents influences the portfolio decisions of their adult children. By exposing their children to financial assets early in life, parents may lower the information costs associated with learning about financial markets. In addition, schools can play an important role in lowering information costs. Bernheim, Garrett and Maki (1997) and Kotlikoff and Bernheim (2001) find that adults who took a high school course in money management had significantly higher savings rates than those who were not exposed to these courses in their youth.

In addition to the second-generation, immigrant enclaves are another area where efforts to connect immigrants (and other low-income residents) could yield dividends. Immigrant enclaves are likely to be places with particularly low account ownership and areas where efforts to increase account ownership will be magnified through immigrant networks. Inroads into account ownership in ethnic communities may be multiplied through immigrant networks and word of mouth among people who rely heavily on one another for information. In an area where ethnic concentration is very high, getting just one immigrant to open a new bank account may lead many others to do the same, as they learn about the process and the benefits of account ownership from an individual who shares their country of origin and language.

A key measure of success for the millions of immigrants who come to the United States seeking economic prosperity is the extent to which they participate in the financial mainstream. By analyzing the wealth and financial decisions of immigrants relative to the native-born, we assess both their current economic position as well as the prospects for future generations. This analysis reveals important gaps in financial market participation that are likely to persist across generations. Policy interventions that help immigrants achieve their financial goals are likely to have broader payoffs for society as whole, enabling us to profit more fully from the ambitions and hopes that bring many immigrants to the United States.

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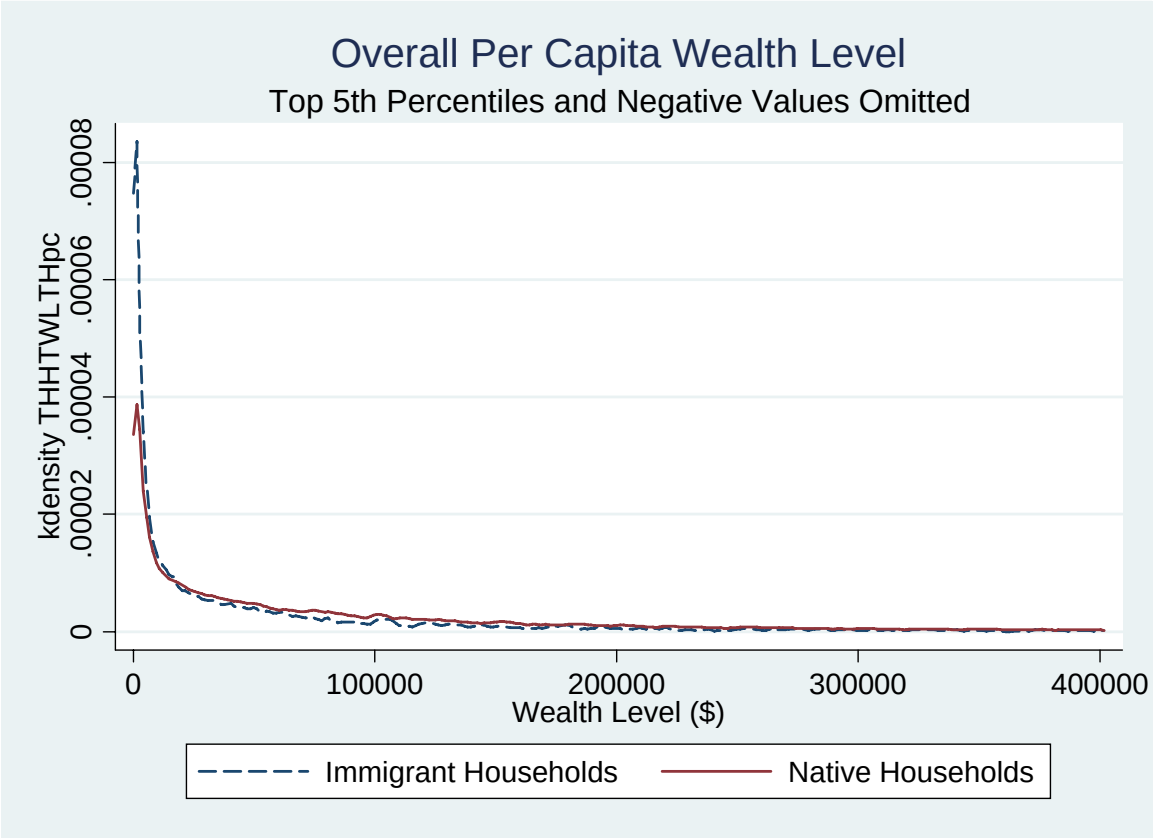
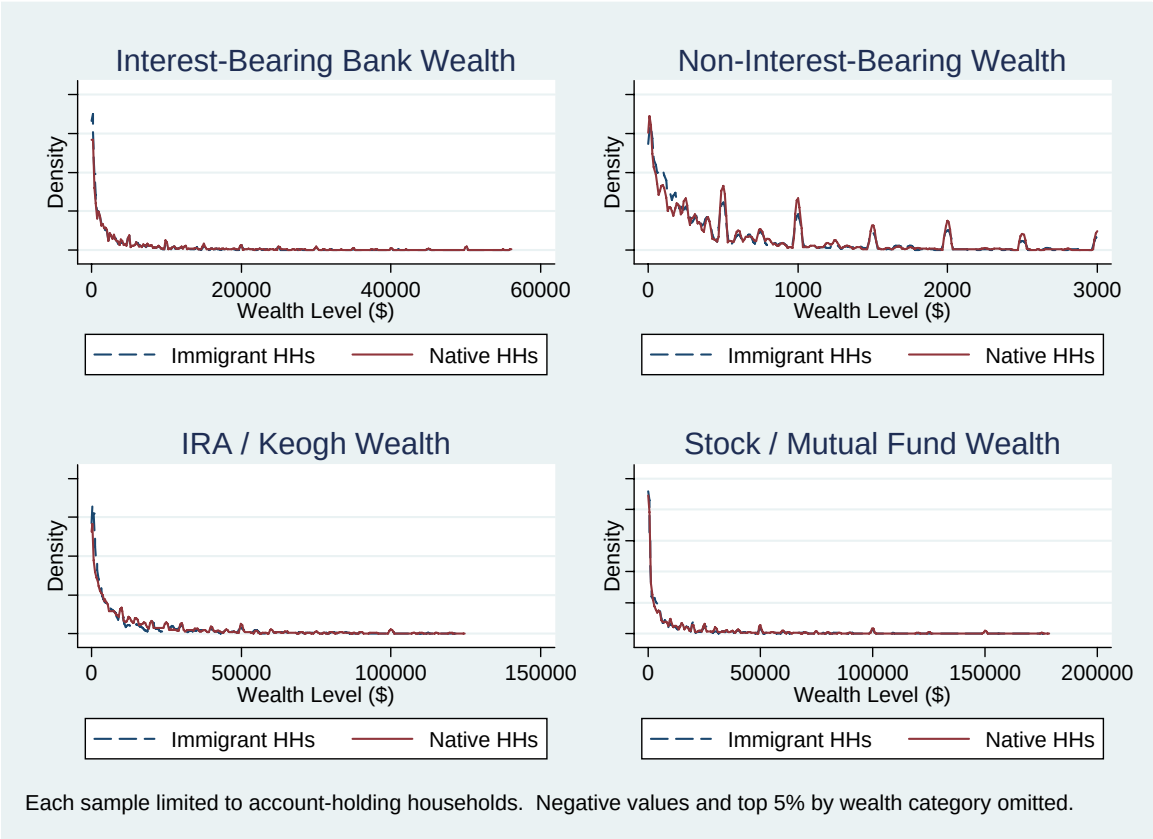


Figure 1: Total Wealth, Immigrants v. Natives

Note: The graph contains a univariate kernel density estimate of the distribution of wealth, using an Epanechnikov function to weight the data.



Each sample limited to account-holding households. Negative values and top 5% by wealth category omitted.

Figure 2: Wealth Conditional on Ownership

Note: The graphs contain univariate kernel density estimates of the distribution of wealth in each category, using an Epanechnikov function to weight the data.

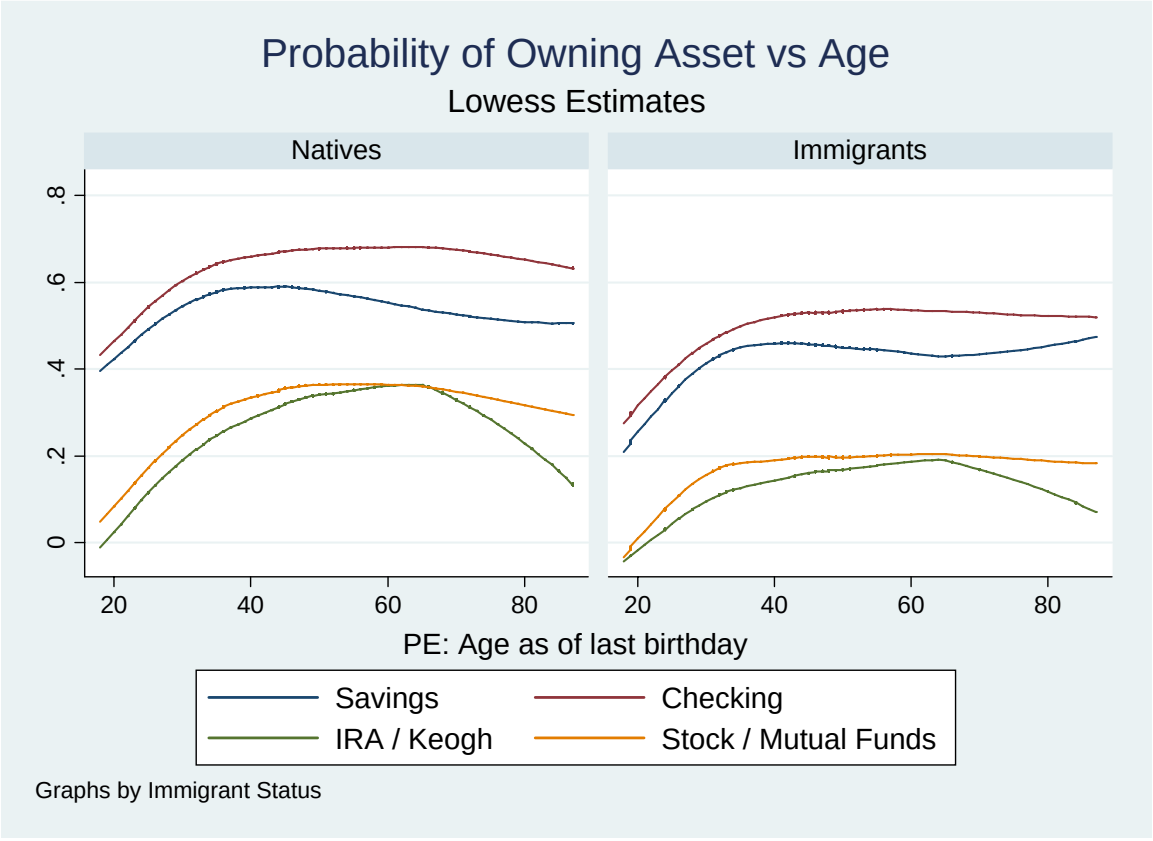


Figure 3: Lowess Estimates of the Probability of Ownership

*Notes**:** For each observation in Figure 3, a weighted regression is performed using 80% (bandwidth = 0.8) of the data around that point. The data are weighted using a tri-cube weighting procedure that puts more weight on the points closes to the observation in question. The weighted regression results are used to produce a predicted value for each observation.*

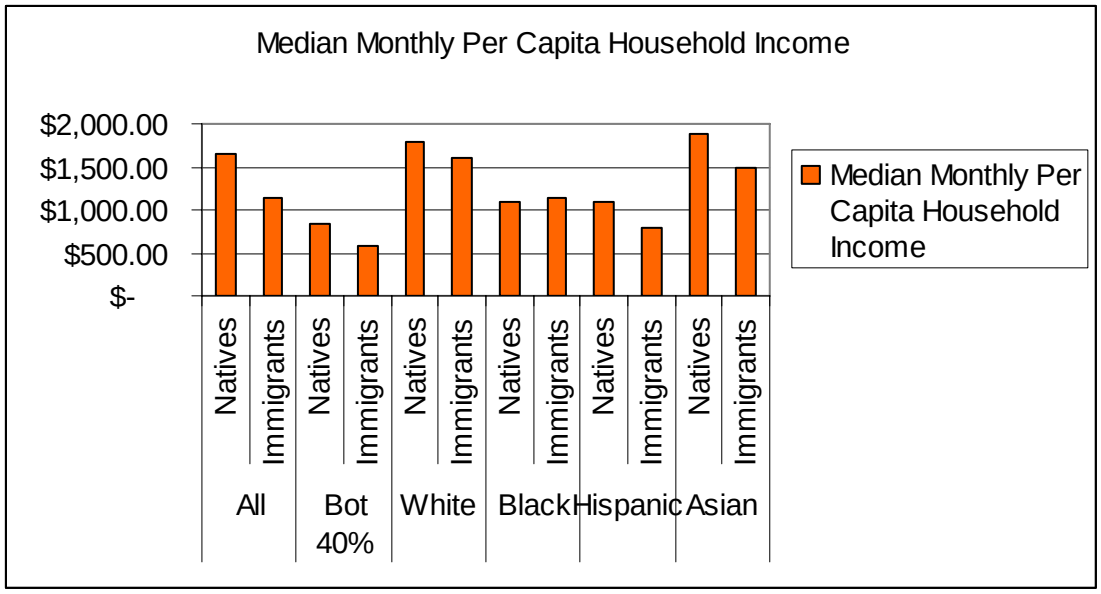


Figure 4A: Income

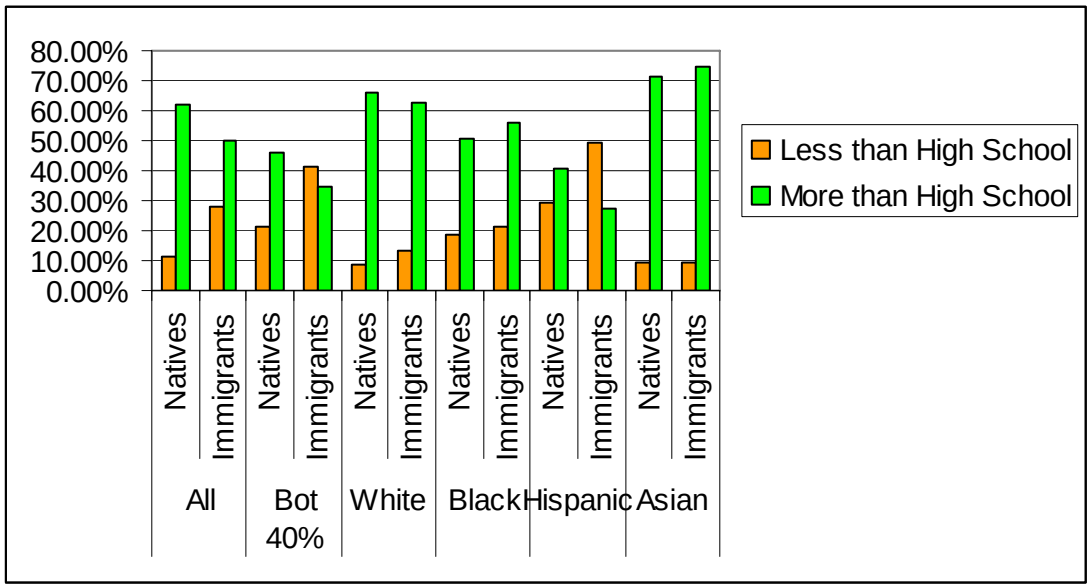


Figure 4B: Education

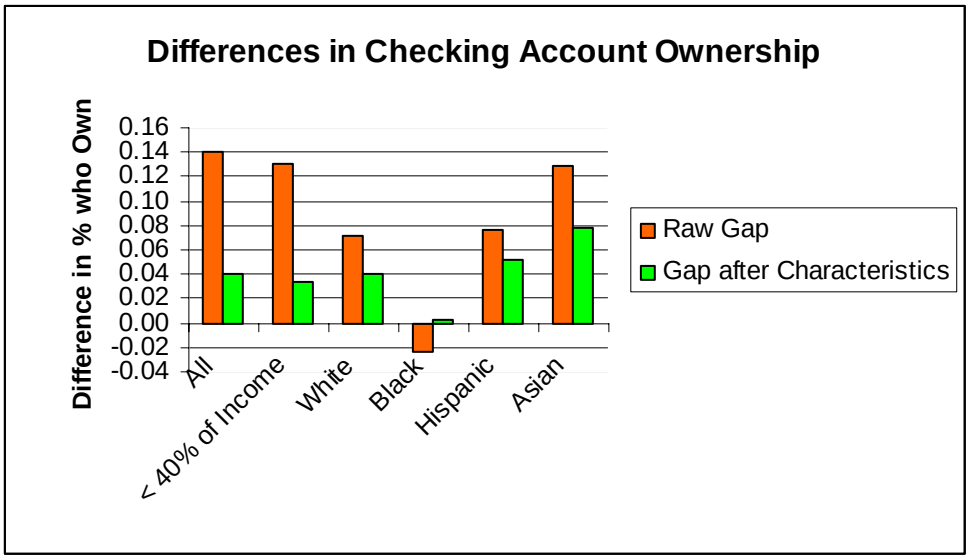


Figure 5: The Effect of Characteristics on Checking Account Ownership

Notes: The first rectangle in each group corresponds to the raw difference in checking account ownership from Table 1. The second rectangle is equal to the regression coefficient on "immigrant" from the regressions presented in Table 3A.

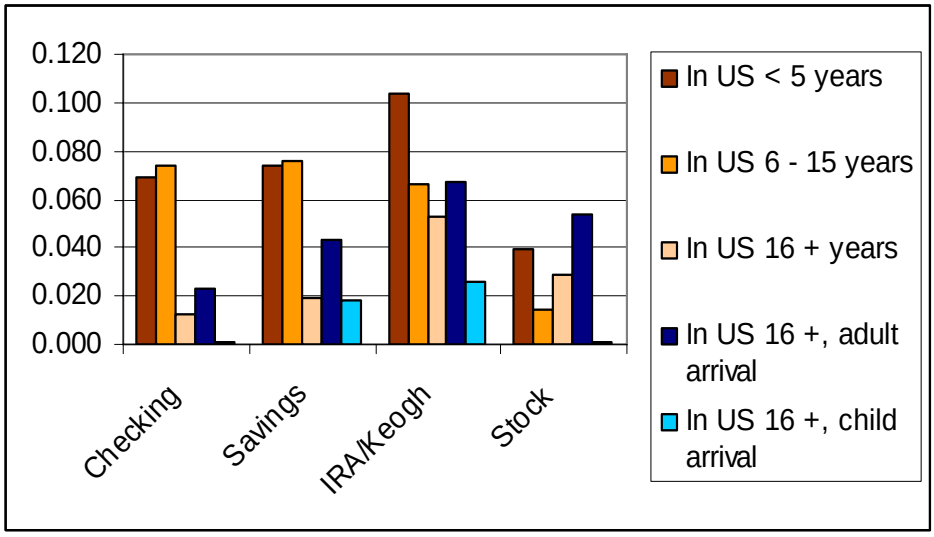


Figure 6: Adaptation over Time

Notes: The rectangles in each group correspond to the regression coefficient on "immigrant" from the regressions presented in columns [2] – [6] of Table 4, for checking, savings, IRA/Keogh and stock/mutual fund ownership.

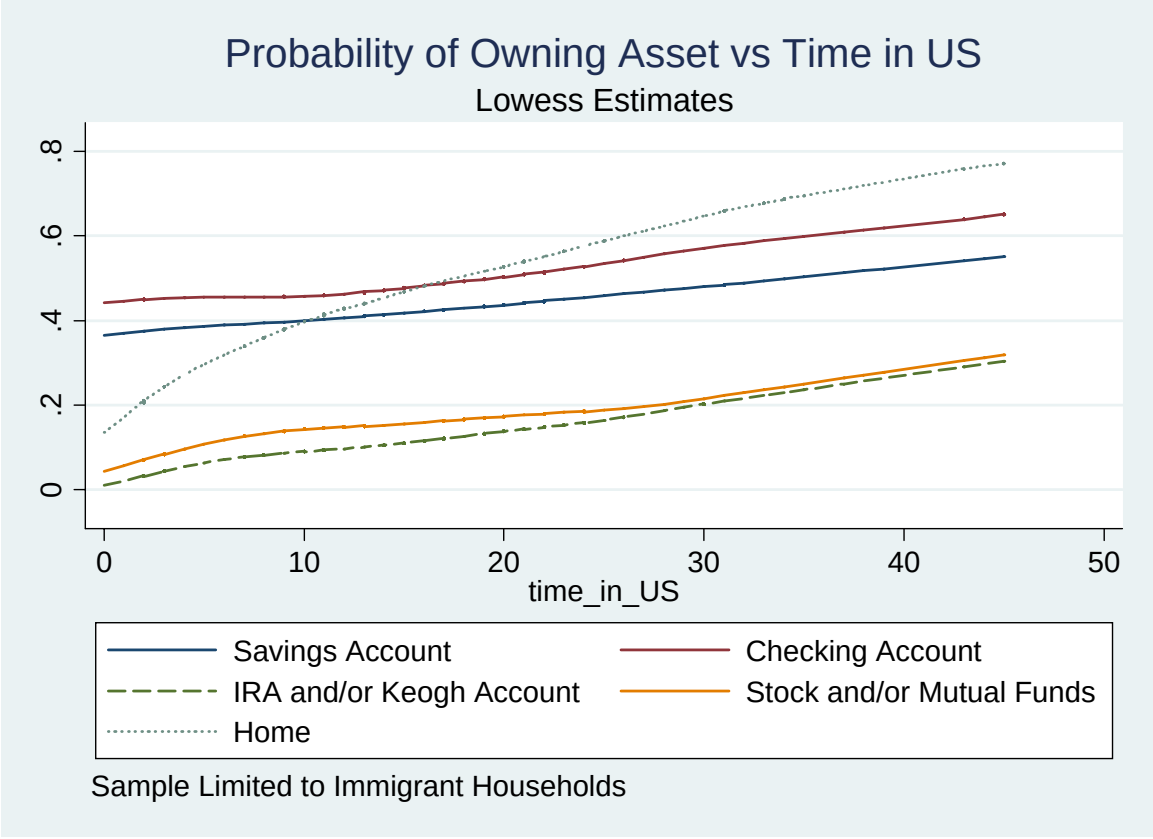


Figure 7A: Ownership and Time in the U.S., Immigrants

Notes: For each observation in Figure 7A, a weighted regression is performed using 80% (bandwidth = 0.8) of the data around that point. The data are weighted using a tri-cube weighting procedure that puts more weight on the points closes to the observation in question. The weighted regression results are used to produce a predicted value for each observation.

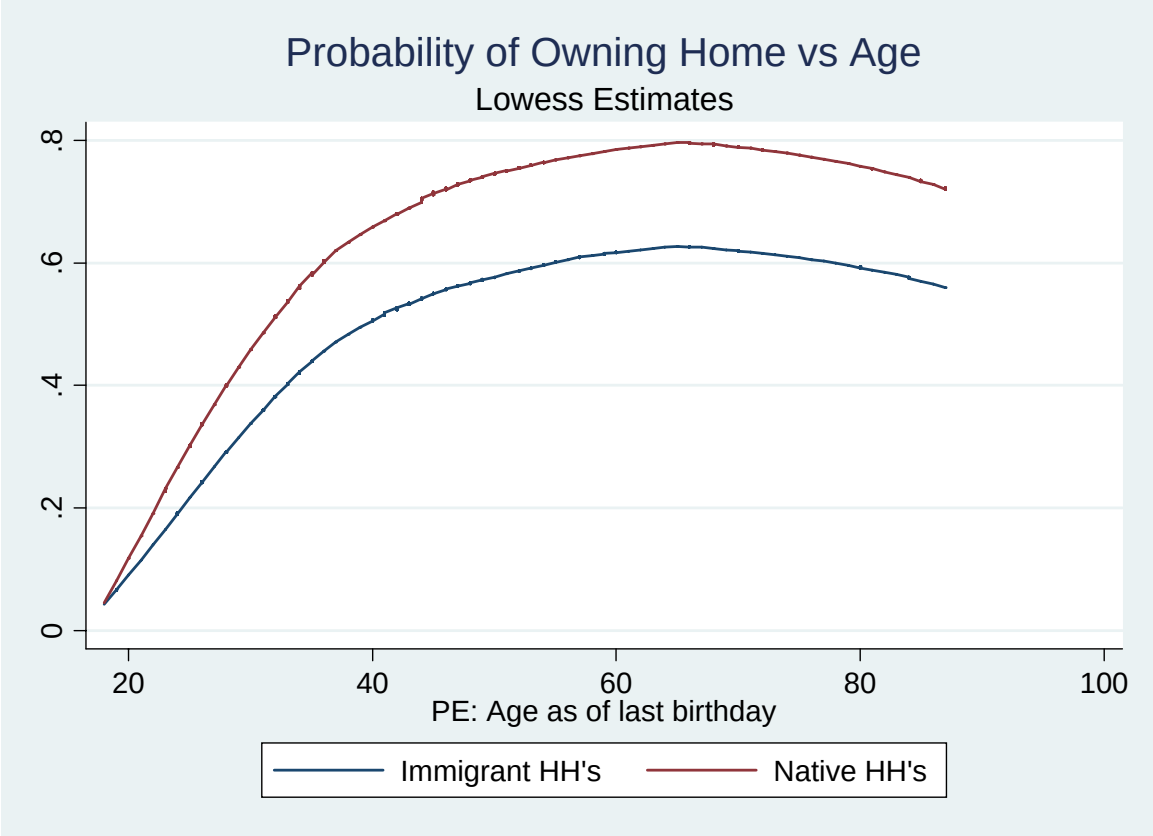


Figure 7B: Ownership and Age, Native-born and Immigrants

Notes: For each observation in Figure 7B, a weighted regression is performed using 80% (bandwidth = 0.8) of the data around that point. The data are weighted using a tri-cube weighting procedure that puts more weight on the points closes to the observation in question. The weighted regression results are used to produce a predicted value for each observation.

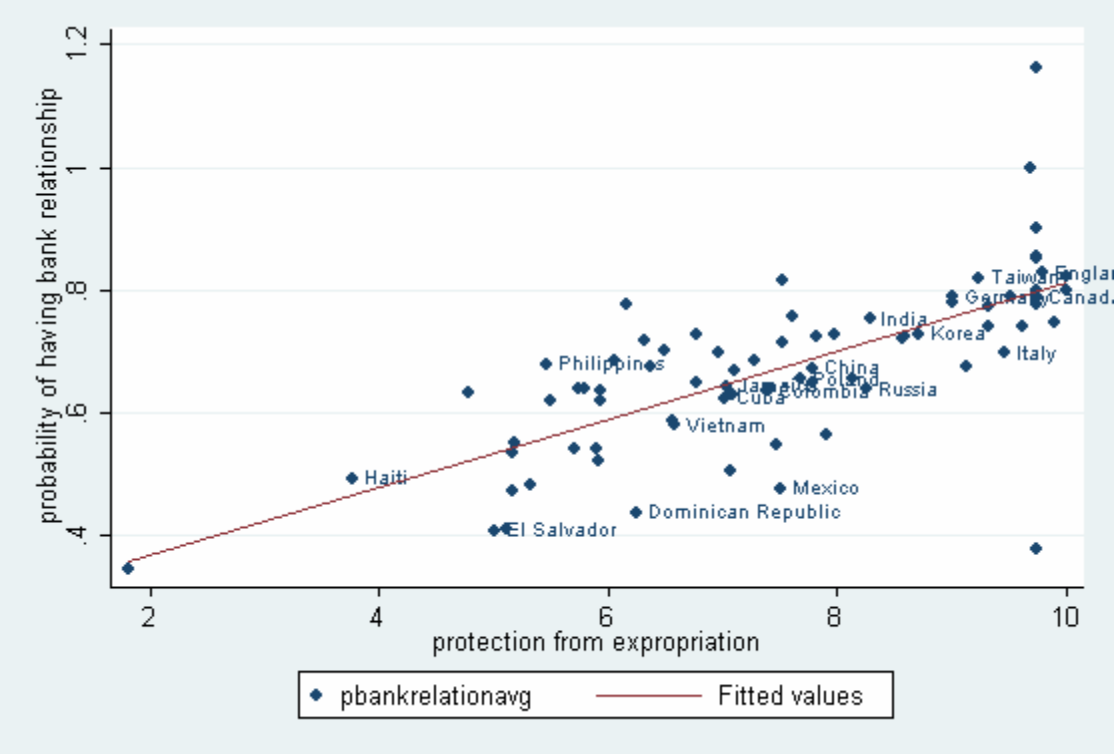


Figure 8: Financial Market Participation and Institutional Quality

Notes: Estimates of the likelihood of having a bank account as a function of institutional quality (and additional controls) in the country of origin. From "What can we learn about financial access from U.S. immigrants" (Osili and Paulson, 2006), Table 4, column [1] and Figure 1A.

Table 1: Income and Wealth of Immigrant and Native-born Households

	All		< 40% of Income		Whites	
	Native	**Imm.**	**Native**	**Imm.**	**Native**	**Imm.**
Mean Monthly HH Income	$2,232	$1,732	$964	$720	$2,422	$2,284
	(2,371)	(2,228)	(782)	(754)	(2,490)	(2,730)
Median Monthly HH Income	$1,641	$1,137	$833	$578	$1,800	$1,603
Mean HH Wealth	$115,061	$62,072	$100,880	$41,027	$137,748	$108,441
	(847,117)	(147,517)	(1,294,115)	(116,689)	(962,648)	(186,513)
Median HH Wealth	$37,963	$10,164	$15,575	$2,450	$54,159	$39,432
Median Financial Wealth	$2,000	$367	$300	$20	$4,193	$2,417
Median Home Equity	$16,000	$0	$2,500	$0	$24,000	$16,250
% who own						
Savings and/or checking account	79%	68%	66%	55%	85%	80%
Interest earning assets held in banking institutions	69%	54%	53%	39%	75%	69%
Savings account	57%	45%	41%	31%	61%	55%
Interest –bearing checking account	41%	27%	29%	16%	46%	39%
Non-interest earning assets in checking accounts	32%	30%	28%	26%	34%	32%
Any checking account	66%	52%	53%	40%	72%	65%
IRA or KEOGH accounts	30%	15%	17%	8%	36%	25%
Stock and/or Mutual Funds	34%	20%	19%	9%	40%	33%
Home	69%	52%	54%	36%	75%	63%
Median wealth by category, conditional on ownership						
Interest earning assets held in banking institutions	$2,000	$1,202	$1,500	$750	$2,500	$2,250
Non-interest earning assets in checking accounts	$350	$268	$244	$175	$400	$400
IRA or KEOGH accounts	$8,500	$5,000	$10,000	$5,250	$9,000	$7,500
Stock and/or Mutual Funds	$5,076	$3,750	$6,000	$5,000	$5,750	$5,000
Home equity	$38,500	$31,500	$50,000	$32,500	$42,500	$48,750
Number of Observations	37,977	7,114	14,874	3,177	28,978	2,182

Table 1: Income and Wealth of Immigrant and Native-born Households, continued

	Blacks		Hispanics		Asians	
	Native	**Imm.**	**Native**	**Imm.**	**Native**	**Imm.**
Mean Monthly HH Income	$1,507	$1,495	$1,569	$1,138	$2,549	$2,180
	(1,527)	(1,398)	(1,789)	(1,251)	(3,135)	(2,770)
Median Monthly HH Income	$1,096	$1,139	$1,086	$800	$1,883	$1,500
Mean HH Wealth	$32,846	$24,104	$37,431	$28,080	$105,633	$75,765
	(91,692)	(76,318)	(92,902)	(94,287)	(205,882)	(167,105)
Median HH Wealth	$4,767	$3,839	$5,067	$2,800	$37,932	$23,397
Median Financial Wealth	$33	$167	$150	$27	$3,900	$1,250
Median Home Equity	$0	$0	$0	$0	$11,150	$5,000
% who own						
Savings and/or checking account	57%	63%	63%	55%	88%	78%
Interest earning assets held in banking institutions	45%	49%	50%	39%	79%	65%
Savings account	40%	45%	44%	33%	68%	55%
Interest –bearing checking account	21%	20%	22%	15%	51%	35%
Non-interest earning assets in checking accounts	25%	29%	28%	27%	33%	34%
Any checking account	43%	45%	47%	39%	76%	63%
IRA or KEOGH accounts	8%	7%	11%	6%	34%	21%
Stock and/or Mutual Funds	13%	12%	13%	6%	32%	30%
Home	47%	39%	48%	45%	61%	56%
Median wealth by category, conditional on ownership						
Interest earning assets held in banking institutions	$505	$750	$625	$429	$2,000	$1,833
Non-interest earning assets in checking accounts	$150	$200	$250	$180	$375	$350
IRA or KEOGH accounts	$4,200	$4,667	$3,500	$2,500	$6,667	$4,500
Stock and/or Mutual Funds	$2,100	$1,833	$2,667	$2,500	$6,000	$3,333
Home equity	$20,000	$17,500	$20,000	$15,667	$36,667	$40,000
Number of Observations	5,545	494	2,723	2,932	499	1,477

Sample is restricted to 2001 – 2003 Survey of Income and Program Participation households with a reference person who is at least 18 years old, lives in an MSA and has a non-missing value for immigrant status. Standard errors are in parentheses. Data are weighted to reflect the US population. All income and wealth figures are per capita by households (i.e. the household total divided by the number of people in the household).

Table 2A: Summary Statistics, Immigrants v. Natives

	All		< 40% of Income		Whites		Blacks		Hispanics		Asians	
	Native	**Imm.**	**Native**	**Imm.**	**Native**	**Imm.**	**Native**	**Imm.**	**Native**	**Imm.**	**Native**	**Imm.**
% Married	51.43%	60.84%	28.10%	48.13%	54.96%	57.71%	32.10%	49.38%	49.51%	60.23%	58.46%	70.02%
% Spouse Born Abroad	6.34%	81.50%	6.38%	87.42%	5.02%	68.26%	0.06%	83.00%	19.02%	86.27%	24.98%	89.28%
% Single Parent	11.80%	10.62%	16.33%	14.39%	8.21%	7.89%	29.14%	15.41%	17.74%	14.24%	7.55%	5.66%
% Male	51.17%	57.89%	39.82%	50.30%	53.58%	55.42%	36.99%	52.52%	51.09%	59.08%	59.20%	60.96%
HH Size	2.46	3.12	1.92	2.64	2.38	2.60	2.60	2.86	3.03	3.55	2.77	3.09
	(1.42)	(1.77)	(1.26)	(1.67)	(1.33)	(1.52)	(1.60)	(1.64)	(1.73)	(1.94)	(1.54)	(1.56)
% HHs with Children	33.91%	49.39%	24.68%	42.61%	30.44%	36.03%	44.06%	50.60%	49.59%	59.75%	39.79%	47.96%
Age	49.67	46.42	53.77	48.73	50.79	51.35	47.57	44.43	43.39	43.64	43.60	45.49
	(16.78)	(15.68)	(19.64)	(18.03)	(16.85)	(17.06)	(16.08)	(14.08)	(15.41)	(14.50)	(17.01)	(14.69)
Education												
Less than High School	11.52%	28.21%	21.26%	41.11%	8.52%	13.37%	18.98%	21.57%	29.44%	49.64%	9.19%	9.56%
High School Graduate	26.34%	21.59%	32.59%	24.38%	25.47%	23.74%	30.30%	22.44%	29.58%	22.70%	19.79%	15.74%
More than High School	62.14%	50.19%	46.15%	34.51%	66.01%	62.89%	50.72%	55.99%	40.97%	27.66%	71.02%	74.69%
Some College	31.74%	21.53%	30.85%	18.62%	31.74%	22.45%	33.53%	31.86%	27.91%	18.32%	26.41%	23.52%
Bachelors Degree	19.91%	16.18%	11.03%	10.97%	22.44%	20.94%	10.86%	14.82%	9.24%	6.26%	30.13%	29.32%
Advanced Degree	10.49%	12.47%	4.27%	4.92%	11.83%	19.50%	6.32%	9.31%	3.83%	3.09%	14.48%	21.85%
Number of Observations	37,977	7,114	14,874	3,177	28,978	2,182	5,545	494	2,723	2,932	499	1,477

Sample is restricted to 2001 – 2003 Survey of Income and Program Participation households with a reference person who is at least 18 years old, lives in an MSA and has a non-missing value for immigrant status. Standard errors are in parentheses. Data are weighted to reflect the US population.

Table 2B: Summary Statistics, Immigrants

	All		US Citizen		Age at Arrival		English Ability		Years in US		
	Natives	Imms.	Yes	No	< 18	≥ 18	Very Well	Not Very Well	≤ 5	6 - 15	≥ 16
% Married	51.43%	60.84%	59.83%	61.89%	54.20%	65.43%	56.64%	67.64%	64.52%	67.24%	57.28%
% Spouse Born Abroad	6.34%	81.50%	76.25%	87.15%	57.79%	88.19%	72.32%	93.46%	91.33	89.55	74.74%
% Single Parent	11.80%	10.62%	10.30%	10.96%	11.20%	10.19%	10.23%	11.35%	4.46%	10.13%	11.74%
% Male	51.17%	57.89%	56.74%	59.09%	56.50%	58.93%	56.12%	59.28%	66.64%	58.08%	55.07%
HH Size	2.46	3.12	2.87	3.37	3.21	3.18	2.85	3.54	2.96	3.51	2.89
	(1.42)	(1.77)	(1.62)	(1.88)	(1.81)	(1.74)	(1.57)	(1.99)	(1.64)	(1.73)	(1.75)
% HHs with Children	33.91%	49.39%	41.88%	57.24%	56.64%	50.83%	44.96%	56.29%	49.64%	63.61%	40.52%
Age	49.67	46.42	51.55	41.07	35.19	47.35	46.85	47.06	36.49	39.50	53.80
	(16.78)	(15.68)	(16.26)	(13.05)	(9.40)	(14.39)	(15.96)	(15.12)	(10.66)	(11.43)	(15.46)
Education											
Less than High School	11.52%	28.21%	20.08%	36.71%	20.64%	30.93%	14.70%	48.87%	24.98%	29.42%	29.71%
High School Graduate	26.34%	21.59%	23.06%	20.06%	20.93%	20.83%	20.33%	23.36%	18.29%	22.07%	21.48%
More than High School	62.14%	50.19%	56.86%	43.23%	58.44%	48.24%	64.97%	27.76%	56.73%	48.51%	48.81%
Some College	31.74%	21.53%	25.22%	17.68%	32.86%	17.96%	26.80%	13.25%	18.10%	20.30%	21.82%
Bachelors Degree	19.91%	16.18%	17.74%	14.56%	14.83%	17.61%	20.73%	9.30%	24.04%	15.44%	14.97%
Advanced Degree	10.49%	12.47%	13.89%	10.99%	10.75%	12.67%	17.45%	5.21%	14.59%	12.77%	12.03%
Number of Observations	37,977	7,114	3,654	3,460	1,098	4,670	3,762	2,582	895	1,965	3,215

Sample is restricted to 2001 – 2003 Survey of Income and Program Participation households with a reference person who is at least 18 years old, lives in an MSA and has a non-missing value for immigrant status. Standard errors are in parentheses. Data are weighted to reflect the US population.

Table 2C: Immigrant Characteristics

		Income	Race/Ethnicity				US Citizen		Age at Arrival		English		Years in the US		
	All	< 40%	White	Black	Hisp.	Asian	Yes	No	< 18	≥ 18	Very Well	Not Very Well	≤ 5	6 - 15	≥ 16
% Citizen	51.09	45.38	63.28	53.34	37.88	58.90	--	0.00	63.83	44.68	61.05	37.18	5.94	32.76	74.97
% Speaks English Well	60.49	49.74	81.36	86.77	39.42	62.85	71.55	48.70	77.44	52.38	--	--	48.72	50.37	66.80
% Arrived < age 18	19.61	15.99	20.68	11.66	21.47	17.07	25.84	13.76	--	--	26.79	10.49	3.52	12.59	29.79
% Arrived age 18 +	80.39	84.01	79.32	88.34	78.53	82.93	74.16	86.24	--	--	73.21	89.51	96.48	87.41	70.21
% In US for ≤ 5 years	15.29	16.02	15.02	25.27	13.75	15.76	1.80	29.08	2.89	19.33	11.95	17.99	--	--	--
% In US 6-15 years	32.85	33.79	22.67	30.93	36.73	38.83	21.29	44.67	22.22	37.62	27.84	39.21	--	--	--
% In US for 16 + years	51.86	50.19	62.30	43.80	49.52	45.40	76.91	26.25	74.90	43.05	60.21	42.80	--	--	--
Moved to the US (%)															
1996--2001	15.29	16.02	15.02	25.27	13.75	15.76	1.80	29.08	2.89	19.33	11.95	17.99	--	0.00	0.00
1989--1995	21.79	22.53	16.46	20.17	23.66	25.31	12.56	31.21	12.19	25.57	17.53	26.24	--	66.32	0.00
1980--1988	24.59	24.95	13.90	23.47	29.48	28.80	24.70	24.48	27.34	25.55	22.62	29.50	--	33.68	26.08
1969--1979	19.14	15.90	15.93	20.81	19.67	21.75	27.55	10.55	31.59	17.38	21.38	16.66	--	0.00	36.92
Before 1969	19.19	21.36	38.68	10.28	13.44	8.38	33.40	4.67	26.00	12.18	26.52	9.61	--	0.00	37.00
Region of Origin (%)															
Central America	30.31	36.41	1.14	0.56	72.19	0.23	19.65	41.45	37.31	30.78	17.16	49.37	27.38	37.73	28.27
Asia	24.16	19.02	10.27	11.26	0.42	94.17	28.34	19.79	21.86	26.30	26.00	22.29	25.04	28.54	22.00
European	18.49	16.76	58.18	7.19	0.49	0.90	23.64	13.10	16.56	14.77	24.95	9.50	14.38	11.07	21.46
Caribbean	8.82	11.04	2.16	43.53	12.39	0.24	10.58	6.99	8.06	9.36	8.86	8.37	5.08	7.42	11.06
South America	6.86	7.20	2.50	2.57	14.09	0.34	5.93	7.83	5.93	7.92	7.05	6.50	10.21	7.35	6.35
North America	3.46	2.89	10.79	1.32	0.00	0.51	3.62	3.29	3.38	2.55	5.60	0.14	4.62	1.12	4.08
Middle East	3.09	2.07	9.01	1.97	0.00	1.15	3.62	2.54	3.42	3.21	3.65	1.94	4.85	2.08	3.24
Africa	3.75	3.82	3.98	30.15	0.26	1.04	3.60	3.90	2.20	4.06	5.28	1.45	7.04	3.59	2.47
Australasia	0.59	0.28	1.12	0.57	0.00	1.00	0.57	0.61	0.70	0.46	0.86	0.12	0.83	0.18	0.74
Other	0.48	0.52	0.86	0.89	0.17	0.42	0.45	0.51	0.59	0.59	0.59	0.32	0.58	0.91	0.33
Observations	7,114	3,177	2,182	494	2,932	1,477	3,654	3,460	1,098	4,670	3,762	2,582	895	1,965	3,215

Sample is restricted to 2001 – 2003 Survey of Income and Program Participation households with a reference person who is at least 18 years old, lives in an MSA and has a non-missing value for immigrant status. Standard errors are in parentheses. Data are weighted to represent the U.S. population.

Table 3A: Estimates of Checking Account Ownership by Socio-Economic and Demographic Characteristics

	All [1]		< 40% of Income [2]		Whites [3]		Blacks [4]		Hispanics [5]		Asians [6]	
Immigrant	-0.041	***	-0.034	**	-0.040	***	-0.002		-0.053	***	-0.079	**
	(0.009)		(0.014)		(0.013)		(0.028)		(0.017)		(0.032)	
Married	0.098	***	0.100	***	0.107	***	0.092	***	0.094	***	0.090	**
	(0.008)		(0.013)		(0.010)		(0.023)		(0.021)		(0.035)	
Single Parent	-0.044	***	-0.034	**	-0.036	***	-0.046	**	-0.017		-0.033	
	(0.010)		(0.014)		(0.014)		(0.022)		(0.027)		(0.062)	
Male	-0.007		-0.003		-0.012		-0.003		0.014		0.052	*
	(0.007)		(0.013)		(0.008)		(0.022)		(0.020)		(0.031)	
Age	0.001		0.003	*	0.000		0.004		0.004		0.004	
	(0.001)		(0.002)		(0.001)		(0.003)		(0.003)		(0.005)	
Age Squared†	0.006		-0.009		0.008		-0.025		-0.029		-0.052	
	(0.011)		(0.014)		(0.013)		(0.030)		(0.032)		(0.055)	
Unemployed/Out of Labor Force	-0.030	***	-0.046	***	-0.019	**	-0.056	***	-0.050	***	-0.025	
	(0.007)		(0.010)		(0.009)		(0.018)		(0.019)		(0.039)	
High School Degree	0.089	***	0.090	***	0.080	***	0.076	***	0.072	***	0.075	
	(0.010)		(0.012)		(0.014)		(0.022)		(0.022)		(0.053)	
Some College	0.157	***	0.157	***	0.135	***	0.176	***	0.166	***	0.142	***
	(0.010)		(0.013)		(0.014)		(0.022)		(0.024)		(0.051)	
Bachelor Degree	0.185	***	0.193	***	0.163	***	0.253	***	0.190	***	0.133	**
	(0.011)		(0.017)		(0.015)		(0.032)		(0.032)		(0.054)	
Advanced Degree	0.192	***	0.186	***	0.171	***	0.231	***	0.183	***	0.168	***
	(0.012)		(0.023)		(0.016)		(0.036)		(0.052)		(0.055)	

Table 3A: Estimates of Checking Account Ownership by Socio-Economic and Demographic Characteristics, continued

	All [1]		< 40% of Income [2]		Whites [3]		Blacks [4]		Hispanics [5]		Asians [6]	
2nd Income Quintile	0.073	***	0.069	***	0.056	***	0.069	***	0.121	***	0.092	**
	(0.008)		(0.009)		(0.011)		(0.020)		(0.020)		(0.044)	
3rd Income Quintile	0.111	***	--		0.088	***	0.161	***	0.135	***	0.089	**
	(0.009)		--		(0.011)		(0.023)		(0.024)		(0.044)	
4th Income Quintile	0.129	***	--		0.106	***	0.162	***	0.204	***	0.044	
	(0.010)		--		(0.012)		(0.027)		(0.028)		(0.047)	
5th Income Quintile	0.135	***	--		0.115	***	0.141	***	0.210	***	0.065	
	(0.011)		--		(0.013)		(0.032)		(0.034)		(0.050)	
2nd Wealth Quintile	0.129	***	0.124	***	0.121	***	0.146	***	0.084	***	0.152	***
	(0.008)		(0.011)		(0.012)		(0.019)		(0.018)		(0.037)	
3rd Wealth Quintile	0.187	***	0.186	***	0.175	***	0.174	***	0.201	***	0.168	***
	(0.009)		(0.013)		(0.012)		(0.022)		(0.024)		(0.042)	
4th Wealth Quintile	0.211	***	0.218	***	0.203	***	0.215	***	0.207	***	0.194	***
	(0.010)		(0.015)		(0.012)		(0.027)		(0.027)		(0.043)	
5th Wealth Quintile	0.247	***	0.253	***	0.238	***	0.323	***	0.274	***	0.282	***
	(0.010)		(0.017)		(0.013)		(0.037)		(0.033)		(0.043)	
Constant	0.312	***	0.273	***	0.378	***	0.029		0.104		0.329	**
	(0.029)		(0.041)		(0.036)		(0.075)		(0.077)		(0.134)	
Native Ownership Rate	66.48		53.37		72.49		42.85		46.60		75.92	
Immigrant Ownership Rate	52.44		40.36		65.29		45.17		38.97		63.00	
Adjusted R-Squared	0.2035		0.2049		0.127		0.2392		0.2256		0.1824	
Observations	45,091		18,051		31,160		6,039		5,655		1,976	

Notes: The sample consists of all 2001 – 2003 Survey of Income and Program Participation households with a reference person >= 18 years of age with a populated immigrant status who reside in an MSA. The dependent variable is equal to one if the household reference person and/or his or her spouse owned the relevant account during the interview period in question and zero otherwise. Linear models with MSA fixed-effects are used and the results are adjusted to take into account sampling weights. Standard errors, in parentheses, are corrected for heteroskedasticity and clustering at the household level. In addition to the explanatory variables included in the table, each egression includes the following controls: the year in which the data were gathered, the number of adult males, adult females, children aged 0-5, children 6-12, and children aged 13-17 in the household. Columns [1] and [2] also include controls for Black, Hispanic, Asian, and "Other". The omitted race/ethnicity category is White. The omitted income and wealth categories are the lowest income and wealth quintile; the omitted education category is less than high school graduate. The reported coefficients and standard errors of explanatory variables marked by a † are the actual ones multiplied by 1000. *** indicates significance at at least the 1 level, ** at the 5 level, * at at least the 10 level. Data are weighted to represent the U.S. population.

Table 3B: Estimates of Account Ownership by Socio-Economic and Demographic Characteristics

	All [1]		< 40% of Income [2]		Whites [3]		Blacks [4]	Hispanics [5]		Asians [6]	
Savings Account Ownership											
Immigrant	-0.044	***	-0.032	**	-0.032	*	0.026	-0.068	***	-0.054	
	(0.011)		(0.015)		(0.016)		(0.034)	(0.019)		(0.041)	
Native Ownership Rate	56.77		40.75		60.87		39.84	43.75		64.49	
Immigrant Ownership Rate	45.13		31.49		55.31		45.01	32.53		55.05	
Adjusted R-Squared	0.1763		0.1506		0.1325		0.2583	0.2212		0.1895	
IRA/Keogh Ownership											
Immigrant	-0.064	***	-0.034	***	-0.087	***	-0.021	-0.023	**	-0.106	***
	(0.009)		(0.010)		(0.015)		(0.020)	(0.011)		(0.035)	
Native Ownership Rate	30.38		16.83		36.20		8.12	11.41		33.81	
Immigrant Ownership Rate	15.09		7.80		25.07		6.59	6.10		21.45	
Adjusted R-Squared	0.2993		0.257		0.2681		0.2098	0.2326		0.2995	
Stock/Mutual Fund Ownership											
Immigrant	-0.034	***	-0.009		-0.040	***	-0.032	-0.043	***	0.006	
	(0.009)		(0.010)		(0.015)		(0.024)	(0.011)		(0.035)	
Native Ownership Rate	33.99		19.10		39.85		13.29	12.76		31.86	
Immigrant Ownership Rate	19.54		9.12		33.07		12.45	5.57		30.28	
Adjusted R-Squared	0.3104		0.2683		0.2697		0.2563	0.2918		0.3378	
Observations	45,091		18,051		31,160		6,039	5,655		1,976	

Notes: The sample consists of all 2001 – 2003 Survey of Income and Program Participation households with a reference person >= 18 years of age with a populated immigrant status who reside in an MSA. The dependent variable is equal to one if the household reference person and/or his or her spouse owned the relevant account during the interview period in question and zero otherwise. Linear models with MSA fixed-effects are used and the results are adjusted to take into account sampling weights. Standard errors, in parentheses, are corrected for heteroskedasticity and clustering at the household level. In addition to the explanatory variables included in the table, each egression includes all the controls reported on in Table 3A as well as the following controls: the year in which the data were gathered, the number of adult males, adult females, children aged 0-5, children 6-12, and children aged 13-17 in the household. Columns [1] and [2] also include controls for Black, Hispanic, Asian, and "Other". The omitted race/ethnicity category is White. The omitted income and wealth categories are the lowest income and wealth quintile; the omitted education category is less than high school graduate. The reported coefficients and standard errors of explanatory variables marked by a † are the actual ones multiplied by 1000. *** indicates significance at at least the 1 level, ** at the 5 level, * at at least the 10 level. Data are weighted to represent the U.S. population.

Table 4: Estimates of Account Ownership by Immigrant Characteristics

	All [1]		In US for 5 years or less [2]		In US between 6-15 years [3]		In US for 16 years or more [4]		In the US for 16 years or more and arrived at age 17 or younger [5]	Arrived at age 18 or older [6]	
Checking Account Ownership											
Immigrant	-0.041	***	-0.069	***	-0.074	***	-0.012		-0.000	-0.023	
	(0.009)		(0.021)		(0.016)		(0.013)		(0.021)	(0.016)	
Native Ownership Rate	66.48		66.48		66.48		66.48		66.48	66.48	
Immigrant Ownership Rate	52.44		46.24		45.85		58.68		61.36	56.22	
Adjusted R-Squared	0.2035		0.1980		0.2028		0.1919		0.1937	0.1929	
Savings Account Ownership											
Immigrant	-0.044	***	-0.074	***	-0.076	***	-0.019		-0.018	-0.043	**
	(0.011)		(0.026)		(0.018)		(0.015)		(0.025)	(0.019)	
Native Ownership Rate	56.77		56.77		56.77		56.77		56.77	56.77	
Immigrant Ownership Rate	45.13		39.66		40.41		49.59		54.44	45.96	
Adjusted R-Squared	0.1763		0.1735		0.1781		0.1673		0.1710	0.1687	
IRA/Keogh Ownership											
Immigrant	-0.064	***	-0.104	***	-0.066	***	-0.053	***	-0.026	-0.067	***
	(0.009)		(0.016)		(0.013)		(0.016)		(0.020)	(0.014)	
Native Ownership Rate	30.38		30.38		30.38		30.38		30.38	30.38	
Immigrant Ownership Rate	15.09		4.61		10.52		19.92		21.70	18.63	
Adjusted R-Squared	0.2993		0.3006		0.3009		0.2992		0.2999	0.2997	
Stock/Mutual Fund Ownership											
Immigrant	-0.034	***	-0.063	***	-0.019		-0.028	**	0.007	-0.054	***
	(0.009)		(0.017)		(0.013)		(0.012)		(0.020)	(0.014)	
Native Ownership Rate	33.98		33.98		33.98		33.98		33.98	33.98	
Immigrant Ownership Rate	19.54		10.13		15.86		23.57		27.26	19.81	
Adjusted R-Squared	0.3104		0.3038		0.3082		0.3031		0.303	0.3027	
Observations	45,091		38,872		42,647		38,872		38,820	40,042	

Table 4: Estimates of Account Ownership by Immigrant Characteristics, continued

	All [1]		Non-Citizens [7]		Citizens [8]		Does not speaks English very well [9]		Speaks English Very Well [10]	
Checking Account Ownership										
Immigrant	-0.041	***	-0.068	***	-0.016		-0.083	***	-0.014	
	(0.009)		(0.012)		(0.012)		(0.015)		(0.011)	
Native Ownership Rate	66.48		66.48		66.48		66.48		66.48	
Immigrant Ownership Rate	52.44		43.29		61.20		39.74		61.81	
Adjusted R-Squared	0.2035		0.2113		0.1882		0.2077		0.1895	
Savings Account Ownership										
Immigrant	-0.044	***	-0.067	***	-0.029	**	-0.078	***	-0.020	
	(0.011)		(0.015)		(0.014)		(0.017)		(0.014)	
Native Ownership Rate	56.77		56.77		56.77		56.77		56.77	
Immigrant Ownership Rate	45.13		38.05		51.90		33.40		54.18	
Adjusted R-Squared	0.1763		0.1802		0.1681		0.179		0.1677	
IRA/Keogh Ownership										
Immigrant	-0.064	***	-0.068	***	-0.058	***	-0.063	***	-0.059	***
	(0.009)		(0.011)		(0.011)		(0.011)		(0.011)	
Native Ownership Rate	30.38		30.38		30.38		30.38		30.38	
Immigrant Ownership Rate	15.09		8.24		21.65		5.67		22.16	
Adjusted R-Squared	0.2993		0.3032		0.2962		0.3050		0.2943	
Stock/Mutual Fund Ownership										
Immigrant	-0.034	***	-0.040	***	-0.024	**	-0.039	***	-0.027	**
	(0.009)		(0.011)		(0.011)		(0.011)		(0.012)	
Native Ownership Rate	33.98		33.98		33.98		33.98		33.98	
Immigrant Ownership Rate	19.54		11.82		26.93		7.00		28.09	
Adjusted R-Squared	0.3104		0.3112		0.3019		0.3108		0.3011	
Observations	45,091		41,437		41,631		40,559		41,739	

Notes: The sample consists of all 2001 – 2003 Survey of Income and Program Participation households with a reference person >= 18 years of age with a populated immigrant status who reside in an MSA. The dependent variable is equal to one if the household reference person and/or his or her spouse owned the relevant account during the interview period in question and zero otherwise. Linear models with MSA fixed-effects are used and the results are adjusted to take into account sampling weights. Standard errors, in parentheses, are corrected for heteroskedasticity and clustering at the household level. In addition to the explanatory variables included in the table, each egression includes all the controls reported on in Table 3A as well as the following controls: the year in which the data were gathered, the number of adult males, adult females, children aged 0-5, children 6-12, children aged 13-17 in the household, Black, Hispanic, Asian, and "Other". The omitted race/ethnicity category is White. The omitted income and wealth categories are the lowest income and wealth quintile; the omitted education category is less than high school graduate. The reported coefficients and standard errors of explanatory variables marked by a † are the actual ones multiplied by 1000. *** indicates significance at at least the 1 level, ** at the 5 level, * at at least the 10 level. Data are weighted to represent the U.S. population.

Table 5A: Estimates of Home Ownership by Socio-Economic and Demographic Characteristics

	All [1]	< 40% of Income [2]	Whites [3]	Blacks [4]	Hispanics [5]	Asians [6]
Home Ownership						
Immigrant	-0.040 ***	-0.027 ***	-0.059 ***	-0.065 ***	-0.023	-0.005
	(0.008)	(0.010)	(0.011)	(0.023)	(0.014)	(0.027)
Native Ownership Rate	69.15	53.79	75.29	47.37	48.32	60.69
Immigrant Ownership Rate	51.90	36.38	62.54	38.37	44.55	55.76
Adjusted R-Squared	0.5589	0.6241	0.5030	0.6109	0.6044	0.6452
Observations	45,091	18,051	31,160	6,039	5,655	1,976

Notes: The sample consists of all 2001 – 2003 Survey of Income and Program Participation households with a reference person >= 18 years of age with a populated immigrant status who reside in an MSA. The dependent variable is equal to one if the household reference person and/or his or her spouse owned the relevant account during the interview period in question and zero otherwise. Linear models with MSA fixed-effects are used and the results are adjusted to take into account sampling weights. Standard errors, in parentheses, are corrected for heteroskedasticity and clustering at the household level. In addition to the explanatory variables included in the table, each egression includes all the controls reported on in Table 3A as well as the following controls: the year in which the data were gathered, the number of adult males, adult females, children aged 0-5, children 6-12, and children aged 13-17 in the household. Columns [1] and [2] also include controls for Black, Hispanic, Asian, and "Other". The omitted race/ethnicity category is White. The omitted income and wealth categories are the lowest income and wealth quintile; the omitted education category is less than high school graduate. The reported coefficients and standard errors of explanatory variables marked by a † are the actual ones multiplied by 1000. *** indicates significance at at least the 1 level, ** at the 5 level, * at at least the 10 level. Data are weighted to represent the U.S. population.

Table 5B: Estimates of Home Ownership by Immigrant Characteristics

	All [1]	In US for 5 years or less [2]	In US between 6-15 years [3]	In US for 16 years or more [4]	In the US for 16 years or more and arrived at age 17 or younger [5]	In the US for 16 years or more and arrived at age 18 or older [6]
Home Ownership						
Immigrant	-0.040 ***	-0.111 ***	-0.051 ***	-0.012	-0.003	-0.012
	(0.008)	(0.017)	(0.013)	(0.011)	(0.020)	(0.012)
Native Ownership Rate	69.15	69.15	69.15	69.15	69.15	69.15
Immigrant Ownership Rate	51.90	26.67	42.37	64.14	59.06	65.00
Adjusted R-Squared	0.5589	0.5540	0.5544	0.5478	0.5458	0.5506
Observations	45,091	38,872	39,942	41,192	38,820	40,042

	Non-Citizens [7]	Citizens [8]	Does not speak English very well [9]	Speaks English Very Well [10]
Home Ownership				
Immigrant	-0.075 ***	-0.007	-0.048 ***	-0.024 **
	(0.010)	(0.010)	(0.012)	(0.009)
Native Ownership Rate	69.15	69.15	69.15	69.15
Immigrant Ownership Rate	38.34	64.87	42.28	60.63
Adjusted R-Squared	0.5607	0.5476	0.5583	0.5583
Observations	41,437	41,631	40,559	41,739

Notes: The sample consists of all 2001 – 2003 Survey of Income and Program Participation households with a reference person >= 18 years of age with a populated immigrant status who reside in an MSA. The dependent variable is equal to one if the household reference person and/or his or her spouse owned the relevant account during the interview period in question and zero otherwise. Linear models with MSA fixed-effects are used and the results are adjusted to take into account sampling weights. Standard errors, in parentheses, are corrected for heteroskedasticity and clustering at the household level. In addition to the explanatory variables included in the table, each egression includes all the controls reported on in Table 3A as well as the following controls: the year in which the data were gathered, the number of adult males, adult females, children aged 0-5, children 6-12, children aged 13-17 in the household, Black, Hispanic, Asian, and "Other". The omitted race/ethnicity category is White. The omitted income and wealth categories are the lowest income and wealth quintile; the omitted education category is less than high school graduate. The reported coefficients and standard errors of explanatory variables marked by a † are the actual ones multiplied by 1000. *** indicates significance at at least the 1 level, ** at the 5 level, * at at least the 10 level. Data are weighted to represent the U.S. population.