Intermarriage and the Intergenerational Transmission of Ethnic Identity and Human Capital for Mexican Americans

Brian Duncan
Department of Economics
University of Colorado at Denver
Campus Box 181
Denver, CO 80217-3364
(303) 556-6763
bduncan@carbon.cudenver.edu

Stephen J. Trejo
Department of Economics
University of Texas at Austin
1 University Station C3100
Austin, TX 78712-0301
(512) 475-8512
trejo@eco.utexas.edu

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I. Introduction

One of the most important and controversial questions in U.S. immigration research is whether the latest wave of foreign-born newcomers (or their U.S.-born descendants) will ultimately assimilate into the mainstream of American society, and whether the pace and extent of such assimilation will vary across immigrant groups. In terms of key economic outcomes such as educational attainment, occupation, and earnings, the sizeable differences by national origin that initially persisted among earlier European immigrants have largely disappeared among the modern-day descendants of these immigrants (Neidert and Farley 1985; Lieberson and Waters 1988; Farley 1990). There is considerable skepticism, however, that the processes of assimilation and adaptation will operate similarly for the predominantly non-white immigrants who have entered the United States in increasing numbers over the past thirty years (Gans 1992; Portes and Zhou 1993; Rumbaut 1994). In a controversial new book, Huntington (2004) voices a particularly strong version of such skepticism with regard to Hispanic immigration.

Mexicans assume a central role in current discussions of immigrant intergenerational progress and the outlook for the so-called "new second generation," not just because Mexicans make up a large share of the immigrant population, but also because most indications of relative socioeconomic disadvantage among the children of U.S. immigrants vanish when Mexicans are excluded from the sample (Perlmann and Waldinger 1996, 1997). Therefore, to a great extent, concern about the long-term economic trajectory of immigrant families in the United States is concern about Mexican-American families.

Several recent studies compare education and earnings across generations of Mexican Americans (Trejo 1997, 2003; Fry and Lowell 2002; Farley and Alba 2002; Grogger and Trejo 2002; Livingston and Kahn 2002; Blau and Kahn 2005; Duncan, Hotz, and Trejo 2006). Table 1

illustrates the basic patterns that emerge for men.[1] Between the first and second generations, average schooling rises by almost three and one-half years and average hourly earnings grow by about 30 percent for Mexicans. The third generation, by contrast, shows little or no additional gains, leaving Mexican-American men with an educational deficit of 1.3 years and a wage disadvantage of about 25 percent, relative to whites. Similar patterns emerge for women, and also when regressions are used to control for other factors such as age and geographic location (Grogger and Trejo 2002; Blau and Kahn 2005; Duncan, Hotz, and Trejo 2006).

The apparent lack of socioeconomic progress between second and later generations of Mexican Americans is surprising. Previous studies have consistently found parental education to be one of the most important determinants of an individual's educational attainment and ultimate labor market success (Haveman and Wolfe 1994; Mulligan 1997). Through this mechanism, the huge educational gain between first- and second-generation Mexican Americans should produce a sizable jump in schooling between the second and third generations, because on average the third generation has parents who are much better educated than those of the second generation. Yet the improvement in schooling we expect to find between the second and third generations is largely absent.

The research summarized in Table 1 suggests that intergenerational progress stalls for Mexican Americans after the second generation. As noted by Borjas (1993) and Smith (2003), however, generational comparisons in a single cross-section of data do a poor job of matching immigrant parents and grandparents in the first generation with their actual descendants in later

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[1] These averages are calculated from March 1998-2002 Current Population Survey data, with standard errors shown in parentheses. The samples for the earnings data are limited to individuals who worked during the calendar year preceding the survey. The "white" ethnic group is defined to exclude Hispanics, as well as blacks, Asians, and Native Americans. The first generation consists of immigrants: foreign-born individuals whose parents were also born outside the United States. The second generation denotes U.S.-born individuals who have at least one foreign-born parent. The so-called "third generation," which really represents the third and all higher generations, identifies U.S. natives whose parents are also natives.

generations. Indeed, Smith (2003) finds evidence of more substantial gains between second- and third-generation Mexicans when he combines cross-sectional data sets from successive time periods in order to compare second-generation Mexicans in some initial period with their third-generation descendants twenty-five years later. Yet even Smith's analysis shows signs of intergenerational stagnation for Mexican Americans. In his Table 4, for example, five of the six most recent cohorts of Mexicans experience no wage gains between the second and third generations. Moreover, all studies conclude that large education and earnings deficits (relative to whites) remain for third- and higher-generation Mexicans.[2]

These findings—that the economic disadvantage of Mexican Americans persists even among those whose families have lived in the United States for more than two generations, and that the substantial progress observed between the first and second generations seems to stall thereafter—raise doubts whether the descendants of Mexican immigrants are enjoying the same kind of intergenerational advancement that allowed previous groups of unskilled immigrants, such as the Italians and Irish, to eventually enter the economic mainstream of American society. Such conclusions could have far-reaching implications, but the validity of the intergenerational comparisons that underlie these conclusions rests on assumptions about ethnic identification that have received relatively little scrutiny for Mexican Americans. In particular, analyses of intergenerational change typically assume, either explicitly or implicitly, that the ethnic choices made by the descendants of Mexican immigrants do not distort outcome comparisons across generations.

Ethnic identification is to some extent endogenous, especially among people at least one or two generations removed from immigration to the United States (Alba 1990; Waters 1990).

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[2] Borjas (1994) and Card, DiNardo, and Estes (2000) investigate patterns of intergenerational progress for many

Consequently, the descendants of Mexican immigrants who continue to identify themselves as

Mexican in the third and higher generations may be a select group. For example, if the most

successful Mexican Americans are more likely to intermarry or for other reasons cease to

identify themselves or their children as Mexican, then available data may understate human

capital and earnings gains between the second and third generations.[3] In other words, research

on intergenerational assimilation among Mexicans may suffer from the potentially serious

problem that the most assimilated members of the group under study eventually fade from

empirical observation as they more closely identify with the group they are assimilating toward.[4]

For other groups, selective ethnic identification has been shown to distort observed

socioeconomic characteristics. American Indians are a particularly apt example, because they

exhibit very high rates of intermarriage, and fewer than half of the children of such

intermarriages are identified as American Indian by the Census race question (Eschbach 1995).

For these and other reasons, racial identification is relatively fluid for American Indians, and

changes in self-identification account for much of the surprisingly large increase in educational

attainment observed for American Indians between the 1970 and 1980 U.S. Censuses (Eschbach,

Supple, and Snipp 1998). In addition, Snipp (1989) shows that those who report American

Indian as their race have considerably lower schooling and earnings, on average, than the much

larger group of Americans who report a non-Indian race but claim to have some Indian ancestry.

To cite another example, Waters (1994) observes selective ethnic identification among

the U.S.-born children of New York City immigrants from the West Indies and Haiti. The

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different national origin groups, including Mexicans.

[3] For groups such as Mexicans with relatively low levels of schooling, Furtado (2006) shows that assortative matching on education in marriage markets can create a situation whereby individuals who intermarry tend to be the more highly-educated members of these groups.

teenagers doing well in school tend to come from relatively advantaged, middle-class families, and these kids identify most closely with the ethnic origins of their parents. In contrast, the teenagers doing poorly in school are more likely to identify with African Americans. This pattern suggests that self-identified samples of second-generation Caribbean blacks might overstate the socioeconomic achievement of this population, a finding that potentially calls into question the practice of comparing outcomes for African Americans and Caribbean blacks as a means of distinguishing racial discrimination from other explanations for the disadvantaged status of African Americans (Sowell 1978).

Using microdata from the U.S. Census and from recent years of the Current Population Survey (CPS), we explore these issues for Mexican Americans. In particular, we investigate what factors influence whether individuals choose to identify themselves (or their children) as Mexican-origin, and how these ethnic choices may affect inferences about the intergenerational progress of Mexican Americans. To date, analyses of ethnic responses and ethnic identification employing large national surveys have focused primarily on whites of European descent (Alba and Chamlin 1983; Lieberson and Waters 1988; 1993; Farley 1991), and therefore much could be learned from a similar analysis that highlights ethnic choices among the Mexican-origin population.

Existing studies (Stephan and Stephan 1989; Eschbach and Gomez 1998; Ono 2002) demonstrate that the process of ethnic identification by Mexican Americans is fluid, situational, and at least partly voluntary, just as has been observed for non-Hispanic whites and other groups. These studies, however, do not directly address the issue that we will focus on: the selective nature of Mexican identification and how it affects our inferences about intergenerational

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[4] Bean, Swicegood, and Berg (2000) raise this possibility in their study of generational patterns of fertility for

progress for this population. Though previous research has noted the selective nature of intermarriage for Hispanics overall (Qian 1997, 1999) and for Mexican Americans in particular (Fu 2001; Rosenfeld 2001), this research has not examined explicitly the links between intermarriage and ethnic identification, nor has previous research considered the biases that these processes might produce in standard intergenerational comparisons of economic status for Mexican Americans. Closer in spirit to our analysis is recent work by Alba and Islam (2005) that tracks cohorts of U.S.-born Mexicans across the 1980-2000 Censuses and uncovers evidence of substantial declines in Mexican self-identification as a cohort ages. In contrast with our work, however, Alba and Islam (2005) are able to provide only limited information about the socioeconomic selectivity of this identity shift, and they focus on the identity shifts that occur within rather than across generations of Mexicans.

Ideally, if we knew the family tree of each individual, we could identify which individuals are descended from Mexican immigrants and how many generations have elapsed since that immigration took place. It would then be a simple matter to compare outcomes for this "true" population of Mexican descendants with the corresponding outcomes for a relevant reference group (e.g., non-Hispanic whites) and also with those for the subset of Mexican descendants who continue to self-identify as Mexican-origin.[5] Such an analysis would provide

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Mexican-origin women in the United States.

[5] Detailed ancestry information of this sort would raise complicated issues about how to define ethnic groups. For example, should calculations for the Mexican-American population differentially weight individuals according to their "intensity" of Mexican ancestry? In other words, among third-generation Mexicans, should those with four Mexican-born grandparents count more than those with just one grandparent born in Mexico? The answer might depend on the question of interest. For the questions of intergenerational assimilation and progress that we study here, our view is that all descendants of Mexican immigrants should count equally, regardless of how many branches of their family tree contain Mexican ancestry. This conceptualization allows intermarriage to play a critical role in the process of intergenerational assimilation for Mexican Americans, as it did previously for European immigrants (Gordon 1964; Lieberson and Waters 1988). As we note below, however, our data and analyses can shed light on the direction, but not the ultimate magnitude, of measurement biases arising from selective intermarriage and ethnic identification by Mexican Americans. Our conclusions about the direction of these measurement biases require only that persons of mixed ancestry—i.e., the products of Mexican intermarriage—be included with some positive weight in whatever definition is adopted for the Mexican-American population.

an unbiased assessment of the relative standing of the descendants of Mexican immigrants in the

United States, and it would show the extent to which selective ethnic identification distorts

estimated outcomes for this population when researchers are forced to rely on standard, self-

reported measures of Mexican identity.

Following the 1970 Census, unusually detailed information of this sort was collected for

a small sample of individuals with ancestors from a Spanish-speaking country. After each

decennial U.S. Census, selected respondents to the Census long form are reinterviewed in order

to check the accuracy and reliability of the Census data. The 1970 Census was the first U.S.

Census to ask directly about Hispanic origin or descent, and therefore a primary objective of the

1970 Census Content Reinterview Study (U.S. Bureau of the Census 1974) was to evaluate the

quality of the responses to this new question. For this purpose, individuals in the reinterview

survey were asked a series of questions regarding any ancestors they might have who were born

in a Spanish-speaking country. Among those identified by the reinterview survey as having

Hispanic ancestors, Table 2 shows the percent who had previously responded on the 1970

Census long form that they were of Hispanic "origin or descent."[6]

Overall, 76 percent of reinterview respondents with ancestors from a Spanish-speaking

country had self-identified as Hispanic in the 1970 Census, but the correspondence between

Hispanic ancestry in the reinterview and Hispanic identification in the Census fades with the

number of generations since the respondent's Hispanic ancestors arrived in the United States.

Virtually all (99 percent) first-generation immigrants born in a Spanish-speaking country

identified as Hispanic in the Census, but the rate of Hispanic identification dropped to 83 percent

for the second generation, 73 percent for the third generation, 44 percent for the fourth

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[6] The information in Table 2 is reproduced from Table C of U.S. Bureau of the Census (1974, p. 8).

generation, and all the way down to 6 percent for higher generations of Hispanics. Interestingly, intermarriage seems to play a central role in the loss of Hispanic identification. Almost everyone (97 percent) with Hispanic ancestors on both sides of their family identified as Hispanic in the Census, whereas the corresponding rate was only 21 percent for those with Hispanic ancestors on just one side of their family. Given the small number of Hispanics in the reinterview sample (369 individuals reported having at least one ancestor from a Spanish-speaking country), the percentages in Table 2 should be regarded with caution, especially those for the very small samples of Hispanics who are fourth generation or higher. Nonetheless, these data do suggest that self-identified samples of U.S. Hispanics might omit a large proportion of later-generation individuals with Hispanic ancestors, and that intermarriage could be a fundamental source of such intergenerational ethnic attrition.

Unfortunately, the microdata underlying Table 2 no longer exist, so we cannot use these data to examine in a straightforward manner how selective ethnic attrition affects observed measures of intergenerational progress for Mexican Americans.[7] Out of necessity, we instead adopt less direct strategies for trying to shed light on this issue. In a recent paper (Duncan and Trejo 2005), we investigate the extent and selectivity of intermarriage by Mexican Americans and how such intermarriage influences the ethnic identification of resulting children. Using 2000 Census data, we show that U.S.-born Mexican Americans who marry non-Mexicans are substantially more educated and English proficient, on average, than are Mexican Americans

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[7] Starting in 1980, the Census has included an open-ended question asking for each person's "ancestry" or "ethnicity," with the first two responses coded in the order that they are reported (Farley 1991). For the purposes of identifying individuals with Mexican or Hispanic ancestors, however, the Census ancestry question is not a good substitute for the detailed battery of questions included in the 1970 Census Content Reinterview Study. Indeed, many 1980-2000 Census respondents who identified as Hispanic in response to the Hispanic origin question failed to list an Hispanic ancestry in response to the ancestry item that comes later on the Census long form questionnaire, perhaps because they thought it redundant and unnecessary to indicate their Hispanic ethnicity a second time. Comparatively few respondents listed an Hispanic ancestry after identifying as non-Hispanic when answering the Hispanic origin question, so the ancestry question actually produces a lower overall count of Hispanics than does the Hispanic origin question (Lieberson and Waters 1988; del Pinal 2004).

who marry co-ethnics (whether they be Mexican Americans or Mexican immigrants). In addition, the non-Mexican spouses of intermarried Mexican Americans possess relatively high levels of schooling and English proficiency, compared to the spouses of endogamously married Mexican Americans. The human capital selectivity of Mexican intermarriage generates corresponding differences in the employment and earnings of Mexican Americans and their spouses. Moreover, the children of intermarried Mexican Americans are much less likely to be identified as Mexican than are the children of endogamous Mexican marriages. These forces combine to produce strong negative correlations between the education, English proficiency, employment, and earnings of Mexican-American parents and the chances that their children retain a Mexican ethnicity. Such findings raise the possibility that selective ethnic attrition might bias observed measures of intergenerational progress for Mexican Americans.

Our finding of positive educational and economic selectivity for intermarried Mexican Americans is not unexpected (Qian 1999). First of all, opportunities for meeting and interacting with people from other racial/ethnic groups are better for more educated Mexican Americans, because highly-educated Mexican Americans tend to live, study, and work in less segregated environments. Second, given the sizeable educational deficit of the average Mexican American, better-educated Mexican Americans are likely to be closer in social class to the typical non-Mexican (Furtado 2006). Third, attending college is an eye-opening experience for many students that may work to diminish preferences for marrying within one's own racial/ethnic group. Finally, the theory of "status exchange" in marriage formulated by Davis (1941) and Merton (1941) predicts that members of lower-status minority groups (such as Mexican Americans) would tend to need higher levels of socioeconomic attainment to attract spouses who are members of higher-status majority groups.

Our previous paper (Duncan and Trejo 2005) provides insights regarding the selectivity in human capital and labor market performance of Mexican Americans who intermarry and whose children are therefore less likely to retain a Mexican ethnic identification. That paper, however, does not directly examine how much of the intermarriage selectivity gets passed from Mexican-origin parents to their children. The current paper will focus explicitly on the critical role that intermarriage plays in the intergenerational transmission of human capital and ethnic identification for Mexican Americans. First, using 2000 Census data for U.S.-born youth ages 16-17 who have at least one Mexican parent, we estimate how the Mexican identification, high school dropout rates, and English proficiency of these youth depend on whether they are the product of endogamous or exogamous marriages. Second, we analyze the extent and selectivity of ethnic attrition among second-generation Mexican-American adults and among second- and third-generation Mexican-American youth. Using CPS data, we directly assess the influence of endogenous ethnicity by comparing an "objective" indicator of Mexican descent (based on the countries of birth of the respondent and his parents and grandparents) with the standard "subjective" measure of Mexican self-identification (based on the respondent's answer to the Hispanic origin question).

II. Census Analyses of Youth

Our initial analyses employ the five-percent microdata sample from the 2000 U.S. Census. Among other things, the Census provides detailed information regarding nativity, race, ethnicity, marital status, English proficiency, education, earnings, and labor supply. For our purposes, a crucial advantage of Census data is the huge sample sizes that allow for precise inferences to be made even about relatively small segments of the overall U.S. population (e.g.,

boys ages 16 and 17 from families in which one parent is a U.S.-born Mexican and the other parent is non-Mexican). The primary disadvantage of these data is the absence of questions about the birthplace of each respondent's parents (such information was dropped from the Census beginning in 1980), making it impossible to distinguish among U.S.-born adults between the children of immigrants (i.e., the so-called "second generation") and later generations of immigrant descendants.

To investigate the role that intermarriage plays in the intergenerational transmission of human capital and ethnic identification for Mexican Americans., we adapt the approach used by Hirschman (2001) in his study of immigrant youth. We construct samples from the 2000 Census of U.S.-born youth ages 16 and 17 living in intact families in which at least one of the parents is Mexican-origin (i.e., at least one parent either was born in Mexico or else is a U.S.-born individual identified as Mexican by the Census question regarding Hispanic origin). Given our interest in ethnic identification, we exclude families in which the parents or youth have allocated information about Hispanic origin. Finally, to the extent possible with the information available in the Census, we exclude families in which the relevant youth are suspected of being stepchildren. For comparisons purposes, we construct analogous samples of U.S.-born youth living in intact families in which both parents are U.S.-born, non-Hispanic whites, and of U.S.-born youth living in intact families in which both parents are U.S.-born, non-Hispanic blacks. We choose to study youth ages 16 and 17 because they are old enough for persistent patterns in educational attainment, English proficiency, and ethnic identification to emerge, yet they are young enough to still be living with their parents so that parental information is available in the Census.

Our previous research (Duncan and Trejo 2005) indicates that, in terms of nativity and

ethnicity, the marital choices of Mexican Americans can be usefully classified into three fundamental categories of spouses: foreign-born Mexicans, U.S.-born Mexicans, and non-Mexicans. Based on this insight, we construct a simple typology of marriages involving Mexican Americans. For our samples U.S.-born youth who have at least one Mexican parent, Table 3 shows the nativity/ethnicity distributions of the parents. Patterns are similar for boys and girls. Overall, about 30 percent of these youth are the products of mixed marriages between a Mexican and a non-Mexican. Among those families in which neither parent is a Mexican immigrant, the rate of intermarriage is much higher, exceeding 50 percent (i.e., families with two U.S.-born, Mexican parents are slightly less prevalent than families with one U.S.-born, Mexican parent and one non-Mexican parent). As has been documented previously (Rosenfeld 2002; Duncan and Trejo 2005), intermarriage is widespread among Mexican Americans.

Table 4 reports average outcomes for the U.S.-born youth in our samples, differentiated by the nativity and ethnicity of their parents. Standard errors are shown in parentheses. We focus on three youth outcomes: (1) the percentage of high school "dropouts," with dropouts defined here as youth who are not attending school and who have not yet completed high school (either through classes or by exam); (2) the percentage who are "deficient" in English, defined here as those who speak a language other than English at home and report speaking English worse than "very well;" and (3) the percentage identified as Mexican by the Hispanic origin question in the Census.

In the marriage typology used here, the first three rows of Table 4 represent endogamous Mexican marriages in which both parents are Mexican-origin, with these marriages distinguished by whether both parents are foreign-born Mexicans, both are U.S.-born Mexicans, or one Mexican parent is foreign-born and the other is U.S.-born. The next two rows represent

intermarriages between a Mexican and a non-Mexican, with these marriages distinguished by

whether the Mexican is foreign-born or U.S.-born. Finally, for purposes of comparison, the last

two rows represent endogamous white and black marriages.

Table 4 shows that youth who are the products of Mexican intermarriages enjoy large and

statistically significant attainment advantages over their counterparts who are the products of

endogamous Mexican-American marriages. Consider first the patterns for boys. High school

dropout rates are almost 50 percent higher for boys with two U.S.-born Mexican parents rather

than one (4.5 percent versus 3.1 percent, respectively), and the dropout rate for this latter group

of boys approaches the rate for white boys from endogamous marriages (this "white" dropout

rate is 2.8 percent). In addition, Table 4 reveals that boys with one U.S.-born Mexican parent

(and one non-Mexican parent) are much more likely to either speak English exclusively or else

speak it "very well" than are boys from endogamous Mexican marriages. Finally, these data

exhibit a strong correlation between Mexican intermarriage and ethnic identification: virtually

all of the boys with two Mexican-origin parents are identified as Mexican by the Census

question regarding Hispanic origin, whereas the corresponding rate drops below two-thirds for

boys with only one Mexican-origin parent. For girls, the patterns are similar, although the

human capital advantages arising from Mexican intermarriage are somewhat smaller than those

observed for boys.

Table 5 indicates that a likely source of the human capital advantages enjoyed by

Mexican-American youth with intermarried parents is the higher human capital of these parents

themselves. For example, the mothers and fathers in families with one U.S.-born Mexican

parent (and one non-Mexican parent) average over a year more schooling than do the mothers

and fathers in families with two U.S.-born Mexican parents. Not surprisingly, the mothers and

fathers in these intermarried families are also much less likely to be deficient in speaking English.

The least squares regressions reported in Table 6 show how the human capital of U.S.-born, Mexican-American youth differs by family type, after conditioning on the influence of various controls. The dependent variables are dummies identifying youth who are dropouts and those who are deficient in English. Here, the samples are limited to youth with at least one Mexican parent, and the key independent variables are dummies identifying the type of family that each youth comes from (i.e., the parental nativity/ethnicity combinations listed in Table 3), with the reference group consisting of endogamous marriages in which both parents are U.S.-born Mexicans. In addition to these dummies for family type, the first regression specification (i.e., the columns labeled (1) in Table 6) includes controls for the age of the youth, the ages of his mother and father, and geographic location (dummy variables identifying the nine Census divisions, the individual states of California and Texas, and whether the family resides in a metropolitan area). The second regression specification (i.e., the columns labeled (2)) adds variables describing the human capital of each youth's parents (either parents' completed years of schooling or dummies indicating their English proficiency, depending on the youth outcome being considered). This specification enables us to estimate directly the parent-child transmission of these outcomes and also to measure how much of the impact of Mexican intermarriage on youth outcomes works through the selectivity of intermarriage in terms of parental characteristics. Standard errors of the estimated regression coefficients are shown in parentheses.

The estimates in Table 6 confirm the earlier evidence of significant human capital advantages for Mexican-American youth produced by intermarriages. Specification (1) implies

that, for boys, having one rather than two U.S.-born Mexican parents lowers dropout rates by 2.2

percentage points and reduces English deficiency by 4.4 percentage points. Specification (2)

reveals that, although parental human capital is an important determinant of youth outcomes,

conditioning on parental human capital attenuates (by about a third) but does not eliminate the

advantages associated with intermarriage. This finding suggests that much of the impact of

Mexican intermarriage on youth human capital derives from factors that are independent of

observable parental human capital. The patterns are similar for girls, except that in this case the

effect of Mexican intermarriage on dropout rates is not statistically significant. Overall, these

findings provide further support for the notion that selective intermarriage and ethnic attrition

might bias observed measures of intergenerational progress for Mexican Americans.

III. CPS Analyses of Ethnic Attrition

For our remaining analyses, we employ microdata from the Current Population Survey

(CPS) for all months from January 1996 through December 2004. The CPS is a monthly survey

of about 50,000 households that the U.S. government administers to estimate unemployment

rates and other indicators of labor market activity. In addition to the detailed demographic and

labor force data reported for all respondents, the CPS collects earnings information each month

from one-quarter of the sample, the so-called "outgoing rotation groups." The data we analyze

come from these outgoing rotation group samples. The CPS sampling scheme is such that

surveys for the same month in adjacent years have about half of their respondents in common

(e.g., about half of the respondents in any January survey are re-interviewed the following

January). To obtain independent samples, we use only data from the first time a household

appears in the outgoing rotation group samples (i.e., we use only data from the fourth month that

a household appears in the CPS sample). By pooling together these nine years of monthly CPS data, we substantially increase sample sizes and improve the precision of our estimates. A key feature of recent CPS data is their inclusion of the information about parental countries of birth that is currently missing from the Census. As a result, the CPS is now the best large-scale U.S. data set for investigating how outcomes vary by immigrant generation.

A. Second-Generation Mexican-American Adults

Our next set of analyses will focus on second-generation Mexican Americans. Because the CPS provides information regarding country of birth for the respondent and each of his parents, with these data we can construct for U.S.-born individuals an "objective" indicator of Mexican descent—namely, whether at least one of the respondent's parents was born in Mexico—and compare this indicator with the standard "subjective" measure of Mexican self-identification based on the respondent's answer to the Hispanic origin question. This empirical strategy is adopted from Rumbaut (2004), who used it to show that a large and highly-selective segment of the population of second-generation Cubans is missed by the self-reported measure of Cuban ethnic affiliation available in CPS data.

Table 7 reports the results. From the 1996-2004 CPS data described above, we extract all U.S.-born individuals between the ages of 25-59 who have at least one parent born in Mexico (after first excluding individuals with missing or imputed information about Hispanic origin or the country of birth of themselves or either parent). These individuals comprise a sample of second-generation Mexicans in which ethnicity is based on parents' countries of birth. For these individuals, Table 7 shows the percentage who self-identify as Mexican and how average years of schooling varies with such self-identification. Standard errors are shown in parentheses. To

increase sample sizes, Table 7 pools together men and women, but results that distinguish by sex are similar.

The bottom row of Table 7 indicates that the vast majority, 93 percent, of U.S.-born individuals with a parent born in Mexico self-report as Mexican. Those who do *not* self-identify as Mexican, however, average over a half year more schooling than those who do so self-identify (i.e., 13.0 versus 12.4 years of schooling). These data thus provide some direct evidence of the kind of selective ethnic attrition among Mexican Americans that our previous work (Duncan and Trejo 2005) could only suggest indirectly. Note that the rate of Mexican self-identification is highest when both parents are Mexican-born, somewhat lower when one parent is Mexican-born and the other parent is U.S.-born (which includes U.S.-born Mexican Americans as well as non-Mexicans), and substantially lower in the small number of cases when we can be all but certain that one parent is non-Mexican (because this parent was born in a foreign country other than Mexico).

For our purposes, an analysis of second-generation Mexicans using CPS data has some important advantages over Census-based analyses such as those in our previous paper (Duncan and Trejo 2005) or in the preceding section. First, as noted above, for second-generation individuals the CPS provides an objective indicator of Mexican descent (i.e., whether either parent was born in Mexico), and therefore we can use self-reported Mexican identification to directly measure the extent and selectivity of ethnic attrition for this population. Second, because the CPS analysis employs information on ethnic self-identification and socioeconomic outcomes for *adults*, it avoids measurement problems that could arise in Census analyses if the information reported for children and youth conveys a misleading forecast of their adult outcomes. Key limitations of the CPS analysis, however, are the smaller sample sizes and the

fact that individuals with a foreign-born parent are likely to retain relatively strong ethnic

attachments (as evidenced by the high rate of Mexican self-identification in Table 7), so by

focusing on the second generation we miss the more extensive ethnic attrition that occurs in later

generations. Given the different strengths and weaknesses of the two types of analyses, our

Census and CPS analyses complement one another.

B. Second- and Third-Generation Mexican-American Youth

By matching first- and second-generation Mexicans in the CPS with their relevant family

members, we can push this analysis one step further and try to learn something about selective

ethnic attrition in the third generation. For youth ages 16-17 who are the children of first- and

second-generation Mexicans, we undertake an analysis of their Mexican identification and high

school dropout rates that is similar in spirit to the Census analysis described in the preceding

section (unfortunately, the CPS does not also provide information about English proficiency).

For youth living with both parents, the CPS data reveal how many grandparents were born in

Mexico. By examining how the ethnic identification and dropout rates of these youth vary with

the numbers of parents and grandparents born in Mexico, we can directly estimate the extent and

selectivity of ethnic attrition among second- and third-generation Mexican-American youth.

Here, the key samples consist of U.S.-born youth ages 16 and 17 who live in intact families and

have at least one parent or grandparent born in Mexico. Information about school enrollment

refers to the CPS survey week, so we exclude observations from the months of June, July, and

August when students typically are on summer vacation.

Table 8 shows CPS sample sizes for the second- and third-generation Mexican-American

youth that we can objectively identify in this way, and the table also shows the percentage of

these youth who subjectively identify as Mexican. Essentially all youth with two Mexican-born parents or with three or four Mexican-born grandparents self-identify as Mexican, but the corresponding rates of Mexican identification fall to 81 percent for youth with only one Mexican-born parent, 76 percent for youth with two grandparents born in Mexico, and 59 percent for youth with just one grandparent born in Mexico. Notice, however, that few youth are observed to have no parents but three or four grandparents born in Mexico. In the tables that follow, we pool together all third-generation Mexican-American youth who have no parents but at least one grandparent born in Mexico.

Table 9 reports how dropout rates vary across groups of Mexican-American youth defined according to the number of parents or grandparents they have who were born in Mexico. For comparison purposes, Table 9 also reports the corresponding dropout rates for U.S.-born, non-Hispanic white and black youth (with two U.S.-born parents of the same race). Dropout rates are over 6 percent for second-generation Mexican-American youth (i.e., those youth with one or both parents born in Mexico), but the dropout rate falls sharply to 3.4 percent for third-generation Mexican-American youth (i.e., those youth with no parents but at least one grandparent born in Mexico). These data thus suggest substantial intergenerational convergence for Mexican-American youth toward the 2.8 percent dropout rate observed for third-and-higher-generation non-Hispanic white youth. Moreover, the dropout rate of third-generation Mexican-American youth is over 20 percent higher (4.2 percent versus 3.4 percent) when the sample is limited to those third-generation Mexican-American youth who self-identify as Mexican. Though the sample sizes are small and the estimates are therefore imprecise, Table 9 provides some direct evidence that selective ethnic attrition could produce sizeable downward bias in standard measures of attainment for later-generation Mexicans which typically rely on ethnic

self-identification rather than objective indicators of Mexican ancestry. Certainly, the apparent

extent of such ethnic attrition—in our CPS sample, 30 percent of youth with no parents but at

least one grandparent born in Mexico fail to self-identify as Mexican—creates the potential for

endogenous ethnicity to affect our inferences about the progress of Mexican Americans.

IV. Conclusion

In this paper, we investigate the role that intermarriage plays in the intergenerational

transmission of human capital and ethnic identification for Mexican Americans. First, using

2000 Census data for U.S.-born youth ages 16-17 who have at least one Mexican parent, we

estimate how the Mexican identification, high school dropout rates, and English proficiency of

these youth depend on whether they are the product of endogamous or exogamous marriages.

We find that youth who are the products of Mexican intermarriages enjoy large and statistically

significant human capital advantages over their counterparts who are the products of

endogamous Mexican-American marriages. In addition, only Mexican-American youth with

intermarried parents face a significant risk of *not* being identified as Mexican by the Census

question regarding Hispanic origin.

Second, we analyze the extent and selectivity of ethnic attrition among second-generation

Mexican-American adults and among second- and third-generation Mexican-American youth.

Using CPS data, we directly assess the influence of endogenous ethnicity by comparing an

"objective" indicator of Mexican descent (based on the countries of birth of the respondent and

his parents and grandparents) with the standard "subjective" measure of Mexican self-

identification (based on the respondent's answer to the Hispanic origin question). For second-

generation Mexican-American adults, we find direct evidence of the kind of selective ethnic

attrition that our previous work (Duncan and Trejo 2005) could only suggest indirectly. For third-generation Mexican-American youth, we find some indications that ethnic attrition could be substantial and capable of producing significant downward bias in standard measures of attainment which typically rely on ethnic self-identification rather than objective indicators of Mexican ancestry.

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Table 1: Average Years of Education and Log Hourly Earnings, Men Ages 25-59

| | Mexicans | | | 3rd+ |
	1st Generation	2nd Generation	3rd+ Generation	Generation Whites
Years of education	8.8	12.2	12.3	13.6
	(.04)	(.06)	(.04)	(.007)
Log hourly earnings	2.244	2.560	2.584	2.837
	(.006)	(.015)	(.010)	(.002)

Source: March 1998-2002 Current Population Survey data.

Note: Standard errors are shown in parentheses. Sampling weights were employed in these calculations. The samples include men ages 25-59. The samples for the hourly earnings data are further limited to individuals who worked during the calendar year preceding the survey. The "white" ethnic group is defined to exclude Hispanics, as well as blacks, Asians, and Native Americans. The first generation consists of immigrants: foreign-born individuals whose parents were also born outside the United States. The second generation denotes U.S.-born individuals who have at least one foreign-born parent. The third generation identifies U.S. natives whose parents are also natives. Excluded from the samples are foreign-born individuals who have at least one U.S.-born parent, as well as individuals for whom generation cannot be determined because birthplace data are missing for themselves or either parent.

Table 2: Hispanic Identification of Individuals with Ancestors from a Spanish-Speaking Country, as Reported in the 1970 Census Content Reinterview Study

Hispanic Ancestry Classification in Reinterview	Percent Who Identified as Hispanic in the Census	Sample Size
Most recent ancestor from a Spanish-speaking country:		
Respondent (i.e., 1st generation)	98.7	77
Parent(s) (i.e., 2nd generation)	83.3	90
Grandparent(s) (i.e., 3rd generation)	73.0	89
Great grandparent(s) (i.e., 4th generation)	44.4	27
Further back (i.e., 5th+ generations)	5.6	18
Hispanic ancestry on both sides of family	97.0	266
Hispanic ancestry on one side of family only	21.4	103
Father's side	20.5	44
Mother's side	22.0	59
All individuals with Hispanic ancestry	75.9	369

Source: Table C of U.S. Bureau of the Census (1974, p. 8).

Note: Information regarding the generation of the most recent ancestor from a Spanish-speaking country was missing for 68 respondents who nonetheless indicated that they had Hispanic ancestry on one or both sides of their family.

Table 3: Nativity/Ethnicity Distributions of the Parents of U.S.-Born, Mexican-American Youth Ages 16-17

| | Percent of Sample | |
Nativity/Ethnicity of Parents	Boys	Girls
Two Mexican parents:		
Both foreign-born	40.9	39.7
Foreign-born and U.S.-born	11.3	10.4
Both U.S.-born	19.2	20.1
One Mexican parent:		
Foreign-born	9.0	9.5
U.S.-born	19.6	20.3
	100.0%	100.0%

Source: 2000 Census data.
Note: The samples include U.S.-born youth ages 16 and 17 living in intact families in which at least one parent is identified as Mexican by the Census question regarding Hispanic origin. Suspected stepchildren are excluded. The sample sizes are 7,314 boys and 6,913 girls.

Table 4: Human Capital and Mexican Identification of U.S.-Born Youth Ages 16-17, by Nativity/Ethnicity of Parents

Nativity/Ethnicity of Parents	Boys				Girls			
	Dropout Rate	Deficient English	Identified as Mexican	Sample Size	Dropout Rate	Deficient English	Identified as Mexican	Sample Size
Two Mexican parents:								
Both foreign-born	4.18	14.43	97.03	2,994	2.88	13.14	96.07	2,747
	(.37)	(.64)	(.31)		(.32)	(.64)	(.37)	
Foreign-born and U.S.-born	3.64	11.76	97.33	825	4.44	11.93	96.39	721
	(.65)	(1.12)	(.56)		(.77)	(1.21)	(.69)	
Both U.S.-born	4.48	9.88	98.22	1,407	3.52	9.06	98.20	1,391
	(.55)	(.80)	(.35)		(.49)	(.77)	(.36)	
One Mexican parent:								
Foreign-born	3.65	12.77	61.25	658	2.75	8.72	57.49	654
	(.73)	(1.30)	(1.90)		(.64)	(1.10)	(1.93)	
U.S.-born	3.08	3.85	65.73	1,430	2.79	4.93	68.43	1,400
	(.46)	(.51)	(1.26)		(.44)	(.58)	(1.24)	
Two non-Mexican parents:								
Both U.S.-born, non-Hispanic white	2.76	1.58	.10	76,180	2.11	2.14	.09	70,057
	(.06)	(.05)	(.01)		(.05)	(.05)	(.01)	
Both U.S.-born, non-Hispanic black	3.17	1.42	.10	5,772	2.45	2.73	.14	5,746
	(.23)	(.16)	(.04)		(.20)	(.22)	(.05)	

Source: 2000 Census data.

Note: Standard errors are shown in parentheses. The samples include U.S.-born youth ages 16 and 17 living in intact families. Suspected stepchildren are excluded. The "dropout rate" represents the percentage of youth who are not attending school and have not yet completed high school (either through classes or by exam). "Deficient English" represents the percentage of youth who speak a language other than English at home and report speaking English worse than "very well." "Identified as Mexican" represents the percentage of youth who are identified as Mexican by the Census question regarding Hispanic origin.

Table 5: Parental Human Capital of U.S.-Born Youth Ages 16-17, by Nativity/Ethnicity of Parents

	Boys				Girls			
	Mother		Father		Mother		Father	
Nativity/Ethnicity of Parents	Avg. Yrs. of Educ.	Deficient English	Avg. Yrs. of Educ.	Deficient English	Avg. Yrs. of Educ.	Deficient English	Avg. Yrs. of Educ.	Deficient English
Two Mexican parents:								
Both foreign-born	7.09	77.69	6.97	77.56	7.11	78.09	7.08	78.09
	(.08)	(.76)	(.08)	(.76)	(.08)	(.79)	(.08)	(.79)
Foreign-born and U.S.-born	10.32	34.06	9.53	41.09	10.10	32.59	9.46	45.77
	(.13)	(1.65)	(.15)	(1.71)	(.14)	(1.75)	(.15)	(1.86)
Both U.S.-born	11.63	16.56	11.72	17.13	11.74	15.74	11.74	15.10
	(.08)	(.99)	(.08)	(1.00)	(.07)	(.98)	(.08)	(.96)
One Mexican parent:								
Foreign-born	10.46	41.34	9.66	50.46	10.28	38.69	9.45	44.50
	(.16)	(1.92)	(.19)	(1.95)	(.16)	(1.91)	(.19)	(1.94)
U.S.-born	12.93	4.90	12.91	5.17	12.86	6.07	13.01	5.43
	(.06)	(.57)	(.07)	(.59)	(.06)	(.64)	(.07)	(.61)
Two non-Mexican parents:								
Both U.S.-born, non-Hispanic white	13.51	.65	13.61	.52	13.50	.63	13.66	.48
	(.008)	(.03)	(.009)	(.03)	(.008)	(.03)	(.009)	(.03)
Both U.S.-born, non-Hispanic black	12.93	.69	12.57	.38	12.92	.66	12.53	.45
	(.03)	(.11)	(.03)	(.08)	(.03)	(.11)	(.03)	(.09)

Source: 2000 Census data.
Note: Standard errors are shown in parentheses. The samples include U.S.-born youth ages 16 and 17 living in intact families. Suspected stepchildren are excluded. "Avg. yrs. of educ." represents the average completed years of schooling of parents. "Deficient English" represents the percentage of parents who speak a language other than English at home and report speaking English worse than "very well."

Table 6: Human Capital Regressions for U.S.-Born, Mexican-American Youth Ages 16-17

	Boys				Girls			
	Dropout		Deficient English		Dropout		Deficient English	
Regressor	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
Two Mexican parents:								
Both foreign-born	.0003	-.0202	.0579	-.0217	-.0030	-.0198	.0487	-.0252
	(.0065)	(.0072)	(.0104)	(.0123)	(.0059)	(.0067)	(.0102)	(.0122)
Foreign-born and U.S.-born	-.0072	-.0150	.0223	-.0040	.0096	.0028	.0318	.0046
	(.0085)	(.0086)	(.0136)	(.0137)	(.0080)	(.0081)	(.0138)	(.0140)
Both U.S.-born (reference group)								
One Mexican parent:								
Foreign-born	-.0100	-.0172	.0454	.0074	-.0072	-.0139	.0057	-.0260
	(.0093)	(.0093)	(.0149)	(.0151)	(.0084)	(.0085)	(.0144)	(.0147)
U.S.-born	-.0217	-.0161	-.0442	-.0306	-.0098	-.0059	-.0316	-.0221
	(.0075)	(.0075)	(.0120)	(.0120)	(.0068)	(.0068)	(.0117)	(.0117)
Parental education (in years):								
Mother		-.0021				-.0023		
		(.0007)				(.0007)		
Father		-.0024				-.0014		
		(.0007)				(.0006)		
Parental English deficiency:								
Mother				.0759				.0657
				(.0101)				(.0100)
Father				.0543				.0526
				(.0099)				(.0099)

Source: 2000 Census data.

Note: The reported figures are estimated coefficients from least squares regressions. Standard errors are shown in parentheses. The samples include U.S.-born youth ages 16 and 17 living in intact families in which at least one parent is identified as Mexican by the Census question regarding Hispanic origin. Suspected stepchildren are excluded. The sample sizes are 7,314 boys and 6,913 girls. The dependent variable "dropout" is a dummy identifying youth who are not attending school and have not yet completed high school (either through classes or by exam). The dependent variable "deficient English" is a dummy identifying youth who speak a language other than English at home and report speaking English worse than "very well." In addition to the regressors listed above, all specifications include variables describing the age of the youth, the ages of the mother and father, and geographic location (dummy variables identifying the nine Census divisions, the individual states of California and Texas, and whether the family resides in a metropolitan area.

Table 7: Educational Attainment of Second-Generation Mexican-American Adults, by Mexican Identification

Parents' Countries of Birth	Identified as Mexican	Avg. Yrs. of Education by Ethnic Self-Identification:		Sample Size	Percent of Total
		Mexican	Not Mexican		
Both parents born in Mexico	95.0	12.3	12.7	3,238	51.1
	(.4)	(.04)	(.15)		
One parent born in Mexico and other parent:					
Born in Hispanic country other than Mexico	66.4	12.6	11.9	115	1.8
	(4.4)	(.22)	(.27)		
Born in non-Hispanic foreign country	49.4	14.4	14.0	79	1.2
	(5.7)	(.32)	(.28)		
Born in United States	92.6	12.4	13.2	2,910	45.9
	(.5)	(.05)	(.09)		
All second-generation Mexican Americans	92.9	12.4	13.0	6,342	100.0%
	(.3)	(.03)	(.08)		

Source: 1996-2004 CPS data.

Note: Standard errors are shown in parentheses. The sample includes U.S.-born men and women ages 25-59 who have at least one parent born in Mexico. "Identified as Mexican" represents the percentage of adults who are identified as Mexican by the CPS question regarding Hispanic origin.

Table 8: Mexican Identification of Second- and Third-Generation Mexican-American Youth Ages 16-17

Parents' and Grandparents' Countries of Birth	Identified as Mexican	Sample Size	Percent of Total
Second-generation Mexican Americans:			
Both parents born in Mexico	98.5	549	53.0
One parent born in Mexico	81.1	281	27.1
Third-generation Mexican-Americans:			
Neither parent born in Mexico and			
Four grandparents born in Mexico	100.0	10	1.0
Three grandparents born in Mexico	100.0	16	1.5
Two grandparents born in Mexico	76.1	67	6.5
One grandparent born in Mexico	59.3	113	10.9
All second- and third-generation Mexican Americans	88.1	1,036	100.0%

Source: 1996-2004 CPS data.

Note: The samples include U.S.-born youth ages 16 and 17 who live in intact families and have at least one parent or grandparent born in Mexico. Suspected stepchildren are excluded. "Identified as Mexican" represents the percentage of youth who are identified as Mexican by the CPS question regarding Hispanic origin.

Table 9: Dropout Rates of U.S.-Born Youth Ages 16-17, by Mexican Identification

Parents' and Grandparents' Countries of Birth	Identified as Mexican	Dropout Rate All Youth	Dropout Rate Identified as Mexican	Sample Size
Both parents born in Mexico	98.54 (.51)	6.74 (1.07)	6.65 (1.07)	549
One parent born in Mexico	81.14 (2.34)	6.05 (1.42)	7.02 (1.70)	281
Neither parent born in Mexico, but at least one grandparent born in Mexico	69.90 (3.20)	3.40 (1.27)	4.17 (1.67)	206
No grandparents born in Mexico and Both parents U.S.-born, non-Hispanic white	.16 (.03)	2.82 (.13)		17,377
Both parents U.S.-born, non-Hispanic black	0.00	2.89 (.46)		1,351

Source: 1996-2004 CPS data.

Note: Standard errors are shown in parentheses. The samples include U.S.-born youth ages 16 and 17 living in intact families. Suspected stepchildren are excluded. "Identified as Mexican" represents the percentage of youth who are identified as Mexican by the CPS question regarding Hispanic origin. The "dropout rate" represents the percentage of youth who are not attending school and have not yet completed high school (either through classes or by exam).