The Role of Acculturation, Context of Reception and Capitals in the Economic Integration of Latino Newcomers to the Midwest in 2009

CORINNE VALDIVIA AND PEDRO DOZI
UNIVERSITY OF MISSOURI-COLUMBIA

Introduction

- A significant economic factor in the growth of Latino immigration in rural areas is the demand for labor
  - Mostly in the manufacturing and processing companies settled in beef, pork and poultry producing regions.
- Immigration growth has:
  - Alleviated decades of population decline; and
  - Contributed to the economic vigor of rural communities.
- Knowledge of the factors that contribute to integration is key to wellbeing and the sustainability of rural communities.
- This study focuses on the factors that contribute to income earnings of Latino immigrants in rural areas.

Previous findings and hypotheses

- Latino immigrants move in search of work mostly, and mobility has a negative impact on foreign born Latino's income;

- The context of reception measures are hypothesized to have a negative effect on earnings;

- Social capital, education, and acculturation have a positive effect on earning of Latino immigrants in rural Missouri.

- Being a Latino woman is expected to have a negative effect on income earnings.
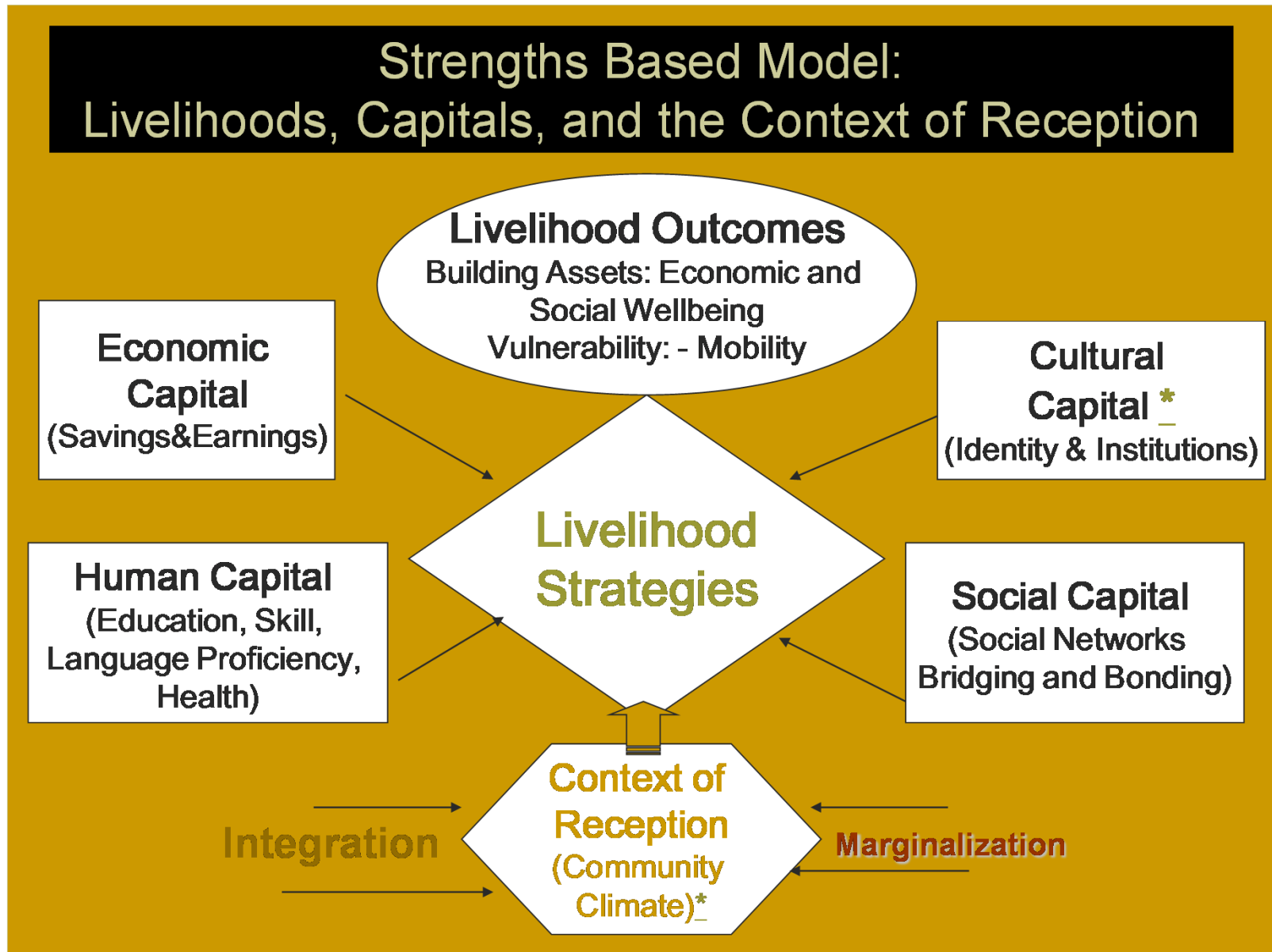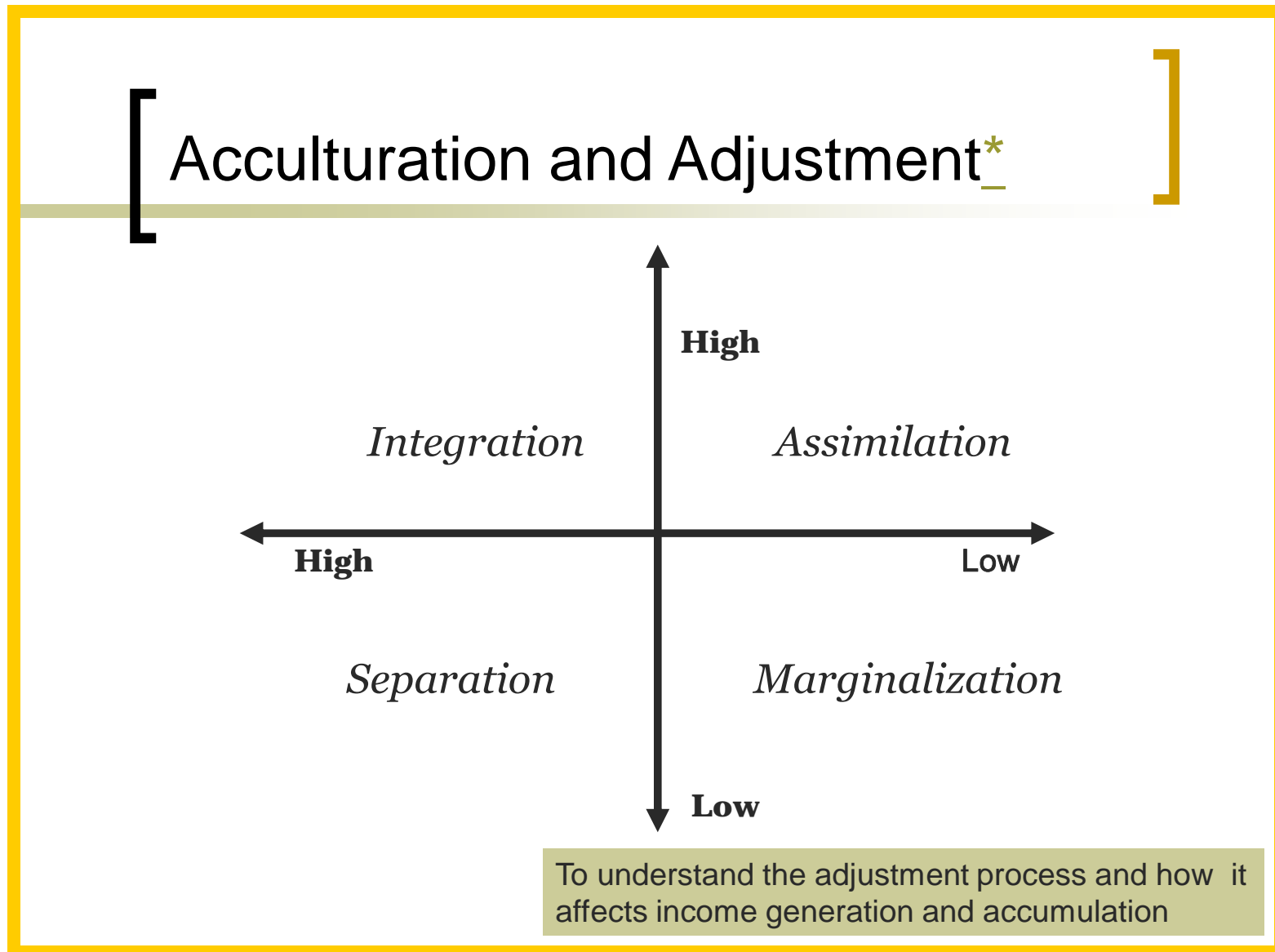
Figure 1. The Strengths-based model framework

Strengths Based Model:
Livelihoods, Capitals, and the Context of Reception

Livelihood Outcomes
Building Assets: Economic and
Social Wellbeing
Vulnerability: - Mobility

Economic Capital
(Savings&Earnings)

Cultural Capital *
(Identity & Institutions)

Livelihood Strategies

Human Capital
(Education, Skill,
Language Proficiency,
Health)

Social Capital
(Social Networks
Bridging and Bonding)

Integration

Context of Reception
(Community Climate)*

Marginalization

Figure 2. Berry's multidimensional acculturation process

[Acculturation and Adjustment*]

High

Integration   *Assimilation*

High ←→ Low

Separation   *Marginalization*

Low

To understand the adjustment process and how it affects income generation and accumulation

Data and empirical model

- Data used in estimations comes from a household survey conducted in three different rural regions of Missouri;

- A semi-log regression model is estimated
  - A one unit increase in independent variables increases the income earnings by %
  - $H_i = \beta SC + \alpha Z + \gamma X + \varepsilon$

- *Where:*
  - H_i is the income earnings of household i
  - SC is a vector containing three types of respondent's social capitals: (a) bonding; (b) bridging; and (c) linking.
  - Z is a vector of additional characteristics affecting income earnings
  - X represents Inverse Mill's Ration;
  - ε is random error term;

Table 1. Variables used in the estimation and its associated means

Variables	Description
Household income	Household income considering every member's contribution
Age	Age; measured in years
Gender	Gender; 1 = Male and 2 = Female (females modeled)
Education	Educational level; measured in years spent in school
Bicultural/integrated	A measure of acculturation; assessed by high levels of Anglo and Latin acculturation
Anglo Acculturation	Measures the Latinos affinity with local Anglo culture
Latin Acculturation	Measures the Latinos affinity with own culture
Socio-Environment	Assesses Latinos perceived context of reception in relation to the community; average of 12 items
Racism and Discrimination	Assesses Latinos perceived context of reception in relation to discrimination and racism context; average of 7 items.
Language Pressure	Assesses Latinos perceived context of reception in relation to English language context; average of 6 items.
Bonding	Social capital strong ties; measured by those householders who have used their strong ties for personal gain;
Bridging	Social capital weak ties; measured by those householders who have used their weak ties for personal gain;
Linking	Social capital upward ties; measured by those householders who have used their upward ties for personal gain;
Mobility	Those householders have moved; assessed by the number of times a householder has moved within the US.
Cultural Capital	Assess Latinos attachment to own culture; average of 6 items
IMR	Inverse Mill's Ratio; introduced to correct for selectivity bias.

Table 2. Results of the empirical estimation

Variables	Unstd. Coefficients		Std. Coeff.	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.877	1.005		3.859	.000
Age	.027	.008	.169	3.523	.000
Bicultural	.346	.199	.089	1.738	.081
Cultural capital	.005	.017	.013	.277	.782
Context: socio environmental	-.033	.124	-.013	-.268	.789
Context: racism and discrim.	-.090	.051	-.065	-1.764	.076
Context: language pressures	-.055	.084	-.040	-.661	.509
Linking social capital	.196	.204	.056	.960	.338
Bridging social capital	.200	.074	.058	2.703	.029
Bonding social capital	.409	.207	.117	1.974	.049
Latino acculturation	.110	.185	.049	.597	.551
Anglo acculturation	.710	.187	.181	3.803	.000
Mobility	-.082	.044	-.047	-1.864	.067
Educational level	.107	.162	-.031	.663	.508
Being female	-.089	.029	-.174	-3.111	.002
IMR	.041	.050	.038	.830	.407

F = 5.503; Sig. <001; N = 444; Adj R^2 =.120

Results and Impacts

- **Summary of results:**
  - Significant positive effects on income:
    - Age; Bicultural; Social capital (bonding and bridging); Anglo acculturation.
  - Significant negative effects on income:
    - Mobility; Female; Racism and discrimination context of reception.
- **Impacts:**
  - The positive role for Latinos networks in accessing resources
    - Policy makers might make resources available to these networks in order to improve human capital of Latinos; or
    - Latinos might want to join networks that have better access to resources.
  - Results also suggest that networks facilitate economic integration
    - Provide temporary support for extended job search.

Conclusions

- The significance of Anglo acculturation points to the importance Latinos place on being part of the community.
- The impact of racism and discrimination points to the economic gains of addressing prejudice toward people of different culture.
- Social networks are alternative ways Latinos use to access resources.
- Policy makers and community members should take into account the economic impacts of these mechanisms if they are to improve economic integration of newcomers.

No guarantees, but by all means pleases ask ☺