## Introduction

The questions of whether and why black immigrants earn higher wages than US born blacks have been discussed since the 1970s with no consensus. This study highlights sample selection as a possible reason for lack of agreement in previous research.

There is substantial variation in the full-time employment patterns of US and foreign born blacks, yet no research has controlled for selection into full-time employment in wage analyses. Though colonial heritage plays a role in the wages of Caribbean immigrants, no research has disaggregated African born blacks in the same way.

# Objectives and Contributions

#### Objective

Examine whether differences exist among blacks in the United States in terms of:

- 1. Probability of full-time employment
- 2. Hourly wages

#### Contributions

- 1. Distinguish between both African and Caribbean immigrants by categories of common colonial history
- 2. Control for the effects of selection into full-time employment in wage equations

## Data

Data set - 5% Public Use Micro Sample (PUMS) of the 2000 United States census

Sample - 680,599 non-Hispanic black men and women, 25-59 years, who are not self-employed.

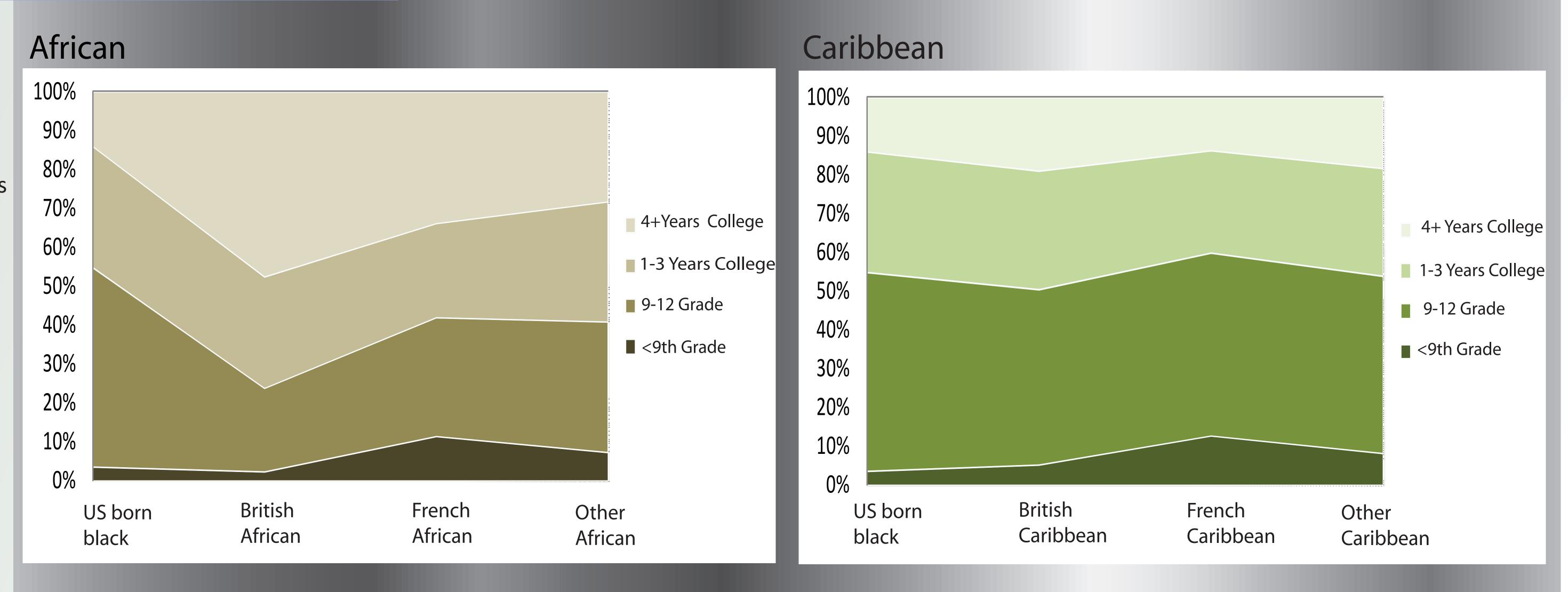
## Methods

Logistic regression
Outcome - Full-time Employment

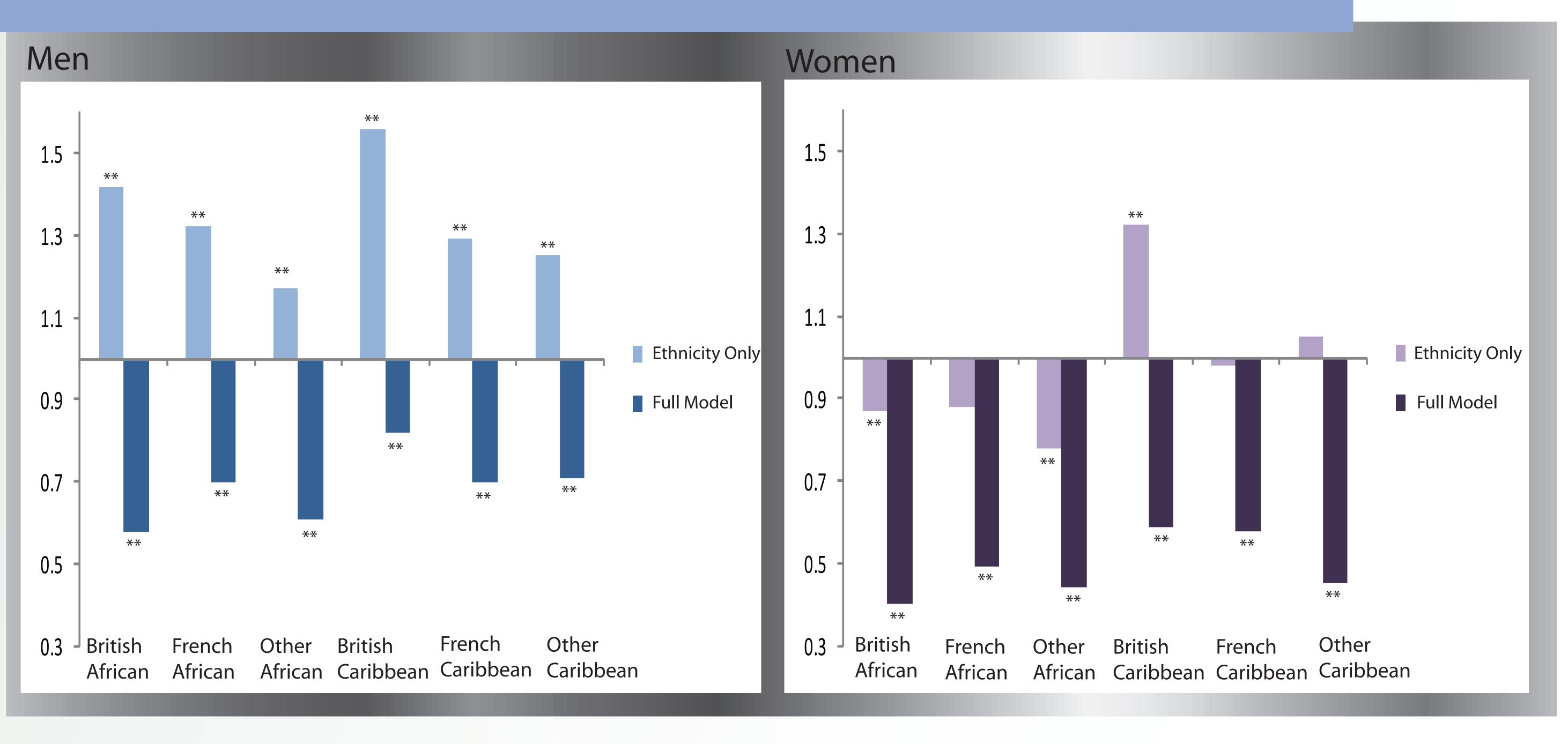
Ordinary Least Squares Regression with a Heckman selection Model

Outcome - Hourly Wages

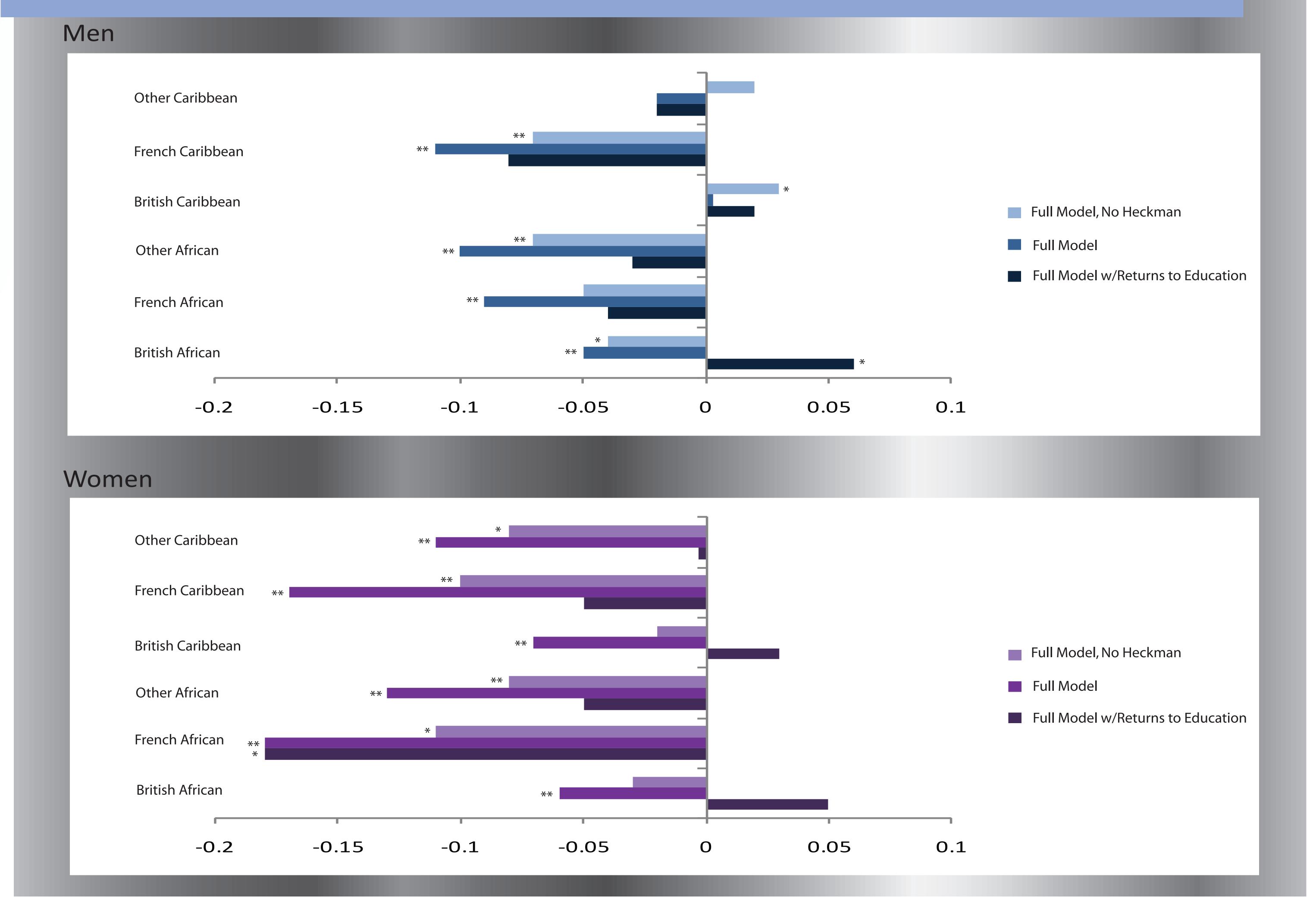
### Educational Profile



### Logistic Regression - Full-time Employment (Ref. - US born blacks)

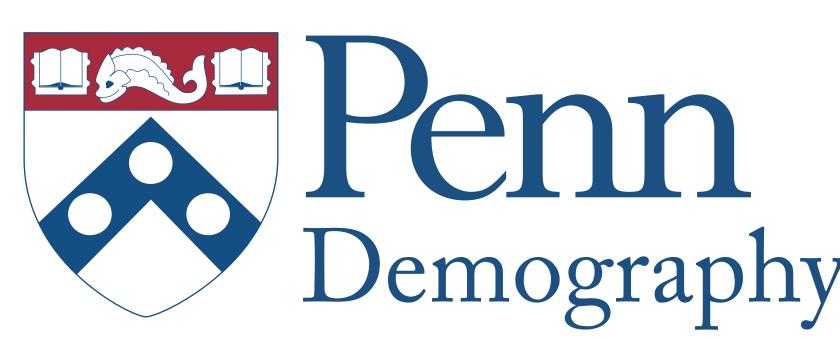


# OLS Regression with Heckman Selection - Hourly Wages (Ref. - US born blacks)



## Conclusion

Overall, my findings show that the inconsistencies of previous research are largely due to not controlling for selection into full-time employment and inconsistent disaggregation of ethnic groups. The results show that after controlling for selection into full-time employment, British African men and women, and not Caribbean immigrants, earn significantly higher wages than US born blacks. While human capital and culture play a major role in wage differences among blacks, treatment by employers is also a huge factor in determining the wages of British African immigrants. Previous research has neither shown the magnitude of the effect of lower returns to education for African immigrants nor the effect of treatment by employers, specifically on British African immigrants. Future research should investigate why British African immigrants of both genders are disproportionately disadvantaged by lower returns to human capital.



Full Model - # of Children, # of Children<5, Marital Status, English Ability, Education, Foreign Education, Work Experience