Re-evaluating the American Dream for Low-Wage Chinese Workers in Los Angeles

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CLAREMONT McKENNA COLLEGE

RE-EVALUATING THE AMERICAN DREAM FOR LOW-WAGE CHINESE WORKERS IN LOS ANGELES

SUBMITTED TO

PROFESSOR WILLIAM ASCHER

AND

DEAN GREGORY HESS

BY

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FOR

SENIOR THESIS

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Chapter 1: Introduction

In many parts of the world, the United States is seen as a land of opportunity, where hard-working souls can climb the ladder of society to achieve the American dream. That dream varies by person, but most have hopes that they will create a life for themselves and their families that is better than the one they previously had. However, what we seem to be finding now is that as immigrants continue to arrive in large numbers, the number of job opportunities dwindles.

The United States of America is faced with the tough question of whether we should continue to welcome people into our country, and even more pressing, how many? How much have the lives of these people really been improved if they work low-paying blue-collar jobs in the United States? This is, of course, complicated by the fact that their children may be able to enjoy far better lives than if the family had stayed in the home country. What would be the best immigration policy, for the sake of the immigrants, that takes into account the needs of the American economy, the possible strains on our welfare system, and the moral responsibility towards people granted asylum?

The research in this thesis will look at the lives of a very specific group of Chinese immigrant workers in the restaurant industry, particularly those in the metropolitan city of Los Angeles. According to the 2000 census (Shin and Bruno 2000), Mandarin is the third most popular language in the United States. Unlike Spanish, Mandarin has no cognates with the English language, and far less “casual” speakers, putting Mandarin-only speakers at a communicative disadvantage whether they are
professional or nonprofessional. Because of this, many who have difficulties learning English will choose to work a job where they only need to know their mother tongue, and in most cases these are in the labor or service industry. Restaurants, furthermore, tend to be family run, and because of the cash flow, have a lot more flexibility with taxes and documentation than other industries might. Though Asian immigrants and their children have a reputation as a high-achieving model minority, there still remains a class of people who struggle with the same issues of relocation and assimilation as other immigrants. This research hopes to analyze the patterns of immigration for workers like these, to evaluate whether it is still feasible to achieve the American dream, and, if necessary, rethink U.S. immigration policy.

For the purpose of this thesis, Chinese immigrations will be heuristically defined as people of Chinese ethnic descent coming from Mainland China, Hong Kong, Taiwan, or South East Asia. In order to examine the issues surrounding low-wage Chinese workers in Los Angeles, and to develop recommendations, the next chapter provides context by recounting the history of Chinese immigration. This is followed by a chapter on current immigration trends, detailing the common legal pathways to citizenship. The fourth chapter will provide some insight into the recent immigrant community, including more detailed information on interethnic relationships, resources at the disposal of the immigrant community for better immersion into American life, occupational choices for unskilled Chinese immigrants, and the landscape of living conditions for following generations.
An analysis of field interviews conducted with recent Chinese immigrants, who all cite experience in the restaurant industry, will provide insight into the modern day American journey for recent Chinese immigrants in Los Angeles in chapter five. The sixth chapter will highlight policy implications of reforms currently suggested in Congress, and after a review of the Canadian immigration policy, offer some policy recommendations for future immigration reform. Chapter seven will conclude this thesis with a short overview explaining once again, why this research matters and what the United States should do moving forward with immigration policy affecting the unskilled Chinese population.
Chapter 2: Chinese Immigration History

Chinese people have been migrating to the United States since the discovery of gold in California in the 1840s. Though emigration from China was still officially illegal in the 1840s and 50s, there was still a small trickle of students and intellectuals as well as unskilled laborers to America. In 1868, Anson Burlingame, an American diplomat, negotiated a treaty between America and China to allow its respective citizens free migration from one country to the other, “for the purpose of curiosity, of trade or as permanent residents (J. Chen 1980).” Between opportunities afforded in San Francisco during the Gold Rush and the demand for workers to build the transcontinental railroad, the Burlingame treaty allowed an estimated 30,000 Chinese immigrants to freely enter the United States until the passage of the Chinese Exclusion Act in 1882.

Following the Burlingame Act, American government officials did not anticipate how rapidly the Chinese population would grow. In 1878, Congress attempted to pass the Fifteen Passenger Bill, limiting ships crossing the Pacific to no more than 15 Chinese passengers. President Hayes refused to sign the bill because it contradicted the terms of the Burlingame Treaty to encourage free exchange of the people of the two countries. In response, a delegation of officials went to Beijing to try to alter the Burlingame Treaty to the extent that the United States could limit but not completely prohibit the immigration of Chinese laborers.

When the treaty attempt failed, Congress passed the Chinese Exclusion Act in 1882, ending the free immigration of Chinese laborers to America, skilled or unskilled,
for 10 years. Combined with the Exclusion Act, the 1888 Scott Act prohibited the return of Chinese people who went temporarily out of the country, even if they had valid re-entry certificates. The 1892 Geary Act further extended the original exclusion act for another 10 years, denying Chinese people the right of bail in habeas corpus proceedings, and requiring all Chinese living in the US to get certificates of registration within one year or else be subject to deportation. Though it technically violated treaties with China, it was upheld by the Supreme Court and justified by Chief Justice Stephen Field on the grounds of public interest and necessity.

The string of anti-Chinese legislation continued. In 1924, the Immigration Act stipulated that aliens not eligible for United States citizenship (all nonwhites except for people of African descent) should no longer be allowed to enter the country. Earlier exclusion laws already cut the flow of Chinese immigration down to almost nothing, but this law prevented Chinese-born wives of Chinese American citizens from coming to the United States. Between 1890 and 1920, the number of Chinese people in the United States dropped from 107,000 to 61,000 (J. Chen 1980) (Jones 1972).

The Chinese who had immigrated to Hawaii to work on the sugar cane plantations did not suffer from the same restrictive legislation as they were subject to separate Hawaiian immigration control laws. However, American exclusion laws and other acts restricting freedom of Chinese were extended over the island when it became a United States territory in 1898.

Determined to change the flow of restrictive legislation, Madame Chiang Kai-shek, wife of leader of the Chinese Nationalist Party, began the movement for the repeal of Chinese exclusion laws in 1943. Her beauty combined with the influence of her
American connections from her schooldays at Wellesley and many a congressional dinner party contributed to the passage of the Magnuson Act in 1943. The Magnuson Act abolished existing Chinese exclusion laws, providing for an annual quota of immigrants on the same basis as those from other countries, giving Chinese people in the United States equal rights of naturalization.

However, the annual quota was established by taking one-sixth of one percent of the people from a respective country in 1920. Taking one-sixth of that one percent would establish the national quota to be 1 person. Due to the Exclusion Act, the rate of immigration from China was so low in 1920 that the new quota only allowed for 105 Chinese immigrants a year.

For the first 8 years after the 1943 bill was passed, immigrants did not even fill their quota. Initial Chinese immigrants were overwhelmingly female, finally balancing out all the bachelors and men separated from their wives. But following acts slowly increased the rate of immigration from China. In 1946, an amendment to the bill allowed the wives and children of Chinese Americans to enter the country as non-quota residents. In 1947, the War Brides Act allowed entry of the Chinese wives of American citizens. In 1952, the husbands and children of Chinese American women were granted non-quota status.

The rate of Chinese immigration exploded when the Communist Party gained control of the Chinese government in 1949. A large exodus of Chinese party officials affiliated with the formerly governing Nationalist Party fled to America. Shortly thereafter, in the early 1950s, US Congress passed refugee relief acts to help cope with refugees from WWII and the communist regime in China, sending several thousand

From 1965 to 1968, US immigration laws were changed to abolish all specific national quotas. The total annual quota for immigrants from outside the Western Hemisphere was fixed at 170,000 with no more than 20,000 people to come in from any one country. In the first year of the plan alone, 17,000 immigrants came from Hong Kong and Taiwan (Jones 1972).

The following chart of Chinese immigrants admitted to the United States shows how rapidly the number of Chinese immigrants has grown since the end of the national quotas.
Figure 1. Immigration to the United States from China, 1851-1990

<table>
<thead>
<tr>
<th>Decade</th>
<th>Number of Chinese Immigrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1851–1860</td>
<td>41,397</td>
</tr>
<tr>
<td>1861–1870</td>
<td>64,301</td>
</tr>
<tr>
<td>1871–1880</td>
<td>123,201</td>
</tr>
<tr>
<td>1881–1890</td>
<td>61,711</td>
</tr>
<tr>
<td>1891–1900</td>
<td>14,799</td>
</tr>
<tr>
<td>1901–1910</td>
<td>20,605</td>
</tr>
<tr>
<td>1911–1920</td>
<td>21,278</td>
</tr>
<tr>
<td>1921–1930</td>
<td>29,907</td>
</tr>
<tr>
<td>1931–1940</td>
<td>4,928</td>
</tr>
<tr>
<td>1941–1950</td>
<td>16,709</td>
</tr>
<tr>
<td>1951–1960</td>
<td>25,198</td>
</tr>
<tr>
<td>1961–1970</td>
<td>109,771</td>
</tr>
<tr>
<td>1971–1980</td>
<td>237,793</td>
</tr>
<tr>
<td>1981–1990</td>
<td>444,962</td>
</tr>
</tbody>
</table>

The second chart narrows the focus to Chinese immigrants moving to the Los Angeles area. Note that some are not directly from Mainland China.

Figure 2. Year of immigration by Chinese immigrant group in the ethnoburb, 1990. Source: 1990 Census PUMS.
Chapter 3: Current Immigration Trends and Regulations

Today, there are several avenues that Chinese immigrants may pursue to gain legal status in the United States. Immigrants usually first apply for a visa as a temporary lawful resident, before adjusting their status as a permanent lawful resident with a green card. Exceptions to this path include family-based applications for a green card. Immigrants who hold permanent lawful resident status who wish to hold the same rights as a citizen may continue to pursue naturalization, or citizenship.

According to an immigration law passed in 1996, people who have stayed in the United States illegally for over 180 days and who leave the United States can be barred from reentering the country for at least three years. If the period of unlawful presence was less than a year, then the bar applies for three years (unless the immigrant leaves voluntarily after removal proceedings start). If the period of unlawful presence was for a year or more, the bar is for ten years. The Bureau of Citizenship and Immigration Services (BCIS) will not count time spent in the United States illegally before April 1, 1997, nor will it penalize undocumented immigrants for illegal time spent here while they were under the age of 18.

Visa

Immigrants can apply for student, employment, or family-based immigration, unless an exception is granted for asylum and safe refuge.
Student

Immigrants who come to the United States for educational opportunities must have proof of enrollment at an accredited SEVP (Student Exchange Visitor Program) U.S. institution, approved by the Department of Homeland Security. Exchange visitor and student information is maintained in the Student and Exchange Visitor Information System (SEVIS). SEVIS is an Internet-based system that maintains accurate and current information on non-immigrant students (F and M visa), exchange visitors (J visa), and their dependents (F-2, M-2, and J-2). Student applicants must have a SEVIS generated I-20 form issued by an educational institution.

Student visas are granted in one of three categories:

- **Student Visa (category F-1):** The visa for people who want to study at an accredited U.S. college or university, or to study English at a university or language institute.

- **Exchange Visitor Visa (category J-1):** The visa issued to people who will be participating in an educational or cultural exchange program.

- **Student Visa (category M-1):** The visa for those enrolled in nonacademic or vocational programs (U.S. Department of State 2013).

An immigrant who enters the United States on a student visa is admitted for the duration of his or her student status—even the F-1 visa in his or her passport expires while he or she is in the United States—as long as he or she is a full time student. A student who has completed the course of studies shown on the I-20, and any authorized practical training, is allowed the following additional time in the United States before departure:

- **F-1 student - An additional 60 days, to prepare for departure from the United States or to transfer to another school.**


- **M-1 student - An additional 30 days to depart the United States (Fixed time period, in total not to exceed one year).** The 30 days to prepare for departure is permitted as long as the student maintained a full course of study and maintained status. An M student may receive extensions up to three years for the total program (U.S. Department of State 2013).

There is no quota on student visas.

**Employment**

Immigrants who come to the United States for employment opportunities must have a full-time, permanent employment opportunity confirmed. The prospective employer has to certify the position with the Department of Labor. Labor certification is required to show there are no qualified, available U.S. workers to fill the job.

BCIS grants permanent residence based on employment skills in one of five categories:

- **Priority Workers (category EB-1):** Extraordinary ability in the arts, education, business, science, or athletics, or are considered to be outstanding professors or researchers. Applicants are required to provide extensive documentation proving professional or academic achievements in one of the listed fields as well as evidence of financial success in respective field and the ability to substantially benefit the United States. Applicants may also qualify for the Priority Workers category is if they happen to be a manager or executive of a company that has transferred them to one of its branches in the United States.

- **Professionals with Advanced Degrees or Persons with Exceptional Ability (category EB-2):** Professionals holding advanced degrees (or the United States equivalent), or persons with exceptional ability in business, sciences, or the arts that will benefit the interests or welfare of the United States may qualify. Applicants must be prepared to show how becoming a legal permanent resident will benefit the United States economy, culture, or academics. Applicants may also qualify for this category if they are a qualified physician who agrees to practice medicine in an area of the United States that is medically underserved.

- **Skilled or Professional Workers or Other Workers (category EB-3):** Requirements are less stringent that those for category EB-1 and EB-2, but application tends to be more competitive and tends to backup, especially in the Other Workers subcategory. EB-3 has three subcategories:
Skilled Worker: Must be able to fill an open position that requires at least two years of experience or training, though the Department of Labor determines which jobs are considered skilled, as opposed to unskilled labor.

Professional: Professionals must hold a U.S. baccalaureate degree or the foreign equivalent normally required for the profession. Education and experience may not be substituted for the actual degree.

Other Worker: Applicants hold skills to fill jobs that require less than two years of higher education, training, or experience. Because this category receives the most petitions, applicants may wait years before being granted a visa.

- **Special Immigrants (category EB-4):** Granted primarily to members of religious denominations that have nonprofit organizations in the United States. Applicant must be able to prove membership of the organization and that they have worked for the organization for at least two years before application for admission. Applicant must have the intent of coming to the United States to work as a minister or priest or other religious vocation that helps the organization. Applicants may also qualify if their work helps the organization in a more professional capacity, i.e. if a U.S. baccalaureate degree or the foreign equivalent is required to perform the job.

- **Immigrant Investors (category EB-5):** Applicants must agree to make a “qualified investment” in a new commercial enterprise. All immigrant investors must demonstrate that their investment will benefit the United States’ economy, as well as create a specified number of full-time jobs for qualified U.S. citizens. This category is often referred to as the “million-dollar visa” because the minimum investment is a million dollars, though it is still subject to change. Applicants may be able to invest less and still qualify if they invest in a targeted employment area, i.e. a rural area or area of high unemployment.

A special pilot program currently allows an investor within an approved regional center to receive an EB-5 visa when he or she shows that his or her investment will create jobs indirectly through revenues generated from increased exports, improved regional productivity, job creation, or increased domestic capital investment resulting from the new commercial enterprise. Of the 10,000 EB-5 visas available annually, 5,000 are set aside for this pilot program.

Applicants qualifying for one of the visa categories listed above may enter the Diversity Visa (DV) Lottery Program to speed up the application process, especially if

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they find themselves in one of the lower preference categories. Entering the visa lottery requires filling out one form. Receiving a visa through the Diversity Visa Lottery Program authorizes an immigrant to live and work permanently in the United States, as well their spouse and their children under the age of 21.

Family

Applicants who can get sponsored by family members can get certain preference on their processing number based on the relationship they have with their sponsor. Unmarried sons and daughters (age 21 or older) or U.S. citizens get first preference. Spouses of lawful permanent residents and their unmarried children of any age get second preference. Married sons and daughters of U.S. citizens get third preference. Brothers and sisters of U.S. citizens who are 21 or older get fourth preference.

Asylum

Potential immigrants applying for admission at the borders or already in the United States (legally or illegally) may petition the government for asylum. The applicant must be able to demonstrate “well-founded fear of persecution” in the home country based on race, religion, nationality, membership in a social group, or political opinion. In most cases, the Directorate of Border and Transportation Security (BTS) will place the applicant in expedited removal, where an asylum officer from the BCIS will determine whether the applicant has a credible fear. If a credible fear is determined, applicant is allowed to apply before an immigration judge of the Department of Justice.

Applicants who fail to file their asylum application within one year after entering the United States may have their claim rejected, and may be removed from the United
States. After one year, applications will only be considered in certain cases of changed or extraordinary circumstances.

Applicants who have held asylum status for at least one year may be eligible to file for permanent resident status. Applicants will be required to provide evidence that they were physically present in the United States as asylees for at least a total of one year prior to filing the adjustment of status application.

Safe refuge

Refugees are those living outside the United States and outside their home countries who petition the government for lawful permanent residence in order to escape intolerable conditions in their home countries.

*Green Card*

The Permanent Resident Card, colloquially known as the green card, is officially known as BCIS Form I-551. Once immigrants have been granted temporary lawful residence through a visa, they may apply for a green card. If the applicants are already living in the United States, they may be able to adjust their immigration status from temporary to lawful permanent resident without leaving the country. They may also apply for a work permit while their case is pending.

Visa holders who wish to leave the United States while applying for adjustment to permanent resident status must receive advance permission, called advance parole, to return to the United States. If the applicant does not apply for advance parole prior to leaving the United States, the BCIS will assume they have abandoned their application and may not permit you to reenter the United States.
Citizenship

Before immigrants can apply for citizenship, they must be able to prove lawful permanent residence for at least 5 years. A lawful permanent resident is a foreign national who has been granted the privilege of permanently living and working in the United States. If an immigrant is married to and living with his or her U.S. citizen spouse, and permanent residence is based on that marriage, the residence requirement drops to three years, given that the spouse was a citizen for the three years prior to the application.

Applicants for naturalization must prove they can meet the following requirements:

- A designated period of continuous residence in the United States (usually three or five years immediately prior to applying) as a lawfully admitted permanent resident.
- Physical presence in the United States for at least half the designated time.
- Resident in a particular BCIS district prior to filing, usually for at least three months.
- The ability to read, write, and speak basic English.
- A basic knowledge and understanding of U.S. history and government.
- Good moral character.
- Attachment to the principles of the U.S. Constitution and a favorable disposition toward the United States.

Sponsorship

If an applicant has a family member who is at least 21 years old and a U.S. citizen, he or she may be able to gain sponsorship for either a visa or a green card. U.S.
citizens may petition to sponsor green cards for their spouse, children who are unmarried and under 21, and sons and daughters who are married and/or 21 or over. If the U.S. citizen is over the age of 21, he or she may also petition to obtain green cards for their parents and siblings (U.S. Citizenship and Immigration Services 2013).

Legal permanent residents, or green-card holders who are legally living and working in the United States but have not yet become naturalized citizens, may only sponsor their husband or wife, and/or unmarried son or daughter. Legal permanent residents may not sponsor anyone other than their spouse and children.

In addition to these familial requirements, relatives not only need to be willing to sponsor an applicant, they must also meet certain criteria in order to be eligible to become a sponsor. Sponsors must be able to provide documentation of his or her immigration status, as a lawful permanent resident or as a United States citizen (born or naturalized). Sponsors must also be able to prove that he or she can financially support the applicant, in addition to any other family members he or she is already financially responsible for, at 125 percent above the government-mandated poverty level. The sponsor must be willing and able to accept legal responsibility for financially supporting the applying family member\(^2\).

Over half of Chinese-born lawful permanent residents in 2007 were family-sponsored immigrants. Of the 76,655 Chinese born granted lawful permanent resident status in 2007, 35.4 percent were immediate relatives of US citizens, 19.9 percent were other family-sponsored immigrants, 18.1 percent were employment-sponsored immigration.

\(^2\) For a complete look at the requirements please visit the U.S. immigration services website: uscis.gov
immigrants, and 26.7 percent were other categories of lawful permanent residents (Migration Policy Institute 2008).

**Other Methods**

Those who are unable to obtain a legal status prior to arrival pursue alternate forms of entry. Some overstay a tourist visa, others will pay “snakeheads” to smuggle them across the border, usually to New York. Snakehead fees are currently estimated to be $60,000 to $70,000—a debt that can take up to 10 years to pay off. Travelers may be smuggled via air, land, sea or a combination of all three. Data from the Office of Immigration Statistics estimates that 190,000, or 2 percent, of the approximately 11.6 million unauthorized migrants in 2006 were born in Mainland China (U.S. Department of Homeland Security, Office of Immigration Statistics 2007).
Chapter 4: Recent Immigrant Society

Interethnic Community Relationships

The Chinese assume multiple identities that are established through interaction with other social groups (Wang and Cushman 1988). In a relationship with other ethnic groups, Chinese often assume a broad pan-ethnic identity of being “Chinese”. However, among co-ethnics, other criteria such as region, native village, and linguistic affiliation have become standard identity markers, creating a boundary of insiders and outsiders even within the Chinese ethnic group. It is thus common to hear co-ethnics “referring to themselves as Anxi Fujianese or Shantou Chaozhouese or Hong Kong Shanghaiese” (K. E. Kuah 2000). Immigration information in the recent U.S. censuses also notes the differences among Chinese immigrants by national origin, separating Mainland China, Taiwan, and Hong Kong into three separate entities.

Chinese immigrant workers may suffer from discrimination within the Chinese community of Los Angeles. When picking between two equally qualified prospects, employers tend to remain loyal to their regional roots. A Shanghainese employer is more likely to employ fellow immigrants from Shanghai than immigrants from anywhere else in China, and perhaps even less for immigrants from Taiwan or Hong Kong. Though few employers would inquire outright about a person’s place of origin for the basis of employment, Chinese speakers are generally able to identify regions of origin based on accent.
The biggest and most obvious stratifications exist in the socioeconomic status of immigrants from different parts of Asia. These include Chinese born in Taiwan, Hong Kong, Mainland China, and Southeast Asia. Chinese born in Taiwan and Hong Kong are from newly industrialized countries that have developed at a very rapid pace during the past several decades. Hong Kong has had a British education system for more than a century, and Taiwan has adopted an American-style system since WWII. Both produce highly trained professionals and skilled laborers, many of whom immigrate to the United States. Nevertheless, some immigrants from both Hong Kong and Taiwan are of lower skill and income.

The situation of Chinese born in mainland China is more complicated. Because of census definitions, it is hard to identify those born in Mainland China who had lived in Taiwan or Hong Kong for years before immigration, versus those coming straight from the mainland. This group is more fragmented in terms of socioeconomic characteristics. Immigrants born in China are more likely to work in the retail trade and manufacturing.

The plight of Chinese born in Southeast Asia is more likely to be similar to refugees who immigrated to the United States after the Vietnam War. A majority of these immigrants did not plan to emigrate from their own countries, but the political situation forced them to do so. These immigrants are the least prepared group among all major Chinese immigrant groups—many are from rural backgrounds, less educated and trained, and are without strong spoken English ability. Many rely on public assistance or hold blue-collar or lower-ranking public-sector jobs. They typically have much lower earnings (Bates 1997).
Of the 26,113 people granted asylum in the United States in 2006, the largest group of asylees were from Mainland China, at 21.3 percent. (U.S. Department of Homeland Security, Office of Immigration Statistics 2007).

Significant changes have occurred in the occupational structure of Chinese immigrants. A chart below shows the occupational structure\(^3\) of Chinese immigrants by place of birth as of 1990 in Los Angeles:

**Figure 3.** Occupational structure of ethnoburban Chinese immigrants by place of birth, 1990 (percentages)

<table>
<thead>
<tr>
<th>Type of industry</th>
<th>Taiwan</th>
<th>Hong Kong</th>
<th>China</th>
<th>Indochina</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail trade</td>
<td>16.7</td>
<td>17.4</td>
<td>23.5</td>
<td>22.9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>14.9</td>
<td>16.8</td>
<td>22.0</td>
<td>25.8</td>
</tr>
<tr>
<td>Professional and services</td>
<td>19.0</td>
<td>22.5</td>
<td>14.9</td>
<td>8.9</td>
</tr>
<tr>
<td>FIRE</td>
<td>14.4</td>
<td>13.9</td>
<td>11.0</td>
<td>12.6</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>14.9</td>
<td>7.0</td>
<td>7.8</td>
<td>9.2</td>
</tr>
<tr>
<td>Transport, communication and public utilities</td>
<td>7.0</td>
<td>7.0</td>
<td>5.0</td>
<td>4.8</td>
</tr>
<tr>
<td>Business and repair</td>
<td>2.7</td>
<td>4.6</td>
<td>3.4</td>
<td>5.6</td>
</tr>
<tr>
<td>Agriculture, mining and construction</td>
<td>4.0</td>
<td>2.8</td>
<td>4.9</td>
<td>3.2</td>
</tr>
<tr>
<td>Personal services</td>
<td>3.1</td>
<td>1.7</td>
<td>4.5</td>
<td>2.9</td>
</tr>
<tr>
<td>Public administration</td>
<td>1.8</td>
<td>3.8</td>
<td>1.4</td>
<td>2.6</td>
</tr>
<tr>
<td>Entertainment and recreation</td>
<td>1.6</td>
<td>2.5</td>
<td>1.7</td>
<td>1.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of occupation</th>
<th>Taiwan</th>
<th>Hong Kong</th>
<th>China</th>
<th>Indochina</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager and professional</td>
<td>41.4</td>
<td>36.5</td>
<td>29.6</td>
<td>11.1</td>
</tr>
<tr>
<td>Administrative support</td>
<td>17.6</td>
<td>21.4</td>
<td>14.4</td>
<td>23.7</td>
</tr>
<tr>
<td>Sales occupations</td>
<td>22.2</td>
<td>13.2</td>
<td>15.0</td>
<td>16.5</td>
</tr>
<tr>
<td>Service occupations</td>
<td>7.0</td>
<td>9.4</td>
<td>14.2</td>
<td>11.6</td>
</tr>
<tr>
<td>Precision, production, craft and repair</td>
<td>3.1</td>
<td>3.8</td>
<td>8.8</td>
<td>14.2</td>
</tr>
<tr>
<td>Operator and labourer</td>
<td>2.7</td>
<td>2.7</td>
<td>10.3</td>
<td>13.7</td>
</tr>
<tr>
<td>Technician and support</td>
<td>4.2</td>
<td>11.3</td>
<td>4.6</td>
<td>3.7</td>
</tr>
<tr>
<td>Transport and material moving</td>
<td>1.5</td>
<td>1.6</td>
<td>2.7</td>
<td>5.1</td>
</tr>
<tr>
<td>Farming, forestry and fishing</td>
<td>0.4</td>
<td>0.2</td>
<td>0.4</td>
<td>0.4</td>
</tr>
</tbody>
</table>

*Source:* US Bureau of Census 1990 Public Use Microdata Samples (5 per cent).

*Note:* Percentages may not add to 100 due to rounding.

---

\(^3\) The table has abbreviated professional and related services to FIRE, which includes finance, industry, and real estate.
The chart below shows that among the 393,000 Chinese-born male workers age 16 and older employed in the U.S. civilian labor force, 19.7 percent reported working in services sector, 7.4 percent in construction, extraction, and transportation, and 8.1 percent in manufacturing, installation and repair. The percentage of Chinese foreign-born males was higher than all foreign-born males at 16.9.

Figure 4. Occupations of Employed Workers in the Civilian Labor Force Age 16 and Older by Gender and Origin, 2006

<table>
<thead>
<tr>
<th>Persons age 16 and older employed in the civilian labor force</th>
<th>Chinese foreign-born</th>
<th>All foreign-born</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chinese foreign-born</td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Persons age 16 and older employed in the civilian labor force</td>
<td>393,223</td>
<td>343,739</td>
</tr>
</tbody>
</table>

Total percent | 100 | 100 | 100 | 100
Management, business, finance | 14.2 | 15.4 | 10.2 | 9.8
Information technology | 10.9 | 7.7 | 3.9 | 1.9
Other sciences and engineering | 14 | 9.6 | 4.1 | 2.3
Social services and legal | 0.5 | 0.8 | 1 | 1.9
Education/training and media/entertainment | 8.6 | 9.2 | 3.3 | 6.9
Physicians | 1.9 | 1.4 | 1.3 | 1
Registered nurses | 0.1 | 1.4 | 0.3 | 3.3
Other health-care practitioners | 0.9 | 1.6 | 0.9 | 3
Health-care support | 0.3 | 2.8 | 0.6 | 5.2
Services | 19.7 | 19.5 | 16.9 | 25
Sales | 7.8 | 9.5 | 7.8 | 10.9
Administrative support | 5.5 | 11.4 | 5.5 | 15.1

Source: 2006 American Community Survey as cited by the Migration Information Source. (http://www.migrationinformation.org/usfocus/display.cfm?id=685#9)
The first table of occupations of Chinese immigrants in 1990 provides interesting insight into the division of labor among ethnic Chinese immigrants in Los Angeles. At 19 percent, immigrants from Taiwan hold the highest percentage of workers in the professional and services industry, as well as the highest percentage of workers in the managerial and professional occupations at 42 percent. Business and sales seems to be a close second with 17 percent of Taiwanese immigrants involved in retail trade. A sizable portion of Taiwanese immigrants are in occupations of sales and administrative support. Immigrants from Hong Kong seem to show similar statistics; however, there is a sizable portion of Hong Kong immigrants in technician and support occupations, the most of all of the ethnic Chinese immigrants.

The ethnic Chinese immigrants from Mainland China are more similar to those from Indochina in terms of occupation. Higher percentages of Mainland Chinese and Indochinese are involved in the retail trade and manufacturing industry. Mainland Chinese lag behind in the professional roles at 15 percent, and Indochinese even more at nine percent. It is interesting to note that Mainland Chinese and Indochinese, compared to those from Hong Kong and Taiwan, have much larger numbers of workers in operator and laborer and precision, production, craft and repair occupations. An analysis of the 1990 data shows that Mainland Chinese and Indochinese have higher percentages of workers in unskilled jobs in comparison to immigrants from Hong Kong and Taiwan.
It is useful to compare the information on occupations of Chinese Angelinos, or Chinese inhabitants of Los Angeles, in 1990 to that of the overall Chinese population in the United States in 2006. Although these data have somewhat different categories, there is some overlap between the occupations, namely management, services, sales, administrative support, and farming, fishery, and forestry. By adding the percentage of male and female Chinese foreign-born workers, the chart shows that the division of labor seems to have remained fairly close to the information provided in 1990. Though it is not ideal to compare data between Chinese in Los Angeles and Chinese in the United States overall, the data gives us some idea of changing trends in occupation as a whole. There is one very notable change in trends, and that is the discrepancy of Chinese working in the services occupations from 14 percent in 1990 to around 41 percent of in 2006. It is difficult to say what has caused the increase of Chinese workers in service occupations. The jump in the service sector may be attributed to increased vocational training programs, better English language skills, or because the need for manual labor in the service sector is growing larger than the need for manual labor in previously popular sectors, such as manufacturing.

Community Organizations

Prior to the equalization of immigration quotas for Chinese immigrants, voluntary organizations filled the vacuum created by host society exclusion. These kind of organizations helped Chinese migrants create a self-contained Chinese community to function independently within their own community (Yen 1986), without having to interact much with other ethnics.
After the liberalization of immigration policies in the late 1960s, new types of Chinese ethnic organizations emerged that served different roles for the immigrant community. Run by socially assimilated immigrants and their children, these new ethnic organizations provide not only instrumental support for immigrant adaptation but also important sites for reestablishing ethnic networks. The socioeconomic backgrounds of Chinese immigrants are diverse and imply different patterns of economic and political incorporation.

Voluntary organizations serve two main demographics in different ways. Affluent and highly skilled immigrants tend to bypass Chinatown to integrate directly into the American middle class, whereas the poor and less skilled continue to rely on the ethnic community for social and material support and remain mostly separated from the larger society (Zhou and Kim 2003). As such, current associations within the ethnic community cater primarily to the increasing number of guest workers and illegal immigrants. Networks like these help recent Chinese immigrants develop a social network instrumental to adjustment in America, especially given existing language and cultural barriers. These types of organizations can be described as cultural brokers between Chinese and other ethnic groups in the state.

Leaders of new social service organizations are more concerned with interethnic relations, citizen and immigrant rights, equality and the general well-being of the community. Most visible of these ethnic organizations are the social services organizations in Chinatowns and Chinese ethnoburbs\(^5\) (Min and Kim n.d.). These non-

\(^5\) The *ethnoburb* is a conceptual model of a new ethnic settlement. It describes an ethnic suburb.
profit organizations, run by educated immigrants or the children of immigrants, provide services such as English classes, job training centers, health clinics, welfare and housing agencies, legal services, employment referral services, community cultural centers, history projects, daycare and family counseling, and youth programs (Min and Kim n.d.).

Other new ethnic organizations are churches and temples that have sprung up in Chinatowns and ethnoburbs, ranging from Buddhist and Taoist to Protestant and Catholic. The ethnic religious organizations are generally well connected to the ethnic community’s various economic structures, providing an important physical space where immigrants meet and rebuild social relations as well as find meaning and identity for their struggle and migration experiences (Yang 1999).

The guanxi relationship networks that are established within these voluntary associations, religious or secular, are also important to help Chinese in overseas communities to further their own social, economic, and political interests. They also help to provide immigrants with a sense of Chinese cohesiveness and social identity. For newer immigrants, these voluntary organizations provide a gateway into an existing network that may help them adapt to a new social and political environment.

In recent years, Chinese voluntary organizations have also led to the heightened visibility of Chinese women, who are beginning to hold more leadership positions within these organizations. This may be because of an increase in access to education and a culture more conducive to sexual equality. Voluntary organizations not only provide a network for recent immigrants, they have also changed the female immigrant experience.

The United States has generally become more accepting of Chinese immigrants with the lifting of legal exclusion and a large receiving Chinese ethnic community. These
changes have actually given rise to more, not fewer ethnic organizations (E. Kuah 2006). This seems counterintuitive to the idea that ethnic communities will drop all cultural baggage during assimilation. What we see instead is a trend towards ethnic involvement, especially for those already assimilated. Second generation and new immigrants who are highly educated and socially mobile upon arrival may return to the ethnic community. Networks created by ethnic organizations affect identity and assimilation. Voluntary organizations focused on offering social services can influence the mobility and identity of Chinese immigrants and their offspring.

_Relevant Institutions and the Nature of Interaction_

There is a number of institutions to which immigrants may turn for support outside of their familial networks. Among the potential support systems are religious institutions, legal and social service organizations, language and education services, and independent employment agencies.

Religious and cultural institutions

Religious institutions are known to attract recent immigrants because of the community that they provide. Whereas religious institutions may be solely centers of worship in the home country, religious institutions serve a multifunctional purpose for immigrants in the United States (C. Chen 2008). With the increase of services offered in multiple languages, religious institutions may also provide recent immigrants with ethnic fellowship. The wide array of formal and informal social services offered by the community help facilitate the material, social and psychological adjustment of their members to American society. For example, immigrant religious institutions may offer
English classes and information on citizenship or taxes, employment, and similar services. Informal networks established at worship may also link immigrants to social and health services and job opportunities. These networks also help mentor recent immigrants in navigating American life, as more established immigrants in the congregation can inform newer immigrants about local practical knowledge, such as where to buy a phone card, how to enroll children in school or how to register a car.

Religion also seems to be used as vehicle for assimilation in other ways. Chen notes: “‘Was immigrating to the United States worth it?’ I ask Mr. Hou… ‘Life is harder for me here,’ he answers. ‘I would be better off in Taiwan I think. But here I found God (C. Chen 2008).’” Interviews at three major religious institutions in the San Gabriel Valley offer further insight into the services garnered by Chinese immigrants at these facilities.

*Hsi Lai Temple.* Hsi Lai Temple is a Buddhist temple located in Hacienda Heights of the San Gabriel Valley in Los Angeles County. One of the largest of its kind in the North American continent, Hsi Lai regularly offers some community programs. Every Sunday, members of the community may come to Hsi Lai for the chanting service, for the children’s Sunday school, or for the boy scouts, girl scouts, and cub scouts classes. The study of Buddhism is conducted via weekly lectures and special workshops in Chinese, English, and Cantonese and occasionally instructional classes on language, culture, and arts and crafts. Every month, members may choose to partake in a particular community service project. On occasion, the temple offers services to the immigrant community like free tax filing services. However, immigrant support services do not seem to be regularly offered by Hsi Lai.
**Chinese Evangelical Free Church (CEFC).** The Chinese Evangelical Free Church is located in Monterey Park, also a part of the San Gabriel Valley in Los Angeles County. Members of the church hail from various parts of Mainland China, Macau, and Taiwan and speak Mandarin, Cantonese, and English. Aside from regular religious sermons (now offered online), fellowship meetings, and Sunday services, the church offers some services to the community. The Graceland Christian Daycare Center, based in the CEFC, accepts children 2-6 years old for a fee. Every Saturday, CEFC also offers Chinese language classes and youth karate classes. The church focuses on outreach to downtown Los Angeles’ skid row, a district that has one of the largest stable populations of homeless persons in the United States\(^\text{6}\) (Fuder 2001). Like Hsi Lai, CEFC does not seem to regularly offer immigrant support services.

On the other hand, community, and integration into the church community, seems to be much more emphasized than at the temple. Unlike Hsi Lai, the Chinese Evangelical Free Church encourages new visitors and members to stop by the welcome table. There visitors can meet people, get information about the church, and ask questions. Prospective members are asked to fill out an information card, including contact information, so that a member of the church may follow up with them after. CEFC’s website also emphasizes the strength of the church community:

> A church is not an event or a building, but the people. Getting to know others in the church is the only way to fully experience a church. Some ways to do that are to say ‘hello’ to the people at the Welcome table by the sanctuary entrance. Or just introduce yourself to one of the pastors. Church members love one another and spend time catching up with one another on the patio after the service. Oftentimes, people go to lunch

\(^\text{6}\) Probably not with the intent of serving the Asian homeless population, but the aggregate homeless population instead.
together. Don't be alarmed if you get invited to lunch at a local restaurant by a group of friends. Being part of a church is to be part of a community. More structured fellowship groups or classes are also a great way to get involved, grow and serve in the community (Chinese Evangelical Free Church 2013).

Evangelical Formosan Church (Cerritos). The Evangelical Formosan Church forms a chain of Taiwanese churches in California. The research for this thesis looked specifically at the Evangelical Formosan Church of Cerritos (EFCC) located in Buena Park, Orange County, California. An interview with Pastor Chen of the EFCC revealed that the congregants of the EFCC are typically Taiwanese, though there are some immigrants from Mainland China who were described as “self-sufficient.” Aside from regular Sunday services, EFCC does not provide services beyond the church’s religious functions. Pastor Chen specifically mentioned that the church does not assist with job training, buying a first house, or financial support. Chen described the supportive role of the church for recent immigrants more as psychological or social support, though he noted the congregation’s willingness to help a member in need, through whatever means available. In the rare case that an immigrant of the EFCC requires additional support services, Pastor Chen said he would be more than happy to refer him or her to a social-service organization. Although it is impossible to determine income levels, the perception is that the Formosan church, particularly in Cerritos of Orange County, has wealthier, better-established congregants who do not require such assimilation-support services. There is also an assumption that ample resources are available elsewhere.
One cannot say that Asian American churches are more forthcoming than Buddhist temples. Though these religious institutions aim to integrate people into the religious community at large, they do not seem to offer a wide range of immigrant support services that would help integrate new immigrants into the greater community. When asked about services provided to recent immigrant, an usher at Chinese Evangelical Free Church stated that the church community usually tries to help by referring immigrants to the appropriate services. An informal interview with a volunteer at Hsi Lai Temple provided more insight as to why these religious institutions, although committed to serving the community, do not have specific services committed to integrating recent immigrants into the community. The volunteer articulated that the temple does not provide these services; not because the leaders are unwilling, but because these are professional services that they may not be equipped to offer. Though staff may get paid, non-profit religious institutions like Hsi Lai and CEFC generally rely on the work of volunteers, and unless volunteers want to offer their professional services, it is difficult to fill in this role. Additionally, if the temple [or other religious institution] were to offer such professional services, there is a certain degree of accountability for which they should be responsible.

Legal and social services

Aside from religious institutions, there are several non-profit groups that focus on providing social support services as well as protecting civil rights for immigrants. Though there are a few notable national coalitions dedicated to improving the lives of
Chinese ethnic Americans\textsuperscript{7}, most associations tend to be more regionally focused. A few of the most prominent Los Angeles-based organizations include:

*Chinese Service Center of Los Angeles (CSCLA).* The Chinese Service Center of Los Angeles is a public nonprofit institution. According to workers interviewed at the organization, their constituency is composed largely of recent immigrants, most of whom are female. Beneficiaries are typically low income though workers at the organization could not (or chose not) to disclose an exact percentage. The website, on the other hand, claims to serve 25,000 unduplicated individuals and 80 percent are of the low to moderate-income range. They are fairly popular with the pan-Asian ethnic community. Most of their publicity comes from word of mouth. CSCLA requests minimal registration information, like name and birthplace, in exchange for the free services offered. Services include the small business program, affordable housing program, tax assistance, social services, work source department, youth department, and childcare. CSCLA receives public funding from the federal government, the state of California, Los Angeles County, and Los Angeles City, as well as sponsorship from corporate and private donors such as United Way and the Asian Pacific community fund.

*Asian Pacific American Legal Center (APALC).* The Asian Pacific American Legal Center (APALC) is based in Los Angeles but focuses on empowering Asian American, Native Hawaiian and Pacific Islander communities in all of California. Not only does APALC defend civil rights of the AAPI community through litigation and policy advocacy, it also provides direct services and legal information on a variety of

\textsuperscript{7} This refers to all who are from Mainland China, Taiwan, Hong Kong, and South East Asia (where the latter identify as “Chinese”).
subjects including citizenship, domestic violence and family law, housing, health access, voting rights, and immigrant rights. Their work includes demographic research and community engagement, with litigation cases that have challenged unconstitutional laws, consumer fraud, low-wage worker exploitation and sweatshops, and racism and national discrimination. The Asian Language Legal Intake Project provides toll-free hotlines on legal advice in Cambodian (Khmer), Chinese (Mandarin and Cantonese), Korean, Thai, and Vietnamese, though the staff also provides help in English, Tagalog, and other languages. APALC is one of the few legal organizations in Los Angeles County that maintains such a wide variety of language capacity, and is an important resource to limited English proficient speakers who are in need of legal assistance. APALC is run by staff and volunteers and relies on the financial support of individuals.

Language and education

More specific educational support services are provided for immigrants through adult schools. One particularly popular adult school located in Chinatown is Evans Community Adult School, which is run by the Los Angeles Unified School District. Registration is a fee of $2, to be completed prior to the start of each semester, along with a $6 student I.D., which can be used throughout the same academic year. Classes are free, however, certain specialized classes have additional fees. The following programs are offered: Adult Basic Education, Career Technical Education, Community Based English Tutoring, Distance Learning, English as a Second Language, High School Diploma, IEP (Intensive English Program), Program for Older Adults, U.S. Citizenship, and Individualized Instruction Lab. Most programs are free, but certain labs require a $10
class material fee per course and the IEP costs $70-$100. Some educational support is offered like babysitting and career counseling, but it is difficult to determine the quality of these services. Evans is known to be understaffed and registration can be difficult.

* Literacy for All of Monterey Park (LAMP). Not to be confused with Lamp Community, a Los Angeles-based nonprofit organization focused on homelessness in Skid Row, LAMP is a distinctive program offered by the city of Monterey Park, giving priority to citizens of Monterey Park. LAMP is based out of the Bruggemeyer Public Library of Monterey Park and offers 1-1 tutoring programs (a state library program) for second language learners of all races (and exists at other libraries) as well as a citizenship class that has a 98 percent success rate. All teachers are volunteers and the program is funded through grants, donations, and other fundraising initiatives such as the annual Walk-for-Literacy walkathon fundraiser. Students pay $20 material fee at registration for the semester. APALC provides a lot of insight on legal issues. LAMP will also promote other citizenship workshops and offers to help fill out the immigration application for citizenship for free. According to Norma Arvizu, the director in 2013, people travel from as far as Ventura County, Arizona and Las Vegas to participate in the program because of its renowned success. Partnerships with local colleges and universities help the tutoring program greatly.

Employment (social contacts and referral agencies)

While the national percentage of family-based visas for Asian countries is 86 percent, it is difficult to determine the percentage of immigrants to Los Angeles who arrived on family-sponsored visas. The number of family-sponsored immigrants in Los
Angeles city might be even more difficult to gauge, considering that immigrants might come in with family sponsorship but choose not live in the same city. For an immigrant who cannot to utilize his or her social network to find employment or support for other services, independent for-profit agencies list information in local advertisements. Employment agencies in Los Angeles typically charge the job-seeker a broker fee of $30 to match the job-seeker up with a job. Jobs are not necessarily contained to the Los Angeles area.

Coordination efforts

Organizations and services may be linked through informal referrals and word-of-mouth, but better efforts to coordinate services and resources would be beneficial for the recent Chinese immigrant society. As a whole, these particular institutions are generally run independently of each other, without redundancy, and with the potential for cross-referral. Different areas of immigrant needs naturally fall under the jurisdiction of various types of organizations, like legal services under APALC or information on government support services like affordable housing with CSCLA. However, many more organizations exist that perform the same scope of functions. With better information sharing, these organizations can prevent overlap in services offered, and can also create a referral network that directs immigrants to the proper organization for their needs.

Coordination obstacles faced by these organizations include lack of accurate publicity and lack of resources. While there is an abundance of social service organizations, people seeking help rely on word of mouth to help determine the quality of services provided. With a heavy reliance on information spread by word of mouth,
immigrants seeking social services may be misinformed about services provided, or overlook the services entirely. Alternatively, informal referrals may sometimes lead to the overwork of organizations beyond their capacity, especially when large groups of people are all referred to one organization. Subethnic categories do not affect the constituents of these services as all of these organizations have nondiscriminatory policies. However, given that ethnic news publications are targeted at different demographics, subethnic categories may have different information pathways that lead them to different social service organizations.

Another way that these organizations could become better coordinated is through joint fundraising and event coordination. Some programs, such as APALC, have already begun to do this by working in tandem with LAMP to fundraise and promote events for the community. In this way, participants involved in the LAMP program become familiar with and benefit from the services provided by APALC. Due to the conflict of interest among agencies, particularly regarding a difference in goals and target clients, the major obstacle in interethnic organization coordination is implementing these networks. Once implemented though, greater coordination efforts could more effectively address the needs of recent Chinese immigrants.

*Savings and Entrepreneurship*

Chinese immigrants are well known for their entrepreneurial ventures into the restaurant business. Small businesses need to be financed by start-up capital. Typical finance patterns of small business formation come from family wealth (equity) and financial institution loans (debt). Rotating credit associations (RCAs), where supportive
peer and community subgroups pool money together in the form of loans, are another method of financing start-up capital. A study by Timothy Bates used data from the U.S. Bureau of the Census to analyze sources and amounts of start-up capital that financed small business creation for immigrant Koreans and Chinese.

High levels of start-up capital typify Korean or Chinese immigrant-owned firms, reflecting their heavy reliance upon equity capital to finance small business creation. If no loan funds were impending from friends, rotating credit associations, associates, family, and other secondary debt sources, the average Chinese start-up still possessed substantially more financial capital than its nonminority cohort.

The number of Asian-owned small businesses operating in the United States has grown spectacularly in recent years. This growth has been largely immigrant-driven (Bates 1994). Conventional wisdom suggests that immigrant Asian entrepreneurs residing in the United States benefit from their high propensity to help each other. In addition, the social histories of early Chinese and Japanese immigrants residing on the West Coast indicate that their poverty, combined with discrimination in the labor market, often drove them to self-employment.

Findings of this study reveal that since 1979, Korean or Chinese immigrant-owned firms began operations with an average initial capitalization of $57,191; nonminority start-ups began with $31,939, and cohort firms created by nonimmigrant Asian Americans started with $43,186. The mean Korean/Chinese firm began with a

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financial investment that was 79.1 percent higher than nonminority start-ups, and 55.5 percent higher than Asian nonimmigrant-owned new firms (Bates 1997).

Ivan Light (as cited in Bates 1997) and others suggest that the economic attainment of Asian immigrants residing in the United States is linked to the structure of their communities. The rotating credit associations typify the process where supportive peer and community subgroups assist in the creation and operation of firms by providing loan funds. But one problem with the rotating credit associations as an example of social resources is that there is little concrete evidence that they are a major force in financing Asian-owned businesses.

Despite their higher human and financial capital investments and their longer hours worked in the small business, Korean or Chinese immigrant-owned firms are less profitable than cohort firms. (See figure 5).

| Figure 5. Traits of Selected Groups of Asian and Nonminrity-Owned Young Firms That Were Operating in 1987 (firms started since 1979 only) |
|---|---|---|
| | Immigrant | Nonimmigrant | Nonminority |
| | Korean/Chinese | Asian American | |
| 1. Business traits | | | |
| 1987 gross sales (mean) | $127,188 | $119,678 | $154,274 |
| # employees (mean) | 1.5 | 0.9 | 1.5 |
| Financial capitala (mean) | $57,191 | $43,186 | $31,939 |
| Equity capitala (mean) | $31,472 | $22,932 | $14,195 |
| Debt capitala (mean) | $25,719 | $20,254 | $17,744 |
| % of firms still operating, 1991 | 81.9% | 80.5% | 76.9% |
| 2. Owner traits | | | |
| % college graduates | 53.2% | 46.4% | 37.7% |
| % with fewer than 4 years of high school | 13.2% | 10.0% | 10.4% |
| Annual owner labor input hours (mean) | 2,210 | 1,906 | 1,960 |
| All firms (mean) | $15,740 | $17,789 | $15,838 |
| Owners working full-time in the business only (mean) | $18,308 | $23,214 | $21,611 |

Source: Characteristics of Business Owners database.

* Invested in the firm at the point of entry.
The table below shows that family borrowing is actually more frequent than bank borrowing, even though the latter source provides the most loan dollars overall (reflecting larger loan sizes). Overall, immigrant Korean or Chinese start-ups exhibit a distinctive borrowing pattern. (See figure 6)

<table>
<thead>
<tr>
<th>Figure 6. Debt Sources Used by Borrowing Firms (firms started in 1979–1987)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immigrant Korean/Chinese</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>1. Major debt sources—% borrowing from</td>
</tr>
<tr>
<td>Family</td>
</tr>
<tr>
<td>Friends</td>
</tr>
<tr>
<td>Financial institution</td>
</tr>
<tr>
<td>Former owner</td>
</tr>
<tr>
<td>2. Loan size by source (mean)</td>
</tr>
<tr>
<td>Family</td>
</tr>
<tr>
<td>Friends</td>
</tr>
<tr>
<td>Financial institution</td>
</tr>
<tr>
<td>Former owner</td>
</tr>
<tr>
<td>3. Leverage: (total debt for all borrowers divided by total equity for all borrowers)</td>
</tr>
<tr>
<td>Family</td>
</tr>
<tr>
<td>Friends</td>
</tr>
<tr>
<td>Financial institution</td>
</tr>
<tr>
<td>Former owner</td>
</tr>
</tbody>
</table>

Source: Characteristics of Business owners database.

The lower loan sizes of Korean or Chinese immigrant borrowers are caused, in part, by their heavier reliance on family and friends as loan sources (again, figure 6). Size of start-up capitalization has been linked positively to subsequent firm size, profitability, and survival prospects. This pattern is consistent with observations that Korean-owned firms in Chicago using nontraditional types of credit were smaller-scale, less profitable, more failure-prone operations (Bates 1997).

Other evidence of the vulnerability of immigrant firms that rely on loans from family and friends are the small business start-ups owned by Vietnamese immigrants,
whether or not of Chinese origin. Small business start-ups owned by Vietnamese immigrants rely more heavily upon loans from family and friends than any other major Asian group, but the Vietnamese nationwide also run the smallest firms, earn the lowest returns from self-employment, and suffer the highest discontinuance rates, relative to their Asian cohorts.

The immigrant Korean and Chinese small business start-ups examined in the study Financing Small Business Creation generated lower sales and profits than cohort nonminority-owned small businesses, despite their larger investments of human and financial capital. Proliferation of such marginally profitable firms appears to be an outcome of Korean or Chinese utilization of nontraditional sources of start-up capital.

Choosing an Industry

Looking at the restaurant industry is one window into the broader immigrant problem, though apparel and construction may also offer insight. These three industries have informal sectors that employ workers without requiring legal status or a social security number. However, workers in these informal sectors are prone to exploitation for fear of deportation or losing their jobs. Wages, working hours, fringe benefits, health and safety, antidiscrimination, and the right to organize are not regulated and vary greatly by employer.

In the garment industry, immigrant workers are typically employed to sew, assemble, press, or pack apparel. Garment production is decentralized—a large manufacturing company usually employs various subcontractors to prepare or produce those goods. Subcontractors who arrange the actual labor are responsible for paying and
supervising workers, but may go outside the scope of retailer-manufacturer agreements regarding overtime, workplace safety, discrimination and harassment, and the right to organize and bargain collectively. This structure creates an unregulated work environment that allows exploitation of employees by their subcontracting supervisors or employers. Workers may be asked to work 10-12 hour days, six to seven days per week with little or no break time. In extreme cases, workers are given two 15-minute bathroom breaks during their shift, but required to walk over half a city block to get to the bathroom (Polaris Project 2013). Workers are sometimes given the option to manufacture garments at home, but the requirements for production are often much higher than they would be in the factory. Workers typically receive no fringe benefits.

Construction is a sector with relatively high injury and fatality levels, a claim supported by anecdotal evidence. In New York City, for example, 21 of 29 fatal construction accidents during a recent 12-month period involved workers who were immigrants or had limited English proficiency (Chan 2006). Following Hurricane Katrina in New Orleans, studies of immigrants doing reconstruction work suggest that large numbers of both documented and undocumented foreign-born workers were exposed to dangerous substances and conditions (Fletcher, et al. 2006).

Entering the restaurant industry

There are several industries that unskilled Chinese immigrant workers typically choose to enter. These include construction, apparel, and restaurants. Since

9 For a more thorough understanding of the dangers immigrant workers face, please see Pia M. Orrenius and Madeline Zavodny, "Do Immigrants Work in Riskier Jobs?," Demography (PubMed Central) 46, no. 3 (August 2009): 535-551.
undocumented immigrants tend to be risk averse and rely on networks like family for survival, it seems the most logical to enter into the restaurant business.

Chinese immigrant workers who enter the restaurant industry enjoy certain advantages. English is not a prerequisite. Chinese restaurants, especially in ethnic enclaves, provide a familiar social environment. Entrepreneurial families who run their own restaurant can employ other family members. Laborers may also be able to bring their children to work, though risk of injury is certainly high. The opportunities available to Chinese migrant workers in the ethnic enclaves of New York and Los Angeles may lead to success, but the cycle of poverty is also difficult to break.

Restaurant work is not easy and comes with several disadvantages. Chinese laborers are reported to work an average of six days a week with 12-14 hour shifts. Laborers, with little to no English skills, have few job opportunities to find work elsewhere. Lacking opportunities to practice English at work and even less time to learn after such time-intensive shifts, workers often find themselves trapped in ethnic enclave employment, with no fringe benefits and little upward mobility.

Difficult working conditions

Part of the reason why Chinese laborers, both legal and illegal, often receive such low compensation for their work is because of the Immigration Reform and Control Act (Wishnie 2007). Introduced in 1986, the IRCA proposed a stop to illegal immigration by discouraging employers from hiring undocumented workers through sanctions. To please potential opposition, it also included a quid pro quo provision that legalized 3 million undocumented workers already residing in the United States.
Though the immigration and naturalization services (INS) tried to enforce the act, politicians of both parties often intervened to defend local businesses. This created a culture of lax enforcement. This attitude was intensified after the Supreme Court case Hoffman Plastic Compounds, Inc vs. NLRB in 2002 when the Rehnquist court refused to grant an employee back pay denied to him during his employment because of his illegal status. The case set a precedent that rendered employers exempt from adhering to ordinary labor and employment liability laws for undocumented workers. Employers are no longer afraid to hire and subject undocumented workers to subpar labor standards. Without fear of serious repercussion, employers are now more willing to hire illegal immigrant workers, consequently increasing the “jobs magnet” to cross the border. But fierce job competition among all unskilled workers, willing to accept the terms of their workplace as long as they can get a job, gives employers free rein to impose the same standard on all unskilled workers—legal or not.

Chinese migrant workers in the restaurant industry have few resources at their disposal to improve their plight. Local Chinese newspapers hesitate providing coverage on such stories because they are largely funded by advertisements, paid for by employers. Faced with fierce job competition, unions are afraid to mobilize lest their members lose their jobs to other workers willing to cross the picket lines. Authorities largely choose not to intervene because the issue is too complex, and there are simply too many undocumented Chinese workers to deal with. Deportation of Asian workers is quite expensive, and so is the option of incarceration. Furthermore, labor organizations like the Chinese Staff and Workers Association in New York believe that media has glorified
Chinese restaurant working conditions by portraying Chinese workers as the “happy slave,” or a model minority that likes to work hard (Lam 2012).

There are arguments that strict border controls and difficulty of attaining legal paperwork (i.e. visas, green cards, etc.) transform undocumented workers who intend to return to their home countries into “permanent” though illegal residents, because they do not dare venture back to their home country in case they cannot come back to the United States (Portes and Rumbaut 2006). Peter Kwong of Hunter College adds that social estrangement may also influence the decision to stay in the United States, despite difficult conditions. Many Chinese believe they can lead a better life in America, that working hard may produce the American dream of success. Upon arrival to America, immigrants who find that life is less than ideal still may stay because of embarrassment. Chinese that return home less successful than when they left are seen as stupid or lazy (Kwong 2012).

Life for the Following Generations

Though life may be financially and socially difficult, Chinese workers may choose to stay and face the hardships of America, not only with the stigma of returning home but also with the hopes of improving the lives of the following generations. To overcome this difficult situation, along with other difficulties such as the language barrier, cultural unfamiliarity, and nontransferable educational credentials, a large portion of Chinese immigrants open small businesses in inner cities and work for long hours. In addition, most Chinese prefer to settle in ethnic enclaves where they enjoy their customs, and engage in ethnic-related jobs that normally do not require English.
However, social mobility in the ethnic enclaves may actually prove to be more difficult than anticipated. Some scholars\textsuperscript{10} argue that these enclaves provide the Chinese immigrants and their children with a social safety net for a gradual and successful acculturation. While enclaves may have initially provided a safe zone from external discrimination, the successful adaptation of the second-generation is also now influenced by geographic location and changes in the structure of U.S. labor markets.

Education and income

In 2006, 43.7 percent of the 1.2 million Chinese-born adults age 25 and older had a bachelor's or higher degree compared to 26.7 percent among the 30.9 million foreign-born adults. On the other end of the education continuum, about 25.6 percent of Chinese immigrants had no high school diploma or the equivalent general education diploma (GED), compared to 32.0 percent among all foreign-born adults (Migration Policy Institute 2008). In 2012, a survey of Asian adults show that the percentage of adults that had received a Bachelor’s degree or higher had risen, but still remained at only 47 percent (U.S. Census Bureau 2012).

As a whole, the Asian American and Pacific Islander poverty population is increasing. It is difficult to specify how much of this is specifically recent Chinese immigrants. The rate of Asian American poverty was 10.2 percent in 2007 (National Coalition for Asian Pacific American Community Development 2012). The Census Bureau reports that in 2010, 12.1 percent of the total Asian American population lived in poverty.

poverty compared to 9.9 percent of the non-Hispanic white population, 27.4 percent of African Americans and 26.6 percent of Hispanic Americans.

Asian American poverty appears to be increasingly home grown. The total population of Asian Americans is still primarily foreign born, as is the Asian American poverty population, American-born poverty is increasing at a faster rate. Asian Americans are more concentrated in large metropolitan areas than any other racial group. Asian Americans living in poverty are similarly concentrated. One third of all Asian Americans in poverty live in only three metropolitan areas: Los Angeles, New York, and San Francisco.

Settlement patterns

In Los Angeles, Asian American poverty is, unsurprisingly concentrated in generally poor or predominantly minority neighborhoods. The clusters of poverty are located in Central Los Angeles, the San Gabriel Valley, Long Beach, and Westminster/Garden Grove. Such patterns are consistent with patterns in other larger metropolitan areas, suggesting that lower income Asian Americans and Pacific Islanders in urban areas are more likely to reside in “communities of color,” such as lower income African Americans, Latinos or Asian American Pacific Islanders (AAPIs) of other nationalities. Hence, the interests and destinies of lower income AAPIs are closely tied to the policies and programs impacting other ‘minority’ communities (National Coalition for Asian Pacific American Community Development 2012)\(^\text{11}\).

\(^{11}\) This information is reflective of preliminary findings of a National CAPACD’s research project supported by the Ford Foundation and by researchers Paul Ong,
Correlation with crime

The physical settlement patterns of immigrants into large metropolitan cities may detract from the success of following generations by exposing immigrant youth to a particular segment of American society. The concentration of Chinese immigrant households in central cities like New York and Los Angeles is due in part to the networks available in already existing Chinese communities, but also to immigrant workers’ initial poverty. However, this also brings immigrant children into close contact with the urban underclass, who attend the same central city schools because of their socioeconomic class. Particularly in low-income areas, the urban underclass, suffering from poor infrastructure, a lack of educational facilities and a lack of financial resources, tend to have lower educational attainment and a much higher chance of repeating the cycle of poverty.

There is a perceived link between immigration and crime, particularly with ethnic minorities in major cities. The immigration processes of both the first- and second-generation immigrants should be examined together, because the immigration process of the first generation exacerbates the next generation’s group delinquency problem. While immigrant parents may see the difficult conditions of adaptation as the first steps for intergenerational mobility, the children may view poverty, rejection, and cultural misunderstandings a permanent feature of the lives of nonwhite marginalized minorities in American society.

Chhandara Pech, and Jonathan Ong of UCLA and Algernon Austin of the Economic Policy Institute.
Several other factors lead to the dissonance between immigrant parents and their children. While immigrant parents may typically have severe language problems, the second-generation does not. The second generation also tends to absorb American values and norms more quickly than their parents, leading to a high level of Americanization that causes a generational gap between parents. This generational gap escalates with lack of parental supervision due to long working hours, inevitable for many Chinese parents as immigrants who have to face economic concerns, including small businesses where both parents are working with a minimum number of employees to save labor expenses. Immigrant children who lack familial supervision and suffer from a generation gap born out of cultural conflict are more susceptible to joining gangs that replace their former familial support system (Choo 2007).

![Figure 7. Race/Ethnicity of U.S. Gang Members (Weighted for Number of Gang Members)](image)

Source: Office of Juvenile Justice and Delinquency Prevention, 1996
The 1996 National Youth Gang Survey, administered and analyzed by the Office of Juvenile Justice and Delinquency Prevention (Office of Juvenile Justice and Delinquency Prevention 1996), provides some information on the scope of Asian gangs. After controlling for the number of gang members reported in each jurisdiction, the 1996 National Youth Gang Survey revealed that Hispanics and African-Americans constituted the majority of gang members. The following aggregate percentages were reported nationally: Hispanic—44 percent, African-American—35 percent, Caucasian—14 percent, Asian—5 percent, and other—2 percent (see figure 7).
Higher average proportions of Asian gang members were reported in large cities (7 percent) and suburban counties (6 percent) than in small cities (3 percent) and rural counties (2 percent). A look at figure 9 will show that the highest average proportion of Asian gang members was reported in western large cities (11 percent). Additionally, figure 9 shows that there is a moderate degree of association between ethnic composition
and population size. The average proportion of Asian gang members, although comparatively low, was above the overall average in populations of 50,000-99,999 and 250,000 or more. Variations in race/ethnicity associated with population size were found to be statistically significant by the surveyors. One conclusion that the survey drew was that as population size increased, the average proportion of African-American, Hispanic, and Asian gang members increased and the average proportion of Caucasian gang members decreased. Chinese ethnic enclaves tend to be located in large metropolitan cities in the West, and these 2006 data show that this is also where the largest percentages of Asian gang members lie.

Types of gang activities differ for delinquent groups, particularly within generations within the gang. The younger generation’s motive is more about belonging, fun, or brotherhood, while the older generation’s is more about money-generating illegal businesses. When the members of the younger generation participate in the money-generating business, their roles are often limited to provide support. Nevertheless, the nature of the delinquent group or gang often creates a deviant environment and opportunities.
Figure 9. Race/Ethnicity of Gang Members, by Population Size and Region (Unweighted*)

<table>
<thead>
<tr>
<th>Race/Ethnicity, by Population Size</th>
<th>Overall Average</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Midwest</td>
</tr>
<tr>
<td>250,000 or more</td>
<td></td>
<td></td>
</tr>
<tr>
<td>African-American</td>
<td>37%</td>
<td>+</td>
</tr>
<tr>
<td>Hispanic</td>
<td>32</td>
<td>+</td>
</tr>
<tr>
<td>Caucasian</td>
<td>20</td>
<td>+</td>
</tr>
<tr>
<td>Asian</td>
<td>9</td>
<td>+</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>+</td>
</tr>
<tr>
<td>100,000–249,999</td>
<td></td>
<td>39%</td>
</tr>
<tr>
<td>African-American</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Hispanic</td>
<td>35</td>
<td></td>
</tr>
<tr>
<td>Caucasian</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Other</td>
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</tr>
<tr>
<td>50,000–99,999</td>
<td></td>
<td>40</td>
</tr>
<tr>
<td>African-American</td>
<td>29</td>
<td>13</td>
</tr>
<tr>
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<td>13</td>
</tr>
<tr>
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<td>41</td>
</tr>
<tr>
<td>Asian</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>25,000–49,999</td>
<td></td>
<td>38</td>
</tr>
<tr>
<td>African-American</td>
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<td>18</td>
</tr>
<tr>
<td>Hispanic</td>
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<td>18</td>
</tr>
<tr>
<td>Caucasian</td>
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<td>37</td>
</tr>
<tr>
<td>Asian</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>10,000–24,999</td>
<td></td>
<td>22</td>
</tr>
<tr>
<td>African-American</td>
<td>34</td>
<td>18</td>
</tr>
<tr>
<td>Hispanic</td>
<td>21</td>
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</tr>
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<tr>
<td>Asian</td>
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<td>5</td>
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<tr>
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</tr>
<tr>
<td>1–9,999</td>
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<tr>
<td>African-American</td>
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<tr>
<td>Caucasian</td>
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<tr>
<td>Asian</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>11</td>
</tr>
</tbody>
</table>

Notes: The percentages within each population parameter may not equal 100 percent due to rounding. Overall averages cannot be calculated using the averages presented for each region. The number of observations is different for each region.

* The averages reported in this table do not account for the number of gang members reported in each jurisdiction.
+ Fewer than 20 observations were available for estimation.

Source: Office of Juvenile Justice and Delinquency Prevention, 1996
Social mobility

Along with geographic location and social involvement, the success of subsequent generations of Chinese immigrant workers is influenced by changes in the American labor market. Immigrant workers today support what remains of labor-intensive manufacturing in cities as well as in the personal services sector, but these niches seldom offer channels for upward mobility, the restaurant industry included. Rapid deindustrialization of the U.S. market has eroded pathways for intergenerational mobility within labor. Before the deindustrialization of America, well-paid manufacturing jobs allowed many immigrants to achieve the American dream, by providing a path to upward mobility. Today, immigrants migrate with their American dreams to metropolitan areas in the United States, but the U.S. economy in the era of global economic restructuring generates almost no meaningful jobs for these new immigrants.

On the other hand, the socioeconomic performance of the children of immigrants far surpasses that of their parents on average. A study by George J. Borjas, influential economics professor at Harvard, shows that there is significant economic “catching up” between first and second generations, with the relative wage of the second generation being, on average, about 5 to 10 percent higher than that of the first generation. There are two significant factors that contribute to this economic improvement. First, the typical immigrant worker in the United States suffers a sizable earnings disadvantage (relative to native-born workers) upon arrival, and it is unlikely that this disadvantage disappears during the immigrant’s working life. Second, the relation between the earnings of parents and children is driven by a phenomenon that pulls the earnings for children of immigrant parents that start near the lower end of the economic bracket closer to the mean,
eventually pulling them up past their parents. However, this phenomenon works both ways. It pulls the economic status of the children in outlying groups, both above and below average status, towards the mean of the population, regardless of where the parents started out. (Borjas, 2006)

One explanation of the wage superiority of the second generation is that the children of immigrants are “hungry” and have the drive and ambition that ensures economic success in the U.S. labor market—and that this hunger is lost once the immigrant household becomes fully Americanized by the third generation. The historical pattern shows that the children of even relatively low skill level immigrants will outperform not only their parents but the rest of the workforce as well in only a few decades.

It should be noted that the success of immigrant children is highly influenced by their environment. A highly advantaged environment where most parents are college graduates imbues the children who grow up in that environment with valuable characteristics that enhance the children’s socioeconomic achievement later in life. In contrast, disadvantaged environments—where most parents may be high school dropouts or welfare recipients—imbue the children raised in those environments with characteristics that may deter future socioeconomic achievement. Because ethnic enclaves such as Chinatown tend to cluster workers with relatively similar socioeconomic characteristics into a very compact geographical area, the children of immigrant children in large metropolitan areas may be at a higher risk of unsuccessful adaptation, affiliation with delinquent groups, and repeating the cycle of poverty.
To avoid confinement in unskilled jobs, second-generation youth must venture on an entrepreneurial quest or acquire the educational credentials required for better-paid employment in a few years’ time. Without a degree or some other avenue for upward mobility, immigrant children run the risk of being trapped into the same low-paid occupations held by their parents.
Chapter 5: But The Interviews Show…

The background research for this senior thesis identified certain trends and made several presumptions on how low-income Chinese immigrants find jobs, how they choose an industry, and why they choose to stay in America. However, findings from thirteen first-person interviews in Los Angeles County show some different trends from those found in the literature.

First, in terms of the ways that Chinese immigrants find jobs, prior to the interviews, the research showed trends that voluntary organizations, such as social service organizations or community organizations, played a large role in creating a network for Chinese immigrants. In fact, this proved not to be the case for most of this study’s interviewees. Out of 13 interviewees, only one male interviewee mentioned any involvement with a voluntary organization—the Christian church. As a Cambodian Chinese refugee, he was sponsored by a church and became involved in the network, though he attributes his ability to find work more to his personal networking skills than to the Christian network.

If immigrants choose to turn into their social network, language, not ethnicity, is the most salient identity marker in determining insider status. In some ways, language is a type of ethnic marker because it signifies geographic as well as cultural origins. Most importantly, language ensures a mode of communication—most necessary in building and maintaining a relationship, especially between an employer and employee. While these social networks were sometimes useful in finding a job, workers did not necessarily rely on their existing relationships for employment.
Instead, what the interviews showed was that the majority of these immigrants turned to advertisements, both online and print, for help with the job search. Some responded to ads directly; others turned to private employment agencies that had posted ads to help them find work. Workers looking for employment simply visit or call these agencies, answer a few questions such as when they can start, how much they are looking to get paid, and whether or not they file taxes. By asking whether or not immigrants file taxes, agencies are able to assume an immigrant’s legal status. The only significance an immigrant’s legal status holds to the employer is in determining the rate at which he or she should be paid. The agency will match workers up with an employer for a nominal fee, usually around $30. Sometimes the agency will also arrange for transportation to the new city of work. It is not uncommon for Chinese workers to travel to a city on arranged transportation knowing only the area code and nothing else about where they are.

Second, factors in choosing an industry seem to be different than discussed in the literature review. Though the restaurant industry seems to be more favorable than the manufacturing and apparel industry for various reasons, the main driver in one’s decision was immediacy of employment. Many workers had experience in several sectors. When asked the reasons for choosing the jobs they did, several said, “We go where the money goes.” Interestingly enough, job choices did seem to bifurcate by gender. None of the men had experience in the apparel industry; likewise, none of the women had experience in the construction industry. The restaurant industry, however, seemed to be gender neutral.

Furthermore, though the restaurant business seems to be a popular business venture because it requires little education and runs on cash—important for tax-reporting
purposes, or rather the avoidance of—one interviewee simply credited the popularity of restaurants to the fact that, “All Chinese people can cook.” It would also seem that some of the interviewees chose to invest in a restaurant because of previous pioneers and potentially the prestige of owning a business. At one point, one interviewee was making $20/hour but quit to work in his newly opened family restaurant. When asked why, he said, “It wasn’t about the money, it was about the family business.” Another interviewee explained, “Everyone has humble beginnings as immigrants; owning a restaurant shows you came from menial labor to power.” Though owning a restaurant might come with some small glory, it is no easy feat. A Vietnamese Chinese refugee owned a restaurant for five years, then sold it because “It’s such hard work, there’s no break time. You open seven days for business, work 365 days, there’s no life. You have to get up early to buy materials at 7, work until 9, open at 10, make sure inside is clean, open and busy until 2:30. Rest for an hour, have to cut meat, a lot of things to do until 6, people come until 9, then close, after close you still have to eat dinner, clean kitchen, go home 11, sleep at 12, repeat again.” Despite this, immigrants may still choose to go into the restaurant business because of recommendations of family or friends. One said of his friend’s cousins, “They might only be working in a restaurant because his cousin advised him to.”

Immigrants who start businesses are not necessarily drawn to the restaurant business. One woman from Shandong, who does not consider her English good, worked in a restaurant for five months before starting an immigrant employment agency. Her agency matches restaurants with workers. Similarly, another woman has also opened a business catering to immigrants. Her business provides a different kind of service to recent immigrants. Instead of helping them find jobs, she helps them with everyday tasks,
like opening bank accounts or navigating the airport. In the giant Chinese enclave of Los Angeles County, new opportunities are opening that cater to recent immigrants’ other needs, not just their culinary nostalgia.

While background research had previously attributed children and the benefit to the second generation as a compelling reason to stay in the United States, none of the interviewees even mentioned their children, if they had any. Aside from the refugees who involuntarily immigrated to the United States, interviewees had several differing opinions on their life in America. Some, especially those who left their family behind, have plans to return to China as soon as they earn enough. Others enjoy America for different reasons and plan to stay. One man who has worked only in restaurants and construction, “wanted to come to a free country.” He does not think he earns enough but also joked, “But money is never enough.” Likewise, one woman “believes America is heaven, so much freedom.” Several respondents cited food, air quality, and freedom of action (whether that is buying a house or moving to another city) as reasons they would choose not to go back to China. “If people want freedom, come to America. If they don’t, stay in China.” But that also comes with the warning that people who do not speak English will not be able to do much but stay home, and in that case coming to America might not be worth moving so far for. Additionally, a few noted that living in America was harder than they had initially expected, particularly regarding the type of work they do. One man who immigrated to the United States in August 2012, says he hasn’t been here long enough to determine whether or not America is what he expected. But he also noted, “If you come it should be good—why would you come and say it’s bad?”
Chapter 6: Policy Changes and Recommendations

Congress has proposed changes in family sponsorship as well as a shift in acceptance of highly skilled immigrant workers. This chapter will examine the implications of such policies, introduce the Canadian model of immigration, and provide some recommendations on immigration reform for the United States.

Family Sponsorship

Since the lifting of immigration quotas in the 1960s, Borjas claims that most of the growth in immigration has been among people entering at the bottom 20 percent of the income scale. He says this is because the United States has been encouraging family reunification and discouraged the arrival of skilled immigrants (Borjas 1990). The ethnic makeup of immigration has also changed, with the percentage from Latin America and Asia rising.

According to the Migration Policy Institute, 65 percent of legal immigrants are admitted for family reasons, 14 percent for employment, and the rest for humanitarian reasons (Migration Policy Institute 2012). One way Congress hopes to alleviate the entrance imbalance is with the reform of family-sponsorship visas, redefining the scope of the nuclear family to exclude adult children and siblings (Nakumura 2012).

However, cutting family sponsored visas would disproportionately affect the AAPI community. More than 88 percent of legal immigration to the United States was through family sponsorship (Asian American Justice Center 2013). Asian American citizens sponsor nearly one third of all family-based visas each year. In 2012, 86 percent
of visas issued for Asian countries were family-based. Forty-eight percent of Asian immigrants granted legal permanent status in 2012, or a green card, did so through family visas. As it stands, Asian Americans are more likely than other groups to have family members caught up in visa backlogs. Family members who are caught in the backlogs wait as long as 23 years to be reunited. Of the current family-visa waiting list, now 4.3 million applicants, 1.9 million candidates are from China, Vietnam, India, Bangladesh, and other Asian countries. The wait for processing visas from the Philippines is more than two decades, longest of any country.

Contrary to Borjas’ claims about the effects of family sponsored immigration, most of the net increase in immigrant employment has not been at the very bottom of the labor market. However, only 30 percent of the net increase in adult immigrant employment was among workers with less than a high school degree as shown in figure 9 below. Fifty percent of the growth was for those who had an education beyond high school. While it is true that a much larger share of immigrant workers than native ones have few or no years of schooling, immigration is increasing the supply of workers throughout the labor force (Camarota 2007). If it is true that immigrants are contributing to the lower 20 percent of the income scale, but that only 30 percent of immigrant employment has less than a high school degree, then perhaps there exists a larger, unidentified institutional flaw aside from immigration that is resulting in income inequality for immigrants.
Another idea that has been proposed in Congress is a shift from recruiting migrant labor to that of highly-skilled workers on an H-1B visa. Congress has proposed a migrant worker program in an attempt to control the flow of undocumented immigrants, but as illustrated in the past with the Bracero Program under President Roosevelt, this may instead have the unintended effect of encouraging illegal immigration once U.S. workers’ quotas are met. Another migrant worker program might further exacerbate the exploitation of laborers who fear deportation because of their willingness to accept lower wages, without support, health coverage, or legal means to address other abuses by employers.

The need for manual labor cannot be completely eliminated in sectors like service or agriculture, particularly with sensitive crops that need to be hand-picked, like avocados. But some argue that employers, with government support, could instead
invest their efforts in mechanization or other productivity gains, which might help reduce
the need for manual labor. Indeed, Congress has proposed reform that will award a green
card to immigrants who have received a PhD or Master’s degree in a science, technology,
engineering, and math (STEM) subject from an American university (Jordan 2013).

There are no foreseeable problems with highly skilled native-born American
workers finding jobs, because the recruitment of highly-skilled immigrants is to fill the
highly-skilled labor shortage gap. However, critics of the specialized visa program
maintain that native-born worker displacement should remain an important consideration
in creating this legislation. The majority of foreigners that companies supposedly seek to
hire are usually already in the United States with advanced degrees from U.S.
universities, but companies may be more willing to hire foreign workers because they
command lower salaries and fewer benefits than Americans. If this is true, then the speed
at which the H-1B visa quota is being exhausted does not necessarily reflect the true
demand for workers. According to the Wall Street Journal, a 2011 Government
Accountability Office report said the program lacks enough controls to ensure employers
are abiding by the rules and that many H-1B visa holders earn less than local workers in
comparable jobs (Jordan 2013).

The fact remains that there is a shortage of STEM workers in the United States. If
the United States’ government wants to attract and retain highly-skilled immigrants, they
may need to consider attracting highly-skilled immigrant families as well. A high
proportion of highly skilled immigrants come from Asia, who might be more willing to
stay in the United States and contribute to the economy if they are allowed to settle their
roots. If Congress is adamant about redefining the nuclear family, it could incorporate
some of the reform suggested in the 2007 Comprehensive Immigration Reform Act. Where some categories of family visas might be eliminated, they could be replaced by a system in which applicants would earn points based on family connections, skills and education levels, including the ability to speak English. However, if U.S. leaders want to ensure a fair and equal path to citizenship for all, including low-wage Chinese workers, more needs to be done to offer programs such as LAMP, which offers free citizenship classes and English instruction, as well as one-on-one tutoring to encourage the assimilation process.

*Canada Has an Idea*

The United States might also want to consider a region-based immigration policy. Canada’s immigration policies allow provinces greater autonomy. Under this provincial-nominee system, 13 provincial entities sponsor a total of 75,000 worker-based permanent residencies a year, and the federal government in Ottawa offers 55,000. Each province can pick whomever it wants for whatever reason—effectively using its population-based quota to write its own immigration policy. The federal program initiates the first round of immigration. Applicants left over from the federal program may be chosen by provinces, which can also solicit their own applicants from anywhere in the world. Some provinces even choose to sponsor H1-B holders stuck in the American immigration process in a direct attempt to poach talent from the United States. According to a Bloomberg article, the program “gives British Columbia the same flexibility to sponsor, say, bricklayers as it gives Ontario to sponsor computer programmers. It doesn’t treat the entire Canadian economy as monolithic and pretend that distant federal bureaucrats can effectively cater
to local job markets (Dalmia 2013).” The most popular reason Canada recruits immigrants is to augment the local labor market, increasing economic gains.

Dividing the federal and state roles the Canadian way might be difficult in the United States. In the United States, the constitution gives the federal government the authority to set immigration policy, whereas Canada’s constitution explicitly makes it a joint federal-provincial responsibility. This way, Canada can ensure a balance of federal and provincial interests in economies and national security. States can technically still be granted the freedom to set their own immigration policies. For example, in 2011, the Utah Legislature passed a compact asking Congress for a waiver to carry out a more compassionate and employer-friendly program, including a path to legalization for unauthorized immigrants (Dalmia 2013). With this freedom, states such as Arizona, known to be particularly unwelcoming to immigrants, would be free to spurn foreigners, but they would have to face the economic and political consequences if businesses relocated to areas where workers are more plentiful.

Under such a system, states that need low-skilled workers would be able to obtain visas and permanent residencies on their behalf just like states that want high-skilled workers. The states could initially choose to give these visas to current illegal residents, as Utah proposed, although there is no requirement that they have to. States could work with local governments and firms to identify needs for additional immigration. Visa-holders could be required to live and work full-time in the region specified by their sponsoring state. Since immigrant skill is generally matched with the availability of local jobs, Canada has found few problems with retention. In fact, this process of matching regional needs with workers is currently informally facilitated in the United States by
independent employment agencies, which may send low-wage Chinese workers to job openings all over the United States, even if the immigrants are initially situated far away.

The problem with the requirement to live and work full-time in the region specified by the sponsoring state also assumes that people choose to live in certain places purely out of economic incentive. It does not take into account other external factors like cost of living, weather, environment, access to resources, and social networks. A lot of oversight and constant review would be required to ensure that workers do not violate their region-based commitments. In a country as large and populated as the United States, such oversight could be very difficult. Ideally, region-based visas are self-enforcing by giving struggling regions the right incentives and a window of opportunity to demonstrate to potential residents that the region can offer an attractive environment to live, work, and raise a family.

The bigger issue would be deciding how many immigrants each state can admit, taking into account the reshuffling of citizens, both temporary and permanent. In an ideal situation, employers alert state authorities to their needs, who then weigh those requests against their ability to provide public services and tell the federal government how many background checks they should need in a given year. Because the federal government in Ottawa recognized that it was unable to process applicants quick enough to avoid backlogs, Canada placed caps on each province. Given that the United States already has a large immigration bureaucracy dedicated to performing labor certifications and other tasks that would be redundant under such a system, it should be able to handle all state requests expeditiously. If this is not the case, then working toward a system that is able to respond quickly and efficiently to state needs would be the final goal.
While Canada’s provincial-nominee program is efficient and economically rational, Canada’s quota system does increase the pool of skilled workers relative to unskilled, which tends to lower the wages of the better-off and raise the relative wage levels of the worse-off. Though this could result in vast improvements in U.S. income inequality, it is likely to be met with resistance from those who will be sacrificing the most.

Whatever reform the United States decides to pursue, it still needs to consider refugees, since the data shows that refugees actually comprise a significant proportion of our immigrants. Earlier, it was stated that 65 percent of legal immigrants are admitted for family reasons, 14 percent for employment, and the rest for humanitarian reasons. This equates to 21 percent of immigrants to being refugees and asylees. It has yet to be determined how many people are pulled in to the United States from the family reunification of refugees, particularly of the large group of South East Asian refugees that arrived in the United States in the 1980s. Involuntary immigrants like refugees and asylees are more likely to be unskilled and rely on welfare. Thus, U.S. refugee policy should be based on working with other countries that accepts refugees to ensure better support systems, access to resources, and better quality of life.

Reuniting and Keeping Families Together

The United States should determine how many highly skilled and low skilled workers should be admitted based on their needs, but employment should not be the sole determinant of admission. It is currently unclear how guest worker provisions will affect the Chinese community, as it seems mostly aimed at Mexican laborers. However, to
improve the immigration path for Chinese migrant workers, the United States should ensure that family reunification should remain a key component in the path to citizenship, though it has yet to be determined to what extent it will weigh in in the immigration process. No discrimination should be made between the skills of sponsored family members, but if the United States is trying to recruit highly skilled workers to stay in the United States, then perhaps greater weight should be given to applicants sponsored by a highly-skilled immigrant. This may narrow the pathway to citizenship for incoming low-wage Chinese immigrants, but it may increase the quality of life and job opportunities available for low-wage Chinese immigrants already present in U.S. society. This would entail:

• Establishing an inclusive path to citizenship: Future legislation needs to provide a clear path to legalization and citizenship for all 11 million undocumented immigrants who live in the United States, including the 1.3 million undocumented AAPI, within a reasonable timeframe. The process should be inclusive, workable, affordable, and humane, without imposing unnecessary and punitive measures to undocumented immigrants.

• Guaranteeing Equality for LGBTIQ Families: Promote the unity of LGBTIQ families by amending immigration laws to ensure that LGBTIQ individuals have the same immigration rights and benefits as other immigrants, including the ability for U.S. citizens and permanent residents to sponsor their same-sex, foreign-born partners for immigration purposes.
Improving and Integrating the Lives of Chinese Immigrants Already in the United States

There are two groups of Chinese immigrants who could use more assistance: Chinese immigrants already granted temporary or permanent living status, and undocumented Chinese immigrants already residing in the United States. The problem with providing more goods and services to these groups is that there is evidence suggesting that cultural diversity leads to lower trust among groups and declining support for the provision of public goods (Alesina, Baqir and Easterly 1999). The U.S. government needs to provide social services to its immigrants to ensure a higher quality of life but the dilemma is that immigration seems to lower support of the public goods needed. If Americans truly wish to integrate immigrants into the political community, then they need to provide greater resources to do that, making sure to:

- Integrate Immigrants and Refugees Into U.S. Society: This can be managed with the adequate funding of programs like APALC and LAMP. Ideally, these programs, when managed correctly, will ensure immigrant access to education, social services, and job training programs; provide language assistance to protect legal rights; and offer quality and accessible ESL and English Language Learner classes. The community itself should be responsible for the coordination of these agencies, as the community understands its own needs best, but the government can encourage the provision of these services through funding.

- Provide Equal Access to Healthcare and Other Public Benefit Programs: In order to ensure a robust and healthy workforce, all immigrants should have access to health
care programs, including Medicaid, the Children’s Health Insurance Program, and new Exchanges established pursuant to the Patient Protection and Affordable Care Act, as well as other public benefits programs.

Promoting Our Economy by Valuing and Protecting Workers

Immigration issues for low-wage migrant workers are also generally tied to labor practice issues. Labor reforms are necessary to improve the lives of immigrant workers in the United States. Labor groups want to ensure that guest workers will not be paid less than the median wage in their respective industries (National Immigration Law Center 2013). Specific types of jobs that require more technical skill like crane operators have different weight in the guest worker program currently being recommended in Congress, but regardless of what happens to the guest worker program, the U.S. government should aim to:

- Overhaul the Temporary Worker and Guestworker Programs: Making an immigrant worker’s legal status contingent upon employment has created significant problems for both temporary workers and guestworkers. Both types of workers lack the basic ability to change jobs if they are abused and instead often risk deportation, blacklisting, and retaliation if they challenge or report abuses. Guestworkers are also subject to exploitation and forced labor. Workers should be able to seek employment with different employers through portable visas and have full labor and workplace rights and protections.
• Establish Full Labor and Workplace Rights and Protections for All Workers Regardless of Immigration Status: The U.S. government, federal and state, should work together to establish and enforce full labor and workplace rights and protections for all workers regardless of immigration status, including in the areas of wages and work hours, health and safety, antidiscrimination, and the right to organize. Retaliation against workers based on immigration status should be prohibited and protective tools like U-Visas, visas that grant temporary status to undocumented victims of crimes if they cooperate with law enforcement, should be expanded. The POWER Act is one such example. Immigration reform should include the Protect Our Workers from Exploitation and Retaliation Act, which expands the U-visa, described above, to ensure protection for workers experiencing violations of their labor and civil rights and ensures that labor enforcement agencies can effectively enforce the law. Immigrants deserve better whistle blower protection, to encourage employer accountability in upholding humane labor practices.

• Restrict and Limit the Use of Flawed Electronic Employment Verification Systems: Electronic employment verification systems (such as E-Verify) currently do not work. They have unacceptably high error rates, especially for naturalized citizens and legal immigrants. E-Verify policies and programs also oppose the reality that the U.S. economy is dependent upon immigrant labor, including undocumented labor. Expanding E-Verify incentivizes employers to take undocumented workers off the books and push them into the underground economy where workplace abuses are prevalent. This would result not only in billions of lost tax revenue and create an
unfair playing field for law-abiding employers; it would also increase opportunity for exploitation of migrant workers in general. Expansion of the fallacious system is also costly to the government and to employers, particularly small businesses. Immigrant rights groups continue to strongly oppose a federal requirement that all employers use E-Verify, because of the program’s database error rates, lack of worker protections, lack of due process, insufficient privacy protections, and the significant amount of employer misuse of the program. Any mandatory electronic employment eligibility verification regime should, at a minimum, address these concerns.

- Ensure Judicial Discretion, Fairness, and Due Process in Immigration Hearings and the Detention System: Legislation should ensure that immigrants and refugees are guaranteed fair court proceedings and meaningful review of their individual cases. Mandatory detention laws should be repealed and judicial discretion and due process should be reinstated. Congress also should expand alternatives to detention and institute enforceable standards in the detention system, such as interpretation and translation assistance and access to medical care, mental health services, legal counsel and family members.
Chapter 7: Conclusions

Low-wage Chinese immigrants move to America for a variety of reasons. While unskilled Chinese workers are popular in the Chinese restaurant business because of the lack of skills required, they are quite mobile between the manufacturing and construction sectors as well. Working conditions are less than ideal for these immigrants, who find that life in America may not be what they expected prior to arrival. Though there are many organizations that seek to improve the lives of immigrants already residing in the United States, better efforts towards coordination could be put forth to ensure the availability and knowledge of these resources.

Beyond the borders, the United States may choose to address the root causes of migration by stimulating fair development and economic growth in developing countries. Migrants come to the United States seeking jobs and better lives that often are not available to them in their home countries. In order to address the root causes of migration, the United States should make strategic economic investments in developing countries to improve the economy, infrastructure, and job prospects in migrant-sending countries. Current development and trade policies should be examined and revised in order to mitigate impact on so-called sending countries, including the displacement of its citizens.

But America’s first concern should be a commitment to its own citizens, to ensure a just and equal playing field in society. To fulfill these commitments, legislation should first work to ensure the rights of immigrants already here, and then decide how to allocate resources to the incoming, whether that is through a point-system or a regional-based
employment system. Refugees and asylees need to be considered in any immigration policy as well. Though immigration impacts the labor force as a whole, the bottom 20 percent of the income scale seems to be disproportionately affected. While legislation should address the issues of immigration and job competition to alleviate the disproportionate amount of issues shouldered by the lower-class, there exists a greater overarching need to reexamine social injustice and income inequality in America as a whole. Immigration reform may be the first step in ensuring the viability of the American dream, for low-wage Chinese workers as well as others.
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