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An Analysis of the Earnings and Employment of Asian-American Men

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This paper analyzes the earnings and employment of Chinese, Japanese, Filipino, and white men born in the United States. The Chinese and Japanese have higher levels of schooling and earnings than white men, and the Japanese work more weeks. Ceteris paribus, there are no substantive group differences in these variables or in returns from schooling. The Filipinos have a lower level of schooling, earnings, employment, and returns from schooling. It is, therefore, not appropriate to view Asian-Americans as a single disadvantaged minority group. Further, the success of the Chinese and Japanese challenges conventional wisdom regarding the consequences of racial discrimination.

Introduction

Much of what we know, or think we know, about the economic well-being of minorities that have been subject to discrimination in the United States is based on the findings from comparisons of blacks and whites, and more recently of Hispanics and non-Hispanic whites. Most observers would say that racial and ethnic discrimination and minority-group status

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result in lower levels of earnings, employment, and schooling and a lower rate of return from schooling, since these patterns have been found for blacks and Hispanics.

The purpose of this paper is to investigate the effects on a racial minority of past, if not also contemporary, discrimination by examining the economic situation of Asian-Americans. The findings challenge conventional wisdom regarding the net effects of racial discrimination. In so doing, they call attention to the need for caution in interpreting observed differentials as results of discrimination and to the need for further research on the determinants of racial and ethnic group differences in economic success.

Among American-born adult men, the Chinese and Japanese have higher levels of schooling and earnings than white men, and the Filipinos have lower levels (table 1). These group differences are not easy to explain on the basis of simple models of discrimination. Are the earnings differences due to differences in age, schooling, and area of residence, or do the rankings persist even when other variables are the same? Are there differences in the extent of employment during the year among these groups, and if so do these differences persist when other things are the same?

This paper analyzes the earnings and employment of American-born, Asian-origin men in the United States. In particular, it focuses on comparisons among the three largest groups of Asian origin—the Chinese, Japanese, and Filipinos—and on comparisons of the Asian-Americans with whites. The paper begins with a brief review of the historical experiences of Asian-Americans in the United States. It then discusses the data and estimating equations for the analyses of earnings and employment for the three groups of Asian-origin men and in comparison with white

Table 1

Schooling and Earnings of Adult Men, 1940 and 1970

	American-born Men, 1970		American- and Foreign-born Men, 1940 (Median Schooling)		
	Mean Earnings ($)	Mean Schooling (years)	Total	American Born	Foreign Born
Asian origin	9,952	12.6	. . .*	. . .*	. . .*
Filipino	7,173	11.3	7.4	. . .†	. . .†
Chinese	10,406	13.1	5.6	6.2	5.3
Japanese	10,272	12.7	8.8	12.2	8.3
White	9,653	11.9	8.4	8.6	7.3

SOURCES.—U.S. Bureau of the Census (1943*a*, p. 34, table 6); U.S. Bureau of the Census (1943f251b, p. 271, table 31); 1970 Census of Population, Public Use Sample, state file, 2/100 sample for Asian origin men and 1/1,000 sample for white men.

NOTE.—The data are for men aged 20 and over in 1940 and American-born men aged 25–64 in 1970.

* Not reported in sources.

† Persons born in the Philippines were considered American-born in the 1940 census.

men. The empirical analysis follows, first of earnings and then of employment. The paper closes with a summary and conclusion.

Historical Experience

The Asian-American population of the United States is small and is of fairly recent origin.[1] Among all native-born adult men in 1970, less than one-half of 1% reported Asian ancestry (primarily Japanese, Chinese, and Filipino). Among these native-born Americans, 80% of the Japanese and Filipinos and 68% of the Chinese had a foreign-born parent, compared with only 19% of white men. The others had both parents born in the United States.

Asian-American men are therefore predominantly the racially identifiable children of immigrants. The parents and grandparents of Asian-Americans came to the United States as unskilled laborers from countries in which the culture, economic structure, and language were quite different from that of the United States. Legislation directed against Asian immigration also barred foreign born-Asians from U.S. citizenship. Yet citizenship was required for employment in the federal civil service as well as in many state and local government jobs and for many occupational licenses. Many private sector industrial employers also discriminated against aliens. Legislation in California prohibited land ownership by persons barred from acquiring U.S. citizenship, a prohibition that applied only to aliens of Asian origin. With the entry of the United States into World War II, the Japanese living in the Pacific Coast states lost much of their wealth in the dislocations of the internment experience. Jobs were lost and skills depreciated during the time in the internment camps. Homes and farms were often sold at a substantial loss or were forfeited when mortgage payments and property tax payments could not be made. In addition, when many of the 1970 cohort of adults were young men making their investment decisions, discrimination against Asian-Americans persisted in many sectors of the economy.

Although data on income or occupation are not available for the parents of Asian-Americans who were adults in 1970, the data on the median schooling level of adult men in 1940 are instructive (see table 1). Adults in 1940 constitute the "parent generation" of the adults of 1970. The Japanese appear to have had a high level of schooling: an impressive 8.3 years for the Japanese-born (reflecting Japanese government educational policies) and 12.2 years for the American-born. In contrast, the median schooling was only 7.3 years for foreign-born whites and 8.6 years for the native-born. Because the Japanese were predominantly immigrants

[1] For historical studies of the Asian-American experience in the United States see Lee (1960); Kitano (1969); Peterson (1971); Lyman (1974); and Melendy (1977).

and the white population was predominantly native-born, the overall Japanese advantage was only 0.4 years. The Chinese, on the other hand, had a very low median level of schooling (5.6 years), nearly 3 years lower than that of white men. The Filipinos median of 7.4 years was only 1 year less than that of whites.

Among American-born men who were adults in 1970, the Japanese maintained their schooling advantage and the Filipinos maintained their disadvantage. The median educational level of the Chinese, however, rose impressively—from below that of the Filipinos to above that of the whites and Japanese, in one generation.

The differences in their immigration experience, circumstances in the United States, and levels of education and earnings suggest that the Chinese, Japanese, and Filipinos should be studied separately, rather than combined into a single "Asian-origin" category.

The Data

Analyses of the earnings and employment of native-born Asian-American men are severely limited by the scarcity of data. Most random samples of the population generate too small a sample of Asian-Americans for statistically reliable results. Special surveys limited to Asian-Americans (or to any one ethnic group) are often of questionable randomness and lack the data from a parallel sample of whites for comparison. The 1970 Census of Population Public Use Samples provide a sufficiently large random sample and identify the Chinese, Japanese, and Filipinos separately.

To avoid confounding the experiences of Asian-Americans in the United States with the economic adjustment of immigrants, and because immigrants (particularly recent immigrants) are a substantial proportion of the Asian-origin population, it is important to limit the study to those born in the United States.[2] Because of the difficulties in modeling the labor supply behavior of women with the data available on Asian-Americans, the analysis is limited to men. To explore the heterogeneity of experiences among the major Asian-origin groups, the Chinese, Japanese, and Filipinos are considered separately.

For this study a 2-in-100 sample of native-born Asian-American (Chinese, Japanese, and Filipino) men was created by combining the

[2] Most statistical studies of Asian-Americans use pooled data on the native- and foreign-born. Because of systematic differences in the partial effects of the human capital variables by nativity and the differences in the proportion foreign born, pooled analyses can mask important patterns. For analyses of the earnings of male and female Asian-immigrants, among the Asian groups and also compared with white immigrants and native-born Asian-Americans, see Chiswick (1979) and chaps. 4, 8, and 9 of Chiswick (1980). For other econometric analyses of earnings that include Asian-Americans and immigrants, see Gwartney and Long (1978, pp. 336–46) and Carliner (1980, pp. 87–102).

independent observations on Asian-origin men in the 1-in-100 public use samples from the 1970 census 5% and the 15% questionnaires.[3] The overlapping questions in these two instruments are sufficient for the analysis. A 1-in-1,000 sample of native-born adult white men is used for the comparison (approximately 33,400 observations).

The analysis is limited to a sample of men aged 25–64 who were born in the United States, worked at least one week in 1969, and identified themselves racially as Chinese, Japanese, Filipino, or white. Asian-Americans live disproportionately in Hawaii, and a substantial proportion of young white men in Hawaii are in the armed forces. Members of the armed forces receive much of their compensation in kind (subsidized food, housing, medical care) rather than in cash. Biased estimates of the effect on total earnings from living in Hawaii could be obtained if members of the armed forces were included in the data. For this reason they have been deleted from the sample. The sample includes about 3,000 Asian-origin obervations. Of these, 68% are Japanese, 21% are Chinese and 11% are Filipino.[4] The sample of white men has over 33,400 observations.

The Estimating Equations

Two dependent variables are considered. One is earnings (wage, salary, and self-employment income) in 1969 for those who worked in at least 1 week during the year. The other is the number of weeks worked in 1969, referred to as employment. Among adult men, labor force participation rates in any week are very high, over 95%, and they are even higher for men who are in the labor force for at least 1 week in a year. Hence, weeks worked is virtually the complement of weeks unemployed.[5] The analysis reflects patterns in a year of full employment as the unemployment rate for adult males in 1969 was 2.1%, the lowest rate in the post–World War II period.

The analysis of earnings is based on the now standard technique, the human capital earnings function. In this multiple regression procedure the natural logarithm of annual earnings (Ln*EARN*) is expressed as a linear function of the number of years of schooling (*EDUC*), potential

[3] In the 1970 census three instruments were used. The short form was administered to 80% of the population.

[4] The samples for other groups of adult American-born men of Asian origin are too small for statistically reliable results.

[5] The 1970 census includes data on unemployment status in the reference week in March 1970, but this is a 1-week experience and is subject to much more relative random variation than the 52 weekly experiences in the weeks-worked data. In addition, to use the unemployment data would subject the analysis to the seasonal pattern of unemployment in the last week in March, rather than provide an average annual picture. Of course, the weeks-worked variable may be subject to greater recall error.

labor market experience (*T*) and its square (*TSQR*), and the natural logarithm of weeks worked (Ln*WW*). The coefficient of schooling approximates the rate of return from schooling. The experience variable, *T*, assumes that men are continuously in the labor force after they leave school, and *T* is measured as age minus schooling minus five. The inclusion of *T* and *TSQR* allows the equation to approximate the nonlinear effect of labor market experience on earnings. That is, earnings rise but at a decreasing rate with labor market experience (positive coefficient of *T*, negative coefficient of *TSQR*). Controlling for the natural logarithm of weeks worked, the coefficients of the other variables measure their partial effects on weekly earnings.

The coefficient of the weeks-worked variable in the analysis of earnings is the elasticity of annual earnings with respect to weeks worked. A coefficient equal to unity means that weekly earnings do not vary with the number of weeks worked. A coefficient in excess of unity implies that those who work more weeks in a year have higher weekly earnings. This could arise from a positive correlation of hours worked per week and weeks worked per year or from an upward-rising labor supply curve (i.e., higher wages encourage more weeks of work). A coefficient that is less than unity (more weeks of employment are associated with lower weekly earnings) implies either a backward-bending labor supply curve, a negative correlation of hours per week and weeks per year, or, what is more likely, a considerable amount of seasonal employment. Anticipated seasonal employment requires a compensating wage differential that results in those with fewer weeks of employment per year receiving higher earnings during the weeks they work, but lower annual earnings.

For reasons that are only partially understood, married men living with their spouses earn substantially more than men of other marital status, about 25% more among whites. A variable *NOTMSP*, which is unity for men who are not "married, spouse present" and zero for men who are, is included in the regression equation to control for group differences in marital status.

There are noticeable regional differences in earnings, and these differences may vary by ethnic group. For the male population as a whole, for example, earnings are lower in the southern states and rural areas. It is not clear whether this represents a lower money cost of living, a compensating differential for a more attractive or more pleasant environment, or differences in real earnings arising from disequilibrium in the labor market (arising in part from the psychic costs of moving). About 80% of each of the three Asian-American groups live in two states, Hawaii and California, while only 10% of whites live in these states, nearly exclusively in California (see table 2). Nearly 30% of the whites live in the South, but only 3% of the Asians live in this region. Four regional

dichotomous variables are included in the analysis to hold constant place of residence. They are *HAW*, *NSNOTCH*, *SOUTHEQ1*, and *RURALNH*. (See App. for descriptions.) Note that for a person living in urban California (the benchmark) all of the geographic variables equal zero.

The inclusion of these geographic area variables permits a test for systematic regional differences in earnings. If there are such differences, the variables control for them. If, for example, earnings are higher in Hawaii than elsewhere for all workers, and Asian-Americans live disproportionately in Hawaii, upward-biased estimates of the relative earnings of Asian-Americans in comparison with whites would be obtained unless state of residence where held constant.

The analysis of employment (weeks worked) includes the same set of variables. The dependent variable, *WW*, is regressed on schooling (*EDUC*), experience (*T*), and its square (*TSQR*). Employment is expected to rise with the worker's earning potential and labor market experience—that is, to rise with schooling level and to rise at a decreasing rate with labor market experience. Men who are not married (*NOTMSP*) are expected to work fewer weeks. The same four regional variables are included in the analysis. A priori, there are no hypotheses for the signs of the regional variables.

Differences in Characteristics

Although Asian-Americans are sometimes viewed as a disadvantaged minority, overall the 1969 earnings, employment, and educational level of adult American-born Asian-origin men equaled or exceeded the levels

Table 2

Geographic Distribution Adult American-born Asian-Origin and White Men, 1970 (%)

Geographic Area	Filipinos	Chinese	Japanese	Total Asian	White
Hawaii	51.9	30.3	43.6	41.8	0.1
California	29.3	41.8	37.6	37.6	9.7
South*	2.1	7.0	2.3	3.2	28.5
Other states	16.7	20.9	16.5	17.5	61.7
Total	100.0	100.0	100.0	100.0	100.0
Rural(%)†	3.9	1.9	5.4	4.5	30.3
Sample size	335	627	2,063	3,025	33,409

SOURCE.—1970 Census of Population, Public Use Sample, state file, 2/100 sample for Asian-origin men, 1/1000 sample for white men.

NOTE.—Data are for men aged 25–64 who worked and had nonzero earnings in 1969 and were not in the armed forces.

* The South includes the 16 southern states and the District of Columbia.

† The proportion living in rural areas in the coterminous states. Urban or rural residence is not reported for Hawaii.

for white men (table 3). The Asians earned about $10,000, compared with $9,900 for white men. The Asians worked 48.7 weeks, compared with 48.3 weeks for whites, and their schooling level of 12.6 years exceeded the 11.9 years of whites. Although there is little difference in the mean ages of Asian and white men, the Asian men are less likely to be currently married and living with their spouse, 77% for the Asians compared with 86% for whites.

What is far more striking than the comparison of Asian and white, however, are the differences among the three Asian groups. The Chinese earned about $10,400 and the Japanese about $10,300, exceeding the earnings of whites. Only the Filipinos, at $7,000, earned less than whites. Similarly, the Chinese and Japanese schooling levels of 13.1 and 12.7 years, respectively, substantially exceed not only the 11.3 years of the Filipinos but also the 11.9 years of whites. Although the Japanese worked 1.1 more weeks in the year than whites, the Chinese and Filipinos worked in 0.7 and 1.5 fewer weeks, respectively.

There are sharp differences in average age among the Asian groups, but this may reflect their different immigration histories. The later migration to the United States of the Filipinos than the Japanese and Chinese means that there are very few older American-born Filipino men. As a result, the Filipinos have less labor market experience and a smaller proportion are married. Fewer years of schooling, less labor market experience, and the smaller proportion married (spouse present) for the Filipinos all contribute to their lower earnings and fewer weeks worked compared with the Chinese and Japanese. As will be shown, living in Hawaii enhances nominal earnings among Asian-origin men, other things the same. The greater concentration of Filipinos in Hawaii (table 2) tends to offset some of the adverse effects of their smaller stock of human capital and lower labor supply. The differences in earnings and employment attributable to differences in the explanatory variables among the Asian-Americans will be estimated.

Pooled Regression: Comparison with Whites

Because of the substantial heterogeneity among the Asian-Americans in the dependent and explanatory variables, the Asians are treated as three separate groups in the comparison with whites. The first column in tables 4 and 5 present regression analysis for earnings and employment for the pooled sample of Asians and whites with dichotomous variables for the Japanese (*JA*), Chinese (*CH*), and Filipinos (*FIL*).

Controlling for the human capital, demographic, and geographic area variables, the weekly earnings of the Chinese and Japanese are lower than those of whites by 2% and 4%, respectively; but only the coefficient for the Japanese is statistically significant (table 4, col. 1). The Filipino coef-

Table 3

Means and Standard Deviations for Adult American-born Asian-Origin and White Men, 1970

	Filipino		Chinese		Japanese		Total Asian		White	
Variable	Mean	SD	Mean	SD	Mean	SD	Mean	SD	Mean	SD
Earnings ($)	7,172.54	3,861.11	10,405.59	9,023.97	10,271.69	7,296.23	9,956.30	7,468.06	9,855.22	7,936.75
Weeks worked	46.79	10.11	47.51	9.23	49.30	6.03	48.65	7.39	48.25	7.74
Age	37.28	10.08	41.35	10.28	43.35	9.89	42.26	10.18	42.91	11.09
Ln*EARN*	4.07	.74	4.39	.78	4.46	.63	4.40	.69	4.36	.73
EDUC	11.30	3.66	13.06	3.66	12.68	3.11	12.61	3.33	11.89	3.37
T	20.98	12.00	23.29	11.96	25.67	11.42	24.66	11.70	26.02	12.32
Ln*WW*	3.80	.39	3.82	.35	3.88	.22	3.86	.28	3.85	.28
NOTMSP	30.75	46.21	29.67	45.71	19.68	39.77	22.98	42.07	14.38	35.09
Sample size	335		627		2,063		3,025		33,409	

SOURCE.—See table 2.
NOTE.—See App. for description of variables.

Table 4

Regression Analysis of Earnings for Adult American-born Asian-Origin and White Men, 1970

Variable	White and Asian*	White	Total Asian	Filipino	Chinese	Japanese
EDUC	.06795	.06908	.06333	.04453	.06678	.06520
	(273.97)	(62.13)	(16.11)	(3.81)	(8.50)	(13.02)
T	.03047	.03111	.03481	.03112	.04766	.02970
	(117.59)	(26.90)	(9.67)	(2.91)	(6.25)	(6.62)
TSQR	−.00050	−.00051	−.00055	−.00056	−.00076	−.00046
	(−105.47)	(−24.11)	(−8.18)	(−2.94)	(−5.20)	(−5.44)
Ln*WW*	1.02332	1.01853	.92592	.88887	1.05014	.85707
	(408.00)	(88.00)	(24.62)	(10.84)	(15.26)	(15.37)
NOTMSP	−.31559	−.28745	−.28976	−.31479	−.34089	−.26982
	(−155.13)	(−30.89)	(−11.53)	(−4.35)	(−6.45)	(−8.60)
SOUTHEQ1	−.12633	−.13626	−.00036	−.17477	.02229	.02838
	(−46.63)	(−11.23)	(−.00)	(−.78)	(.23)	(.34)
HAW	−.03145	−.16278	.06327	.00876	.11653	.05560
	(−2.25)	(−1.71)	(2.69)	(.12)	(2.12)	(2.00)
NSNOTCH	−.01246	−.02111	−.06305	−.12573	−.05773	−.04301
	(−5.00)	(−1.89)	(−2.14)	(−1.31)	(−.92)	(−1.20)
RURALNH	−.13535	−.13657	−.19435	.14877	.07825	−.26515
	(−83.81)	(−19.05)	(−3.88)	(.90)	(.46)	(−4.83)
JA	−.04115	. . .†	.14408	. . .†	. . .†	. . .†
	(−2.91)		(4.23)			
CH	−.02428	. . .†	.16575	. . .†	. . .†	. . .†
	(−1.03)		(4.28)			
FIL	−.17666	. . .†	. . .†	. . .†	. . .†	. . .†
	(−5.41)					
Constant	−.63915	−.63379	−.49055	−.02319	−1.01124	−.04615
Sample size	. . .	33,409	3,025	335	627	2,063
R	.60182	.59489	.59398	.65624	.69127	.50484
$\bar{R}^2$	.36217	.35371	.35044	.41489	.47024	.25159
SE	.59281	.58490	.55381	.56836	.56844	.54517

SOURCE .—See table 2.

NOTE.—See App. for description of variables. White men are the benchmark in col. 1 and Filipino men are the benchmark in col. 3. *t*-ratios are in parentheses. Dependent variable = natural log of earnings in hundreds of dollars.

* Weighted regression; each white observation is given a weight of 20 so that the pooled data reflect population portions.

† Variable not entered.

ficient, on the other hand, is not only large, −0.18 (implying 16% lower earnings), but the coefficient is also highly significant.[6]

In the analysis of employment (weeks worked), other things the same, the Japanese apparently work 1.7 weeks more than white men and the difference is highly significant (table 5, col. 1). That is, they work 3.5% more weeks. As a result, there is no significant difference between white and Japanese annual earnings, other things the same. Although the Chinese work 0.3 more weeks than whites and the Filipinos work 0.4 fewer weeks, respectively, these differences are not statistically significant.

These findings suggest that both overall and other variables held constant, the American-born Chinese and Japanese do not appear to be at a disadvantage in terms of earnings and employment in comparison with native-born white men. The Filipinos, on the other hand, have much lower earnings and employment than other Asians or comparable whites, overall and even holding other variables constant.

Comparison of Regression Coefficients: Earnings

The partial effects on earnings of the explanatory variables for white men and the three groups of Asian men can be compared from the data in columns 2–6 in table 4. The human capital, demographic, and weeks-worked explanatory variables are statistically significant. In the Asian-origin equations the region variables are not statistically significant, with the exception of higher earnings for the Chinese and Japanese in Hawaii.

The effect of schooling on earnings is very similar for the Chinese, Japanese, and whites—an extra year of schooling raises earnings by 6.7% for the Chinese, 6.5% for the Japanese, and 6.9% for the whites. These differences are not statistically significant. Among the Filipinos, however, schooling has a much smaller effect on earnings—increasing them only 4.4%—which differs significantly from the white coefficient. The effect of labor market experience on earnings also differs by race. When evaluated at 10 years of experience, an extra year of experience raises the earnings of the Chinese by 3.2%, the Japanese by 2.1%, the whites by 2.1%, and the Filipinos by 2.0%. Thus, with two exceptions, there appears to be little difference overall among the four groups in converting years of training into earnings. The Filipinos appear to be less successful in obtaining returns from schooling. The Chinese appear either to make larger dollar investments in each year of on-the-job training or to be more successful in obtaining returns from this training.

There are statistically significant differences between whites and Asians in the elasticity of earnings with respect to weeks worked. Among whites

[6] These coefficients imply that in an equation with regression coefficients dominated by the very large proportion of white men, the Chinese and Japanese earn about 15% more than the Filipinos. A similar pattern emerges in a regression equation limited to Asian-Americans (see table 4, col. 3).

Table 5

Regression Analysis of Weeks Worked for Adult American-born Asian-Origin and White Men, 1970

Variable	White and Asian*	White	Total Asian	Filipino	Chinese	Japanese
EDUC	.10996	.10243	.04371	.28353	−.01384	−.02323
	(33.45)	(7.05)	(.85)	(1.35)	(−.11)	(−.43)
T	.33064	.33430	.37163	.25867	.58021	.30386
	(96.80)	(22.25)	(7.99)	(1.34)	(5.07)	(6.28)
TSQR	−.00679	−.00689	−.00658	−.00393	−.01080	−.00534
	(−109.83)	(−25.35)	(−7.50)	(−1.15)	(−4.92)	(−5.81)
NOTMSP	−4.22801	−3.62313	−2.98675	−6.07144	−2.20106	−2.42545
	(−159.56)	(−30.16)	(−9.23)	(−4.76)	(−2.73)	(−7.18)
SOUTHEQ1	1.38922	1.17898	.56546	.82202	.21747	.85020
	(38.68)	(7.43)	(0.74)	(.20)	(.15)	(.96)
HAW	.43048	−1.45205	−.81224	1.84616	1.25424	.60647
	(2.32)	(−1.17)	(2.65)	(1.37)	(1.49)	(2.00)
NSNOTCH	1.37415	1.21504	−.76675	1.43939	−2.78136	−.30240
	(41.65)	(8.30)	(−2.00)	(.83)	(−2.90)	(−.78)
RURALNH	−.86928	−.81003	−.69358	.88888	−9.70373	.03190
	(−40.69)	(−8.66)	(−1.07)	(.30)	(−3.76)	(.05)
JA	1.70575	. . .†	2.11447	. . .†	. . .†	. . .†
	(9.09)		(4.79)			
CH	.25529	. . .†	.89794	. . .†	. . .†	. . .†
	(.82)		(1.78)			
FIL	−.44764	. . .†	. . .†	. . .†	. . .†	. . .†
	(−1.03)					
Constant	43.44097	43.66435	42.64307	40.75672	42.57658	46.22195
Sample size	. . .	33,682	3,043	338	628	2,077
R	.25969	.24269	.28856	.31432	.35392	.23791
$\bar{R}^2$	.06743	.05868	.08024	.07688	.11395	.05295
SE	7.89663	7.68197	7.24053	10.31868	8.69210	5.95655

SOURCE.—See table 2.
NOTE.—See App. for description of variables. t-ratios in parentheses. Dependent variable: weeks worked in 1969.
* Weighted regression; each white observation is given a weight of 20 so that the pooled data reflect population proportions.
† Variable not entered.

the elasticity is essentially unity (1.02), as it is among the Chinese (1.05). The elasticity is significantly less than unity for Japanese (0.86) and less than unity but not significantly so for the Filipinos (0.89). An elasticity less than unity means that those who work fewer weeks have higher weekly earnings. This may arise from the greater degree of seasonality of employment among Filipino and Japanese men, who are employed disproportionately in farming.[7]

Earnings differentials by region of residence vary by race. Living in Hawaii, rather than in urban California, is associated with higher earnings for Asian-origin men, particularly the Chinese and Japanese, but is associated with marginally significantly lower earnings for white men.[8] The earnings advantage from living in California rather than in another nonsouthern state on the mainland is about 6% for the Asian men but only 2% for white men. Among whites, earnings are 14% lower in the South than in California, but for the very few Asians living in the South, earnings are on a par with those in California. These earnings differentials by region are consistent with a tendency for Asian-Americans to remain in their states of initial statement, Hawaii and California.[9] In coterminous states, weekly earnings of white rural residents are about 14% less than those of urban residents. The differential is 25% (coefficient −0.27) for Filipinos. There is no urban-rural differential for the Chinese and Japanese.

The contributions of differences in each of the independent variables to explaining the differences in earnings among Asian-origin men can be estimated using the coefficients in the pooled Asian regression (table 4, col. 3) and the differences in means between Filipinos and Chinese, on one hand, and Filipinos and Japanese, on the other. Recall that overall

[7] The Filipinos and Japanese are more likely to be employed in farming, which is a seasonally sensitive occupation.

Percentage Employed in Farm Occupations in 1970

	Region			
Race	California	Hawaii	South	Other
White	2.2	0	4.8	4.6
Filipino	12.4	13.1	0	2.6
Chinese	.8	1.3	0	.1
Japanese	6.8	2.5	8.8	6.8

SOURCE.—1970 census of population, state file, 2/100 sample for Asian-origin men, 1/1,000 sample for white men.
NOTE.—Native-born men 25–64 employed in 1969.

[8] The negative earnings differential for Hawaii does not arise from the substantial proportion of white men in Hawaii currently in the military, as the armed forces have been deleted from the data.

[9] It is consistent also with the tendency for Southeast Asian refugees, many of whom are ethnic Chinese, initially scattered throughout the country, to gravitate to California (see Gordon 1980, pp. 6–10).

the Chinese have 32% higher annual earnings than the Filipinos and the Japanese have 39% higher annual earnings than the Filipinos, as measured by the difference in natural logarithms (table 2). Other things the same, however, these differences narrow to 17% and 14%, respectively. Thus, the independent variables account for about 15 percentage points of the Chinese-Filipino differential and about 25 percentage points of the Japanese-Filipino differential.

By far the most important variable for explaining differences in earnings, particularly weekly earnings, among Asian-Americans is the difference in schooling (table 6). The Filipinos' lower level of schooling accounts for earnings 11 percentage points lower than the Chinese and 9 percentage points lower than the Japanese. The fewer years of labor market experience accounts for earnings 2 percentage points and 4 percentage points lower, respectively, while the fewer weeks worked accounts for another 2 and 7 percentage points, respectively. The smaller proportion of Filipinos currently married accounts for less than 1 percentage point lower earnings than the Chinese and 3 percentage points lower earnings than the Japanese. The differences in regional distribution play a minor role and account overall for less than a one percentage point of difference in earnings.

Comparison of Regression Coefficients: Employment

The partial effects on weeks worked of the explanatory variables for white men and the three groups of Asian-origin men are reported in table 5, columns 2–6.

The number of weeks worked in the year increases significantly with schooling among white men, by one-tenth of a week per year of schooling. Among adult Asian-origin men, however, there appears to be no relation between weeks worked and schooling level. This does not mean that human capital has no effect on employment among adult Asian-origin men. As is the case among whites, weeks worked increase with additional

Table 6

Decomposition of Earnings Differential among American-born Men of Asian Origin (%)

	Chinese-Filipino Differential	Japanese-Filipino Differential
Gross differential*	32	39
Explained differential:	15	25
Schooling	11	9
Experience	2	4
Weeks worked	2	7
Marital status	1	3
Unexplained differential	17	14

SOURCE.—Computed from tables 3 and 4.
* Measured by the difference in the natural logarithm of earnings.

years of labor market experience. Evaluated at 10 years of experience, an additional year of labor market experience raises weeks worked by 0.19 weeks for whites and 0.24 weeks for the Asians. The effect of experience on employment, evaluated at 10 years of labor market experience, is very large for the Chinese (0.36 weeks), roughly the same as among whites for the Japanese (0.20 weeks), and not statistically significant for the Filipinos (0.18 weeks).

Urban California serves as the benchmark for the place-of-residence variables. The regional effects differ by race. Among white men, other things the same, the number of weeks worked does not differ between Hawaii and California, while among the Asian-origin men the number of weeks worked is greater in Hawaii. On the other hand, compared with California, living in another nonsouthern state on the mainland raises the number of weeks worked by 1.2 among white men, lowers it among Chinese men, and has no effect for the Japanese and Filipinos.

Among Asian-origin men, the Japanese work 2.5 more weeks than the Filipinos and the Chinese work 0.7 more weeks than the Filipinos. Other things the same, however, these differences become a statistically significant 2.1 week per year advantage for the Japanese, and a marginally statistically significant 0.9 week advantage for the Chinese in comparison with the Filipinos. Overall, the independent variables explain little of the group differences in the number of weeks worked in 1969.

Summary and Conclusions

This paper has examined the earnings and employment (measured by weeks worked) of adult American-born Chinese, Japanese, and Filipino men and has made comparisons among these groups and with American-born white men. The data are from the 1970 census of population.

Chinese and Japanese men have higher levels of schooling and earnings than white men, and the Japanese work more weeks in a year. Filipino men, on the other hand, have substantially lower levels of schooling, employment, and earnings. When other variables are held constant, there is no difference in earnings and employment between white and Chinese men. For the Japanese, weekly earnings are about 4% lower than for whites, but weeks worked in the year are about 4% higher, implying no difference in annual earnings when other variables are the same.

White, Chinese, and Japanese men earned in 1969 30%–40% more than Filipino men. Schooling, labor market experience, and other explanatory variables account for about half of this difference, leaving a further differential of about 15%. By itself, the lower schooling level of the Filipino accounts for one-third of the gross earnings differential. Very little of the differential between Filipinos and the other men in weeks worked is explained by the independent variables in the analysis.

The Chinese and Japanese show about the same partial effect of school-

ing on earnings as white men. An extra year of schooling raises earnings by about 6.5%–6.9%. The Filipinos, on the other hand, show a significantly smaller effect of schooling on earnings, 4.5%. This may explain the greater investments in schooling by the Chinese and Japanese than by the Filipinos.

The Japanese and Filipinos have a low elasticity of earnings with respect to weeks worked, 0.86 and 0.89, compared with a unitary elasticity for the whites and Chinese. This may reflect the greater degree of seasonality of employment, resulting from the larger proportion of Japanese and Filipinos in agriculture.

The findings suggest that the American-born Chinese and Japanese have been as successful as native whites in the U.S. labor market. This success obtains in spite of most of their parents' having come from countries with cultures, languages, and economies very different from those of the United States—and in spite of their being members of a racially identifiable minority subject to discrimination in access to training and in the labor market. In addition, some of the Japanese experienced loss of wealth and disruption of their training and work experience during the World War II internment. The Filipinos, on the other hand, have been much less successful, even though they, too, are of Asian origin and have experienced discrimination in the United States.

The reasons for the superior performance of the Chinese and Japanese and the poorer performance of the Filipinos are not fully understood. A recent study suggests that in the "quantity-quality trade-off" for children, the Chinese and Japanese sharply reduced their fertility and may have invested more parental time and other resources in each child, while the Filipinos maintained a high birthrate, which may have implied smaller investments per child (see Chiswick 1982). More research is needed, however, to test the robustness of this hypothesis.

The different patterns of success among the three categories of Asian-Americans under study suggest that the recent tendency to combine Asian-Americans into one "economically disadvantaged" statistical category is misleading. Combining the groups hides the tremendous achievements of the Chinese and Japanese and the lack of success of the Filipinos. The findings for the Chinese and Japanese suggest also that it is incorrect to assume that racial minority status in the United States and racial discrimination per se result in lower observed levels of earnings, schooling, employment, and rates of return from schooling.[10] More care may be needed in attributing to racial discrimination the disadvantageous outcomes for other, less successful racial and ethnic minorities.

[10] A similar conclusion emerges from a study of American Jews (see Chiswick 1983).

Appendix

Variables Used in the Analyses of Earnings and Employment

Variable	Description	Code
Dependent variables:		
Natural logarithm of earnings	Earnings in 1969, includes wage, salary and self-employment income, measured in hundreds of dollars.	Ln*EARN*
Weeks worked	Number of weeks worked in 1969	*WEEKWORK*
Explanatory variables:		
Schooling	Years of schooling	*EDUC*
Experience	Experience in years and experience squared. Experience calculated as age minus schooling minus five years	*T* *TSQR*
Natural logarithm of weeks worked*	Natural logarithm of weeks worked in 1969	Ln*WW*
Marital status	Unity if in a marital status other than "married, spouse present"; zero if "married, spouse present"	*NOTMSP*
California	Unity if lives in California; zero otherwise	*CALIF*
Hawaii	Unity if lives in Hawaii; zero otherwise	*HAW*
Other non-South	Unity if lives in a nonsouthern state other than California or Hawaii; zero for California, Hawaii, southern state, and Washington, D.C.	*NSNOTCH*
South	Unity if lives in a southern state or Washington, D.C.; zero otherwise	*SOUTHEQ1*
Rural area (except Hawaii)	Unity if lives in a rural area in a coterminous state; zero if lives in Hawaii or an urban area	*RURALNH*
Japanese	Unity if responded Japanese for the race question; zero otherwise	*JA*
Chinese	Unity if responded Chinese for the race question: zero otherwise	*CH*
Filipino	Unity if responded Filipino for the race question; zero otherwise	*FIL*
White	Unity if responded white for the race question; zero otherwise	*WH*

NOTE.—Variables derived from U.S. Bureau of the Census (1972). The variables were computed for American-born white, Chinese, Japanese and Filipino men aged 25–64 in 1970 who were not in the armed forces and who had nonzero earnings and worked in at least 1 week in 1969.

* Variable included only in analysis of earnings.

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