

Immigrant Experience

The Relation between Skin Color and Pay



Prior to the Immigration Act of 1965, immigrants to the United States were primarily from northern and western Europe. Post-1965 immigrants, however, are more often from Asia and Latin America. Most of these more recent immigrants have darker skin color than white U.S. natives and are on average shorter.

To some people, these recent immigrants may look “different” or even “illegal.” Indeed, a 1990 U.S. General Accounting Office study found that 5 percent of employers “began a practice, as a result of IRCA (Immigration Control and Reform Act of 1986), not to hire job applicants whose foreign appearance or accent led them to suspect that they might be unauthorized aliens.”¹ There is considerable evidence of discriminatory treatment of immigrants in employment and access to housing, and appearance may be a factor that influences how immigrants are treated.

Skin Color and Height Issues

My recent research considers whether some of the most visible aspects of appearance—particularly skin color and height—affect economic outcomes among new legal immigrants to the United States.² Using data from the New Immigrant Survey 2003, I find strong evidence that gradation of skin color and height affect wages.

Evidence

The New Immigrant Survey provides a nationally representative sample of 8,573 adult respondents admitted to lawful permanent residence status in 2003. The data are drawn from electronic files compiled by the U.S. government. The survey reports extensive information on individual characteristics that influence individual pay. In addition, it provides interviewer observations of skin color on a detailed scale. The color scale used by the interviewers shows a series of 10 hands with color increasing in darkness.

My research shows that immigrants with darker skin color have lower wages than comparable immigrants with lighter skin color, even when a wide array of personal and work-related characteristics are taken into account—for example, English language proficiency, education, occupation before migrating to the United States, and family background. The analysis also takes into account ethnicity, race, and country of origin, which are themselves highly correlated with skin color. Skin color is not merely capturing the effects of ethnicity, race, or country of birth. Instead, skin color has an independent effect on wages. Immigrants with the lightest skin color earn on average 17 percent more than comparable immigrants with the darkest skin color.

Skin color has an independent effect on wages even when current labor market factors that may be influenced by discrim-

ination are considered. After current job characteristics such as occupation, outdoor work, job seniority, self-employment, and full-time work status are taken into account, immigrants with the lightest skin color earn on average 11 percent more than comparable immigrants with the darkest skin color.

I also find that height has an independent effect on wages, with each extra inch of height above the U.S. average associated with a 2 percent increase in wages. In contrast to skin color and height, body weight has no effect on wages.

Implications

Do the results imply that immigrant workers in the United States face discrimination based on their skin color? Although discrimination is one possibility, it is necessary to rule out other nondiscriminatory explanations before drawing this conclusion.

One possible explanation for the skin color effect in the United States may be that people were already treated differently on the basis of skin color in their originating country. There is considerable evidence of a preference for lighter skin among people in India, Asia, Africa, and Central and South America. Those who are darker relative to their own country averages may end up with inferior labor market characteristics as a result of discrimination in their home countries.

My analysis takes into account characteristics acquired before migration to the

United States, including education in the home country, family background, father's education, and previous occupation in home country. Those who experienced discrimination or preferential treatment in their home country will have characteristics that reflect such treatment. However, those characteristics do not explain why immigrants with darker skin color receive lower wages in the jobs they hold within the United States.

Consider an immigrant from Brazil who has light skin relative to other Brazilians. There is wide evidence that he or she could have experienced preferential treatment when living in Brazil. But the same person could have darker skin relative to the native U.S. population and is likely to earn less than comparable immigrant workers who have lighter skin color. This means that discriminatory treatment on the basis of skin color is occurring within the U.S. labor market and is not just a result of past treatment in the originating country.

Litigation

Although skin color discrimination claims still comprise a small share of the 85,000 charges filed annually with the Equal Employment Opportunity Commission, the EEOC reports that allegations of skin color discrimination have been rising. Just 413 cases were reported in 1994, and 1,382 such charges were filed in 2002.³ In recognition of ongoing concerns about race and color discrimination, the EEOC launched the E-RACE (Eradicating Racism and Colorism from Employment) Initiative in 2007.

My empirical research suggests that observed opposition to immigrants arises in part from attitudes toward outward appearance, and shows that immigrants who have lighter skin color fare better than their counterparts who are darker, even after accounting for ethnicity, race, and country of origin.

Projected population trends in the United States indicate that the country is becoming less white. The non-Hispanic, single-race white population comprised 66 percent of the total population in 2008. By 2050, this share is projected to drop to 46 percent of the population.⁴ Given that trend, the workforce will become increasingly diverse, and color discrimination claims may increase.

Within the context of such litigation, there will be a debate as to whether observed differences in pay reflect labor market discrimination or are reflective of legitimate

productivity differences. My research shows higher pay for immigrants with lighter skin color that cannot be accounted for by differences in labor market productivity. Discrimination may underlie the pay differences. Employers should be aware of possible implicit biases in hiring and pay decisions.

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Endnotes

¹ U.S. General Accounting Office, "Immigration Reform: Employer Sanctions and the Question of Discrimination," GAO/GGD90-62 (March 1990).

² Joni Hersch, "Profiling the New Immigrant Worker: The Effects of Skin Color and Height," *Journal of Labor Economics* 26, no. 2 (April 2008): 345-386.

³ See <http://www.eeoc.gov/press/8-07-03.html>.

⁴ See <http://www.census.gov/Press-Release/www/releases/archives/population/012496.html>.

Regional Variation: Northeast

There is regional variation in the nationality, race, and ethnicity of immigrants. Relative to the rest of the United States, the Northeast has a smaller share of new legal immigrants of Hispanic ethnicity and a larger share of new legal immigrants who are black or white. Also relative to the rest of the nation, the Northeast has a larger share of immigrants with very dark skin color (ratings of 9 and 10 on the scale) as well as a larger share with lighter skin color.

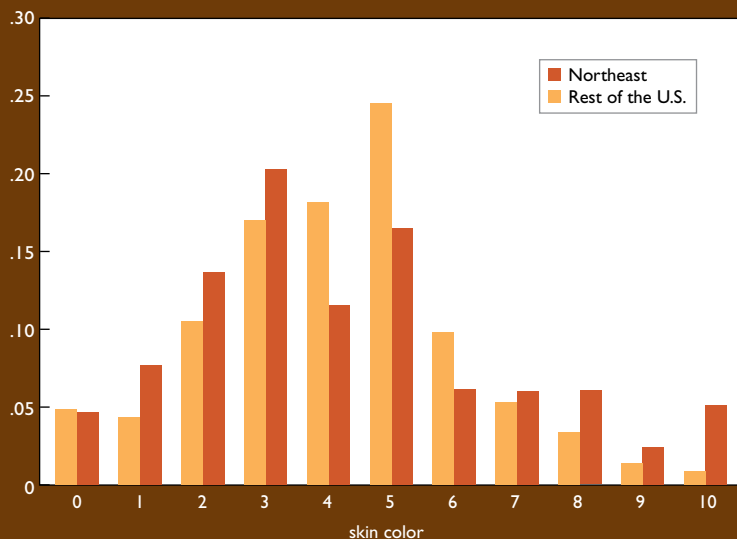
Distribution of Immigrants by Ethnicity or Race

Ethnicity or race	Northeast	Rest of the U.S.
Hispanic	24.76	43.28
Asian	29.29	27.76
Black	17.90	7.76
White	24.77	17.79
All other	3.28	3.41
Total	100%	100%

Source: Author's calculations from the New Immigrant Survey 2003.

Distribution of Skin Color

Comparing the Northeast and the rest of the U.S.



Source: Author's calculations from the New Immigrant Survey 2003. The skin color scale increases in darkness from 0 to 10, with 0 representing the lightest skin color and 10 the darkest skin color. The vertical bars report the proportion of the sample with each skin color.