The Comprehensive Wealth of Older Immigrants and Natives

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Abstract

Evidence suggests notable differences in individual components of the retirement resources of immigrants and natives. We compare the retirement preparation of older immigrants to the native-born using an annualized comprehensive measure of available resources. We document striking immigrant-native differences in median profiles of annualized wealth. We then examine how annualized wealth varies by cohort of arrival, and find that more recent waves of immigrants are poorly situated. Finally, we attempt to understand the role played by differences in characteristics versus differences in "returns." The gap for the most recent wave of immigrants is due to about 4/5 characteristics and 1/5 "returns."

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1. Introduction

The 1965 Immigration and Nationality Act, which replaced a national-origins quota system with one based on family ties and skilled labor demand, had a profound impact on the provenance of immigrants arriving in the U.S.[1] This shift led to large changes in demographics and skill composition of immigrants across cohorts, as well as in the overall share of the population that is foreign-born. While a large literature has investigated the effects of this changing composition and other labor market trends on the relative earnings of immigrants and natives,[2] much less is known about relative wealth accumulation and the preparation of immigrants for retirement. Understanding more about the retirement resources of immigrants is important for at least two reasons. First, immigrants are projected to become a much larger share of the elderly population in the near future, doubling from 10% to 20% of the elderly between 2005 and 2050 (Passel and Cohn, 2008), so that immigrants are becoming an increasingly important part of the overall picture of retirement wealth. Second, the first waves of the post-1965 immigrants are just now reaching retirement age, and these more recent waves look substantially different from previous waves in terms of country of origin, earnings histories, and wealth holdings.

There are some notable differences in the retirement resources of immigrants and natives. In particular, immigrants tend to have lower net worth (Cobb-Clark and Hildebrand, 2006; Favreault and Nichols, 2011), lower Social Security benefits (Cohen and Iams, 2007; Favreault and Nichols, 2011; Sevak and Schmidt, 2014), lower rates of private pension coverage (Osili and Paulson, 2009; Heim, Lurie and Ramnath, 2012), and higher home equity conditional on ownership (Chatterjee and Zahirovic-Herbert, 2011; Sevak and Schmidt, 2014).[3] Taken together, these studies shed light on each of the major components—financial, non-financial, and annuitized—of retirement resources. What has been missing, however, is an analysis of immigrant wealth that examines all of the components as part of the same comprehensive balance

[1] Previous policy prioritized Western European immigrants and largely excluded immigrants from Asia, Africa, and Latin America.
[2] See Borjas (1999), Blau et al. (2003), and Duleep and Dowhan (2008) for reviews of this literature.
[3] We provide a more complete discussion of the literature on immigrant resources in Section 2.

sheet.

This paper is the first to examine differences in retirement resources between natives and immigrants using a broad measure of wealth that includes the present value of expected pension and Social Security benefits, which for many households constitutes the bulk of available resources to finance retirement spending (Gustman and Steinmeier, 1999; Gustman, Steinmeier and Tabatabai, 2010). The comprehensive balance sheet provides insights into immigrant-native differences in retirement preparation that are not available through standard measures of net worth alone.[4] We calculate measures of comprehensive wealth for immigrants and natives using data from the 1998–2012 waves of the Health and Retirement Study (HRS). We find that immigrants have significantly lower levels of comprehensive wealth, but that there is a great deal of heterogeneity within the immigrant population, particularly along the dimension of year of arrival in the U.S. More recent waves of immigrants have substantially less wealth in all forms (financial, non-financial, and annuitized) compared to both earlier waves of immigrants and natives.

We then examine median profiles of an annualized equivalent of comprehensive wealth over the retirement period. Our method for constructing both comprehensive wealth and its annualized equivalent closely follows Love, Smith and McNair (2008) and Love, Palumbo and Smith (2009). For a household of a given age, the annualized measure is equivalent to the income derived from a real, joint-life annuity purchased with the full value of comprehensive wealth. The income level delivered by that annuity is our measure of annualized wealth, and provides a rough measure of potential consumption per remaining years of life. In contrast to levels of comprehensive wealth, trajectories of annualized wealth indicate whether households are drawing down resources faster or more slowly than a simple life cycle model would predict. Previous research finds that annualized comprehensive wealth rises with age, suggesting slower draw-down (Love, Palumbo and Smith, 2009). However, when we apply this approach to an

[4] For example, the present value measures of future pensions and Social Security are likely to differ substantially between recently arrived immigrants and natives since pension formulas depend on years of service, and Social Security benefits are a function of covered earnings.

analysis of immigrant-native differentials, we show that annualized comprehensive wealth is rising faster for immigrants than for natives, which implies that immigrants are spending down retirement resources even less quickly than the overall population.

Finally, we estimate descriptive median regressions of annualized wealth to see whether immigrant-native gaps can be explained by observable characteristics, and to examine the extent of convergence in annualized resources across different cohorts of immigrants in the U.S. Working through regression specifications that include controls for demographic characteristics, life-cycle factors, transfers to and from family members, and immigrant country of origin, we find that more recent immigrant cohorts continue to show lower levels of annualized wealth, even after controlling for a detailed set of observables. We attempt to understand how much these differences in annualized wealth can be explained by differences in characteristics, as opposed to differences in the "returns" to characteristics, and find that the gap for the most recent wave of immigrants is due to a combination of about 4/5 characteristics and 1/5 "returns."

Our results suggest that more recent waves of immigrants may be particularly vulnerable, reaching retirement with substantially lower resources than those of immigrants who arrived before the 1965 Immigration Act. Since the HRS data contain only the first waves of post-1965 immigrants reaching retirement age, the results in our paper may also serve as a bellwether for the retirement preparation of future immigrants. From a public policy perspective, the shortfall in retirement resources raises important questions about the implications for social insurance programs,[5] as well as about the consequences of Social Security rules that may disadvantage immigrants with fewer quarters of covered earnings (Sevak and Schmidt, 2014). Finally, it is worth noting that questions about wealth accumulation and drawdown among immigrants are likely to become increasingly important in Europe and other parts of the world. Understanding more about immigrant wealth is therefore important from the perspectives of both welfare economics and public policy.

[5] See Kerr and Kerr (2013) for a recent review of the literature on the economic impact of immigration on social benefits.

2. Background

An extensive literature has investigated relative earnings of immigrants and natives at the time of entry to the United States, as well as how relative earnings converge over time (for reviews of this literature see Borjas (1999), Blau et al. (2003), and Duleep and Dowhan (2008)). This literature points to an important role for cohort of arrival as well as country of origin. In this section, we discuss possible reasons why immigrants and natives might differ in their retirement resources, even after controlling for lifetime earnings.

2.1. Immigrants and Social Security

Current Social Security rules imply that immigrants are likely to receive lower benefits than the native-born. Eligibility for Social Security benefits requires that one has worked for 40 covered quarters, leaving many immigrants with insufficient quarters of covered earnings (or reported earnings) to qualify. Empirical evidence largely confirms this—immigrants have lower actual and projected Social Security benefits, even after extensive controls for health and socioeconomic characteristics. Cohen and Iams (2007) use a microsimulation model and predict that the foreign-born will be significantly less likely to receive Social Security benefits. Favreault and Nichols (2011) link the Survey of Income and Program Participation to administrative Social Security records and find that immigrants have lower Social Security benefits than natives, but that this is primarily driven by immigrants from less developed countries. They also find that immigrants are much more likely to have made contributions but not be eligible for benefits. Sevak and Schmidt (2014) use the Health and Retirement Study linked to Social Security earnings histories and show that immigrants have significantly lower predicted Social Security benefits, but that this gap is strongly related to years in the United States, and is entirely explained by differences in covered quarters of earnings.

2.2. Immigrants and Private Wealth

Despite lower Social Security benefits, immigrants may be adequately prepared for retirement if they have

amassed sufficient private wealth to compensate. However, this does not appear to be the case. Although there is great heterogeneity within the immigrant population, immigrants have relatively lower savings rates (Carroll, Rhee and Rhee, 1994, 1999); exhibit significantly different patterns of portfolio allocation (Cobb-Clark and Hildebrand, 2006; Osili and Paulson, 2009); and have relatively lower levels of net worth and projected retirement well-being (Cobb-Clark and Hildebrand, 2006; Favreault and Nichols, 2011; Sevak and Schmidt, 2014). In addition, immigrants have lower levels of private pension coverage than natives (Osili and Paulson, 2009; Heim, Lurie and Ramnath, 2012; Sevak and Schmidt, 2014). Heim, Lurie and Ramnath (2012) finds that this participation gap is primarily due to immigrants being less likely to work for firms that offer pension plans, rather than differential take-up rates.

Housing may be particularly important when considering immigrant/native differentials, given work on the significance of homeownership to immigrants as a symbol of assimilation (Anacker, 2013). Previous research shows that immigrants are significantly less likely to own homes than natives (Borjas, 2002; Cobb-Clark and Hildebrand, 2006; Sevak and Schmidt, 2014). However, conditional on homeownership, immigrants have higher levels of home equity, even *before* controlling for observable characteristics (Chatterjee and Zahirovic-Herbert, 2011; Sevak and Schmidt, 2014). Drew (2002) finds that the median value of first-time home purchases among the foreign-born was 50% higher than that of the native-born, and that as a result immigrants were making larger down payments and acquiring larger levels of home equity. This is in part due to the concentration of immigrants in areas with high housing costs like California and New York. Similarly, Borjas (2002) finds that observable demographic characteristics do not explain much of the homeownership gap between immigrants and natives, but that residential location choices are important.

3. Retirement Resources of Immigrants and Natives

3.1. Data

We examine immigrant and native retirement resources for households with respondents aged 51 years or

older using 8 waves of data from the HRS spanning 1998–2012.[6] The HRS has a number of advantages for studies of comprehensive wealth relative to other national surveys. As described in detail in Smith (1995), the HRS questionnaire was specifically designed to minimize issues of bias in measures of wealth by including the use of unfolding brackets.[7] Consequently, the HRS provides a more complete picture of private wealth than most other data sets. The HRS closely matches the wealth distribution from the cross-sectional Survey of Consumer Finances (SCF) for all but the top 1%, in which the HRS underreports wealth relative to the SCF (Sierminska, Michaud and Rohwedder, 2008). We focus on the behavior of the median household, however, so the discrepancy at the top percent of the wealth distribution should not have an important impact on our analysis.

In addition to the publicly available HRS data, we also use restricted data on geography (Cross-Wave Geographic Information (Detail) [1992-2012]) and Social Security earnings records (Respondent Cross- Year Summary Earnings from the SSA). The restricted data on geography contain information on country of origin, as well as state of current residence. The SSA restricted earnings data include information on Social Security covered earnings histories from 1951 to 2013. However, we are not permitted to combine the restricted geocoded data with the restricted earnings data, and must analyze these modules separately.

This HRS panel includes six birth cohorts of respondents—the original HRS cohort introduced in 1992 (born 1931–1941), an older cohort from the 1993 AHEAD survey (born 1923 or earlier), and four additional cohorts (born 1924–1930, 1941–1947, 1948–1953, and 1954–1959), introduced to the survey in 2012. Approximately 11% of HRS respondents are foreign-born, though the rate varies by birth cohort (10% of those born 1931-1941, 8% of those born 1942-1947 and 14% of those born 1948-1953).[8] The

[6] The HRS is sponsored by the National Institute on Aging (grant number NIA U01AG009740) and is conducted by the University of Michigan. We use the RAND HRS Data File, version N, as well as the wave-specific RAND fat files. The RAND version of the HRS consists of an easy-to-use longitudinal file (the main file) and wave-specific enhanced "fat files" that can be merged at the respondent level. The RAND HRS was developed with the help of funding from the National Institute on Aging and the Social Security Administration.

[7] Questions are first asked about the ownership of the asset, then of the value. If respondents answer that they don't know the value, they are taken through a series of questions to try to pinpoint a range for the value. For example, "Is it less than $25,000, more than $25,000, or about $25,000?" If they answer more, they get a similar question with a higher value.

[8] We are unable to distinguish between documented and undocumented immigrants in our data. However, the Immigration Reform and Control Act (1986) offered amnesty to most undocumented immigrants who had entered the country before 1982.

availability of longitudinal data on multiple birth cohorts allows us to simultaneously examine wealth trajectories by age and by birth cohort.[9]

Comprehensive and Annualized Wealth

3.1.1. Comprehensive wealth

We follow Gustman and Steinmeier (1999), Wolff (2007), Gustman, Steinmeier and Tabatabai (2009), and Love, Palumbo and Smith (2009) in constructing a comprehensive measure of the household balance sheet that includes both conventional sources of net worth, as well as the actuarial present value of expected future streams of income derived from pensions, Social Security, annuities, future earnings up to age 65, and other social insurance programs. Apart from the usual concerns about measurement error in survey wealth data (see Gustman et al., 1997), the calculation of the financial and non-financial components of comprehensive wealth is straightforward. The financial component includes stocks, bonds, checking accounts, CDs, defined contribution (DC) pensions, individual retirement accounts (IRAs) and Keoghs, and other savings, less non-vehicle and non-housing debt. Non-financial comprehensive wealth includes the net value of primary and secondary housing, the net value of vehicles, and any investment and business real estate less associated debt.[10]

Measuring the contribution of annual sources to comprehensive wealth is more challenging. The HRS asks about future streams of income in numerous places in the survey, and for each of these income streams, we need to know the amounts of the payments (or where they fall in the HRS's unfolding brackets), when the payments will start, how long they will continue, and whether there are cost-of-living (COLA) adjustments and survivor's benefits. But assuming that we have all of this information for a given annualized stream of payments, computing the present value is relatively straightforward. As explained in Appendix A, we discount each of these cash flows using information about the payment details of the cash flows, as well

Nearly 3 million immigrants received amnesty at this time. The majority of the immigrants in our sample entered the country before 1982 and would therefore have been eligible for the amnesty.

[9] However, for immigrants we are unable to differentiate between the impact of the arrival cohort and age at arrival since the age at arrival is just a function of age, survey year, and year of arrival.

[10] The wealth questions in the HRS are meant to capture total wealth, including foreign assets. However, if foreign assets are underreported, we could be systematically underestimating the retirement resources of immigrants relative to the native-born.

as assumptions about discount rates and survival probabilities.

While we have experimented with various interest rates for discounting the streams of benefits (including using the full yield curve on Treasury debt), we apply a 4.5% nominal rate of return to discount future nominal payments that do not receive COLAs. For all other future payments, such as Social Security benefits or pensions with COLAs, we assume that the payments keep pace with an expected inflation rate of 2%, which approximates the Federal Reserve Board's target for the annual rate of change in the price index for personal consumption expenditures.

We allow for differential rates of survival based on education, race, and gender. We start with a baseline set of mortality rates by gender and age from the 2010 Social Security Period Life Table. We then apply adjustment factors to these probabilities based on the estimated ratios of sub-group mortality rates to aggregate rates in Brown, Liebman and Pollet (2002). The authors estimated these ratios using underlying data from the National Longitudinal Mortality Survey (NLMS) for three education groups (less than high school, high school, and college), sex, race (white and non-Hispanic black), and ethnicity (whether Hispanic). The adjustment factors are listed in tables A.1 and A.2 of their paper. We then compute our respondent-specific mortality rates by applying a linear approximation of the ratios reported in Brown, Liebman and Pollet (2002)[11] to the mortality rates in the Social Security life table. This generates separate mortality rates for different categories of race (white or black), education (less than high school, high school, or college), ethnicity (whether Hispanic), and sex.[12,13]

By far the most important source of future income for most U.S. households is Social Security. The HRS asks respondents about both current and expected future Social Security benefits for themselves

[11] The linear approximations capture the change in the ratios very closely and ease the implementation of the numerical calculations in our paper.

[12] The HRS reports whether a respondent is white, black, or "other." For cases where the respondent is "other," we apply the relevant adjustment for "white." Brown, Liebman and Pollet (2002) did not have enough data to estimate mortality rates for black college graduates. We estimate an adjustment factor by assuming that black college graduates have the same proportionate mortality to black high school graduates as white college graduates do. The data in Brown, Liebman and Pollet (2002) also do not support separate mortality rates for Hispanics by education group (only sex). For Hispanic respondents, we therefore only have differential mortality by sex and ethnicity.

[13] Our measure does not allow for differences in survival probabilities by immigration status or country of origin. Sevak and Schmidt (2008) find that immigrants experience lower age-specific mortality rates, which is consistent with findings in the public health and demography literatures (see Singh and Siahpush (2001), Dupre, Gu and Vaupel (2012), Lariscy, Hummer and Hayward (2015), and Mehta et al. (2016)).

and for their spouses, if married. These are self-reported values, and the reported levels of current Social Security benefits tend, not surprisingly, to be more accurate than those of expected future benefits. Our measure of the present value of Social Security discounts future benefits by the relevant differential survival probabilities and adjusts for survivor benefits.[14] Let x_t^r and x_t^s denote the benefit amounts at age t for the respondent and spouse, respectively, and S_t^r and S_t^s denote the respective differential survival probabilities. The formula for computing the present value of Social Security benefits is given by:

$$PVSS_t = \sum_{i=0}^{T} \frac{(x_{t+i}^r + x_{t+i}^s)S_{t+i}^r S_{t+i}^s + \max(x_{t+i}^r, x_{t+i}^r)\,(S_{t+i}^r + S_{t+i}^s - 2S_{t+i}^r S_{t+i}^s)}{(1+r)^i}.$$

The first term in the sum says that the household will receive both the respondent's and the spouse's benefits when both are alive, and the second term reflects the survivor's benefits of Social Security. If either partner dies, the survivor will receive the larger of the two benefit amounts.

The present value calculation for defined-benefit (DB) pensions, veteran's benefits, earnings up to age 65, annuities, and other sources of future non-labor income follows a similar procedure, except that we discount using a nominal rate of return with a 2% expected inflation rate, and we only include a cost-of-living adjustment and spousal benefits if respondents report these in the survey.[15] The formula for computing the present value of these annualized payments is given by:

$$PV_t = \sum_{i=0}^{T} x_{t+i}^r \frac{(1 + COLA_{t+i})[S_{t+i}^r + \theta_{t+i}(1 - S_{t+i}^r)S_{t+i}^s]}{(1+r)^i},$$

where $COLA_t$ is the cost-of-living adjustment, if any, θ_t is the fraction of the payment remaining as a survivor's benefit, and r is the nominal interest rate.

Table 1 reports weighted means, medians, and the 25th and 75th percentiles of comprehensive

[14] Our measure does not account for the possibility that married couples might divorce during the retirement period.

[15] As Gustman, Steinmeier and Tabatabai (2010) discuss in their book on pensions in the HRS, the self-reported pension measures in the HRS show substantial amounts of reporting error and confusion on the part of some respondents about pension plan type, despite the fact that the HRS asks detailed follow-up questions of respondents with inconsistent answers about plan type and features. To the extent that reporting errors and overall levels of plan information vary randomly across respondents, the self-reported measures primarily increase the noisiness of our comprehensive wealth estimates. If, however, information about plan type and plan characteristics depends systematically on demographics, resources, or (most importantly) immigration status, our measure may introduce an important additional source of bias into our measure of total household resources.

wealth categories by age. In this section, we focus on comprehensive wealth of married couples.[16] Patterns are similar for single men and single women, although levels of wealth are much lower and relationships are much noisier.[17] The final column reports overall comprehensive wealth, and shows that immigrants have significantly lower levels than natives both at the mean and through- out the distribution. Married immigrants, for example, hold between 62% and 70% as much wealth at the median as their native counterparts, depending on the age bracket. At the 25th percentile, these differences are even more pronounced, with married immigrants holding about 55% as much comprehensive wealth as their native counterparts. Most of the overall difference stems from differences in financial wealth and Social Security wealth. Immigrants are much more similar to natives along the dimension of non-financial wealth, an important pattern that we will return to throughout this paper.

In Figure 1, we compare the distributions of comprehensive wealth for married natives and immigrants by plotting the kernel densities of comprehensive wealth in the range of $0–$2.5 million for married households. The vertical bars in the plot mark the median values of wealth for immigrants (solid line) and natives (dashed line). The two distributions overlap, but immigrants hold significantly less comprehensive wealth at all points in the distribution.

3.1.2. Annualized wealth

While it is important to examine a comprehensive picture of wealth, ideally, we would like to know how differences in total wealth translate into different consumption and welfare possibilities. A given amount of comprehensive wealth will imply more consumption possibilities for older single individuals than for younger married households. While it is difficult to calculate an exact welfare measure without making strong assumptions about the structure of preferences, we can follow Love, Palumbo and Smith (2009) and compute an approximate measure that relates total resources to an annual equivalent per household member.

[16] Households are considered married if they report being married in the first wave they are observed in our sample. The sample therefore includes some individuals who were married in earlier waves but later transitioned into divorce or widowhood. In the figures, we define a married immigrant household as one in which both the respondent and the spouse are born outside the U.S. This gives us the largest measured immigrant-wealth gaps, since couples with one immigrant and one native tend to have higher levels of wealth than couples with two immigrants. We consider a more flexible definition of married immigrant households, and also consider single households, in the regression analysis below.

[17] Results for single men and single women available from authors upon request.

In particular, imagine that a household uses its entire comprehensive wealth to purchase an actuarially fair, real, joint-life annuity, whose price is computed using the differential survival probabilities discussed above. The income level delivered by that annuity is our measure of annualized wealth (see Appendix A for the exact calculation). The primary benefit of the annualized measure is that it automatically adjusts for household size, expected years of remaining consumption, and survival probabilities. It also maps directly into the familiar notion of permanent income and therefore provides an approximate measure of the consumption possibilities available in each remaining year of life. In contrast, the stock value of total household resources tells us less about the consumption and welfare implications of a given amount of savings.

Both the levels and growth of annualized wealth can yield important insights into the adequacy of household wealth. In terms of levels, we might be concerned if we observed annualized wealth values at or below the poverty line for a subset of households. The growth rates also matter. If annualized wealth increased for most households over time, it would imply that households were able to afford increased spending (or bequests) with age. If the levels instead tended to fall with age, we might be concerned that households were spending down their resources at an unsustainable rate.

However, the annualized equivalent of wealth might not correspond one-to-one with actual consumption possibilities, particularly if not all forms of wealth are equally fungible. For example, if the majority of a family's comprehensive wealth takes the form of the present value of future Social Security benefits, these households may have a hard time accessing an annual equivalent of this wealth until they are eligible to start receiving their benefits. A similar concern about fungibility would also apply to housing, where reverse mortgages remain uncommon and tapping into equity could entail substantial transactions costs.

Figure 2 plots the kernel densities of annualized wealth for immigrant and native married households, with vertical lines marking the median values for the two groups. As with comprehensive wealth, we can see that native households hold more annualized wealth both at the median and throughout the entire distribution.

3.2. Wealth Profiles

In order to provide a broad look at how retirement wealth changes with age for immigrants and natives, we begin by examining regression-based age profiles of comprehensive wealth using a technique developed in Love, Palumbo and Smith (2009).The technique uses the median growth rates *within* households in order to trace out the typical trajectory of wealth over time for a given population. The basic idea of the approach is straightforward: if we knew a household's initial amount of wealth and the projected growth rates of wealth across future ages, we would be able to construct the full age-path of wealth.[18]

The advantage of the technique is that it helps mitigate cohort effects, non-random attrition, and survivorship bias that may induce differences in the observed levels of wealth for different ages at a given point in time. The cohort effects are largely absorbed by the survey-year and age dummies. Non-random attrition is eliminated since the growth rates are necessarily calculated for survivors. Finally, since the *growth rates* of wealth tend to differ much less than the *levels* for survivors versus non-survivors (see Love, Palumbo and Smith, 2009), the regression-based approach will tend to reduce survivorship bias, as well.

Figure 3 displays the age trajectories of median comprehensive wealth for married immigrants and natives aged 60 to 90, where the ages are taken to be the median age within each of the 5-year age brackets. Two striking features are worth noting. The first is the substantial gap in comprehensive wealth at all ages between immigrants and natives. Natives begin retirement with almost $1.2 million in comprehensive wealth, while immigrants start off with only about $800,000 in resources. Immigrants also hold less wealth at all ages compared to natives. Despite the initial differences in levels, however, the wealth gap between the two groups converges markedly over retirement. While natives hold about twice as much comprehensive wealth at the onset of retirement, they have only 40% more at ages 85–90.

While comprehensive wealth declines with age for both natives and immigrants, this does not

[18] The procedure involves four steps: (1) compute the two-year growth rate in wealth in the pooled HRS sample; (2) estimate a median regression of growth rates on five-year age dummies, household characteristics, and a set of survey year dummies; (3) construct predicted growth rates for each age dummy; and (4) cumulate the predicted growth rates and "anchor" the profiles using the age-70 levels of median wealth.

necessarily imply the same pattern for annualized wealth. Figure 4 displays trajectories of annualized wealth for both immigrant and native married couples using the same median-regression-based technique. The annualized profiles for both groups slope upwards (though only slightly in the case of natives), which is consistent with the findings in Love, Palumbo and Smith (2009). Falling comprehensive wealth but rising annualized wealth implies that households are drawing down their total resources more slowly than a simple life-cycle model would suggest. As was true for comprehensive wealth, the annualized wealth profiles for immigrants and natives tend to converge with age. Immigrants start off retirement with annualized wealth about $15,000 lower than that held by natives, but the difference narrows by a third by age 80 and then levels off at ages 85–90. Thus, while both native and immigrant married couples appear to be drawing down resources at a rate slower than a simple life-cycle framework would predict, there is some evidence that immigrants are especially slow in spending down retirement wealth.[19] Patterns for unmarried men and unmarried women (available from authors upon request) show a similar rise in annualized wealth, albeit with more noise.

One drawback to our growth-based method of tracing median annualized wealth is that median *growth rates* need not correspond to the median *levels* of annualized growth, which are used to anchor the trajectories in Figure 4.[20] Ideally, we would like to estimate growth-based profiles for households within a neighborhood of the median annualized wealth for each age bracket, but we do not have enough observations to accurately estimate growth rates for the age cells used to construct Figure 4. We can, however, line up the median growth rates and levels if we are willing to consider much wider age brackets.

Table 2 reports the levels and percent annual growth rates of annualized wealth and its main

[19] As with the comprehensive wealth profiles, the slope of the profiles may reflect other factors as well, such as capital gains in housing and financial assets that disproportionately benefited older households or cohort effects. Given the sharp differences in wealth holdings between recent and earlier immigrants, it is indeed likely that cohort differences may be driving some of the upward slope in annualized wealth. Note, however, that the cohort story has to involve differences in the *growth rate* of wealth and not just levels, given that the profiles are based on predicted median growth rates of annualized wealth.

[20] Suppose, for example, that our sample consisted of only three households: A, B, and C. Household A has an annual wealth level of $20,000 and a growth rate of 5%. Household B has an annual wealth level of $50,000 and a growth rate of 2%. And household C has an annual wealth level of $70,000 and a growth rate of 7%. In this case, household B has the median *level* of annual wealth ($50,000), while household A has the median growth rate of wealth (5%). The median wealth trajectories in this case would reflect wealth information from two distinct households, showing a growth rate of 5%, but a level of $50,000.

components for married households with annualized wealth within 25% (plus or minus) of the median annualized wealth level for each age and immigration status group. Despite having substantially lower median annualized wealth levels than natives, immigrants have similar levels of annual housing wealth in both retirement periods. This difference is also reflected in the shares of non-financial wealth, with immigrants aged 75–85 holding about 10 percentage points more of their portfolios in the form of non-financial wealth.

The growth rates shown in the second panel suggest that the immigrant households near the median of annualized wealth experience faster growth in annualized nonfinancial wealth compared to natives. The growth rate differences persist across all of the age groups, and they rise substantially in the oldest group. Most of the differential growth in non-financial annualized wealth appears to be due to housing. For example, while natives ages 75–85 saw an annual increase in annual housing wealth of about 6.3% over the sample period, immigrants in the same age bracket experienced an increase almost twice as large. Housing is likely to play an important role for immigrants, both because their housing wealth is large relative to financial wealth and because housing wealth tends to be relatively illiquid compared to other asset types.

While housing appears to play an important role, we are also interested in understanding how annualized wealth depends on factors that pertain particularly to immigrants, including country of origin, immigration cohort, race, and ethnicity. Therefore, the next section turns to a richer regression analysis of the covariates of annualized wealth for immigrants and natives.

4. Empirical Analysis of Native and Immigrant Wealth

4.1. Annualized wealth and demographics

Table 3 reports weighted mean and median levels of annualized wealth by age (65–74 and 75–85), education, race and ethnicity, and immigration cohort (pre-1955, 1955–1964, 1965–1974, 1975–1984, and 1985+) for households married in the first wave they appear in the survey. For both age groups, immigrants have lower median annualized wealth than their native counterparts at all education levels. Patterns are similar for

unmarried men and unmarried women, but levels of wealth are much lower for these groups. Race plays an important role, since immigrants appear to do better than natives within the racial groups of whites and nonwhites. This is consistent with work by Sevak and Schmidt (2014), which finds higher levels of total net worth for immigrants after controlling for demographic characteristics including race and ethnicity. However, this pattern does not hold for Hispanics, with native Hispanics holding almost twice as much annualized wealth as Hispanic immigrants at both the median and the mean.

One possible explanation could be that the wealth differences among Hispanics may be connected to the differences in wealth across arrival cohorts of immigrants. The table indicates that there are striking differences in annualized wealth by year of arrival in the U.S. The earliest group of immigrants (corresponding loosely to those arriving before the 1965 Act) has several times the mean annualized wealth as recent immigrants (arriving after 1985), and the differences at the median are almost as large. Thus, while the annual resources of recent immigrants would fall below the poverty line, the earliest immigrants appear to be much better situated.

The differences in annualized wealth by immigrant cohort could be reflecting differences in the age distribution of the earlier and more recent arrivals, with the more recent arrivals disproportionately populating the younger age brackets, which also tend to have lower annualized wealth levels. The differences in annualized wealth levels by years in the U.S., however, are large even within age brackets. Figure 5, for example, displays the median annualized wealth levels and composition of annualized wealth by years of arrival for married households with an oldest member aged 65–74. The chart indicates that annualized wealth falls dramatically with each subsequent cohort. In addition, the most recent arrivals hold virtually no financial wealth and have much less housing wealth than earlier immigrants and natives. The dramatic differences in annualized wealth within the 65–74 age group suggest that the gaps are unlikely to be entirely due to differences in the age distribution of different immigrant arrival cohorts.

4.2. Median Regressions of Annualized Wealth

Immigrants and natives may differ along a number of potentially important observable characteristics,

including health, education, earnings, wealth, and expectations about longevity and bequests. In order to see whether levels of annualized wealth still differ between the groups after controlling for observables, we estimate median regressions of the logarithm of annualized wealth on key demographic and financial co-variates. We focus on median regressions, since wealth is unevenly distributed, and we are interested in the experience of households located closer to the middle of the wealth distribution. However, we have also estimated OLS regressions (available in Appendix B), and results are qualitatively similar. These regressions are meant to be descriptive and should not be interpreted as implying causality. However, they will allow us to say something about whether the immigrant-native gap in annualized financial wealth can be fully accounted for by observable characteristics.

4.2.1. Empirical approach

We assume that the conditional median of log annualized wealth, y, is a linear function of a vector of observable characteristics, x, so that $\mathrm{Med}(y|\mathbf{x})=\mathbf{x}'\beta$. We are therefore interested in estimating the following quantile regression:

$$y_{it} = \mathbf{x}_{it}'\beta + u_{it},$$

$$\Pr(u_{it}' \leq 0|\mathbf{x}_{it}) = 0.5,$$

where *i* indexes households, and *t* indexes the time period. Since it is likely that the errors are correlated within households over time, we cluster standard errors following the method in Parente and Santos Silva (2013).

Our goal in estimating the median regression above is to understand how much of the gap in annualized wealth between different cohorts of immigrants and natives can be explained by several categories of observables, including demographics, life-cycle variables, intergenerational transfers, and immigrant origins and racial/ethnic backgrounds. We will first estimate a set of median regressions, controlling for an increasing number of observable characteristics, and then we will examine the relative importance of characteristics versus returns to characteristics by applying the quantile decomposition described in Melly (2006).

4.2.2. Covariates and summary statistics

Table 4 reports weighted means for the variables included in the regressions. While our earlier tables and graphs documenting patterns in comprehensive and annualized wealth focused on married couples, the group with the highest levels of wealth, here we want to examine the potential role of marital status in determining immigrant-native wealth differentials. As such, we include all respondents in this sample, regardless of marital status.

The dependent variable in the regressions is the natural logarithm of annualized wealth. We restrict our sample to positive values of annualized wealth, which eliminates only about 0.3% of the respondents. The covariates in the table are organized into five categories that correspond to the groups of controls that we will use in the regression analysis: baseline, demographic, life-cycle, transfer payments, and immigrant origin/race. The baseline category is relatively sparse and includes only the immigration dummies, year dummies, and a set of age dummies (with ages 51–64 as the omitted category).

The demographic controls comprise dummies for marital status, education, race, and ethnicity, citizenship status, and whether English is spoken at home. In addition, we include variables for family size and the total number of children. Because the importance of marriage likely depends on whether the couple consists of two natives, two immigrants, or one immigrant and one native, we include dummies and interactions that control for each configuration.

The life-cycle covariates consist of a set of variables that are theoretically important in life-cycle models of saving. We control for the portfolio shares of financial and non-financial wealth (the share of annuitized wealth is a linear combination of the other two shares) since it is likely that different liquidity characteristics across wealth categories could influence rates of drawdown in retirement (e.g., slow withdrawal of housing wealth).[21] The restricted earnings data allow us to construct a variable for the

[21] We take the within-household means to mitigate the contemporaneous correlation between the shares and annualized wealth due to slow portfolio rebalancing in the wake of asset price changes.

average household covered earnings (in 2012 dollars) from 1951 to 2013. We include covariates for both the log of household earnings (plus one, to handle zeros) and the standard deviation of household earnings. The geocode data allow us to control for whether respondents live in an urban area, defined as counties of metro areas with a population of 1 million or more. As noted above, we are unable to include both the restricted geocode variables and the restricted earnings variables in the same regressions. We include dummies for whether individuals own houses and businesses since these may be harder to liquidate in retirement. Finally, we include dummy variables for health status and out-of-pocket costs as a way to control for the impact of health status and health expenses on retirement resources. "Good health" and "Fair/poor health" correspond to the 3rd and 4th-5th self-reported health categories (excellent/very good health is the omitted category), and we assign the household the less favorable of the respondent's and spouse's health status. "Med OOP" and "High OOP" are dummies for whether out-of-pocket costs are in the second or third highest terciles of the expense distribution, where we again take the maximum tercile within the household.

The transfer covariates include variables related to intergenerational transfers. The bequest variables are indicators that take values of 1 if respondents report that they will leave a bequest of a given size with a probability higher than 50%. About half of the sample reports that they intend to leave a bequest with greater than even odds. The dummy variable for whether children live within 10 miles of the household is included to proxy for unobserved service transfers provided by children and parents. The transfer variables are indicators for "yes" answers to questions of the following form: "Including help with education but not shared housing or shared food, have you given [received] financial help totaling $500 or more to [from] any of your children [relatives]?" The transfer variables are especially important in the context of immigrant wealth since they may capture part of the impact of unobserved remittance flows on annualized wealth.

The immigrant origins, race, and ethnicity category includes variables that may capture differences in initial opportunity (e.g., schooling), culture, and language barriers (in addition to the "No English" control) across countries of origin. We create indicators for countries of origin according to the World

Bank's classification of income groups: low income ($1,035 or less), lower middle income ($1,036 to $4,085), upper middle income ($4,086 to $12,615), and high income ($12,616 or more). We control separately for whether respondents migrated from Mexico since it is a border country with large migrant flows to and from the U.S.

4.3. Annualized wealth regressions: immigrants and natives

Table 5 reports the coefficient estimates and standard errors for the equation described above. Because we are interested in both the association of immigration status with annual wealth holding, as well as the channels through which that association might emerge, we present the estimates of five specifications that control for an increasing number of household characteristics, which are described in Table 4.[22] Because we are unable to merge the restricted SSA earnings data with the restricted geocode data, we report result for the two samples separately.

The first specification ("Baseline") is sparse and includes only the immigrant cohort dummies and a pair of age dummies for the first and second half of retirement. The goal of the first specification is to examine the relationship between immigration status and annualized wealth without controlling for demographics, financial variables, or immigrant origins. The coefficient estimates on the cohort dummies indicate that immigrants hold less annualized wealth than natives and that their annualized wealth increases with years in the U.S. While the coefficient estimates imply that the first two cohorts (pre-1955 and 1955–1964) have 20% and 13% less wealth than natives ($= \exp(\hat{\beta}) - 1$), the wealth levels of the final three immigrant cohorts (1965–1974, 1975–1984, and 1985+) are lower by 47%, 61%, and 71%, respectively.

The second column ("+ Demographics") adds basic demographic information such as race, education, family size, marital status, and number of children, as well as controls for citizenship, whether

[22] We do not present the coefficients on the household characteristic variables, but these are generally consistent with expectations and are available in Appendix B.

English is spoken in the home, and interactions for whether married couples consist of two immigrants or an immigrant and a native. With the demographic controls, the coefficient estimates on the immigrant cohorts fall substantially, but those on the three most recent cohorts remain statistically significant at the 1% level. The estimates indicate that these cohorts have 14%, 27%, and 48% less median annualized wealth, respectively.

The third column ("+ Life-cycle") controls for some of the key life-cycle variables that potentially shape wealth trajectories, including the shares of financial and non-financial wealth (measured at the first wave), the mean and standard deviation of log earnings (in the specifications using restricted SSA data), and controls for health, and expected bequests. While the first two columns of covariates in the table are the same, the third columns differ due to the fact that we are not allowed to merge restricted data on earnings and geography. The top panel of the table includes measures of the level and variation in lifetime earnings based on the restricted SSA data, while the bottom panel introduces a control for whether households live in a highly populated urban area. In both specifications, the introduction of the life-cycle variables absorbs some of the association between immigration cohort and annualized wealth, particularly in the case of the regression controlling for lifetime social security earnings. While the coefficient estimate on the most recent cohort falls (in absolute value) from -0.662 to -0.414 in the regression using the geocode data, the estimates fall (in absolute value) by an additional 2.4 percentage points—from -0.662 to -0.195—when we control for lifetime earnings. These estimates suggest that much, but not all, of the differences in annualized wealth between the more recent cohorts and their native counterparts can be explained by lifecycle factors and by differences in their earnings histories.

Although we do not report the full set of coefficient estimates in the main text (they are available in Appendix B), the patterns on the life-cycle variables are consistent with the predictions of a life-cycle model with housing. In particular, owning a house is strongly associated with higher annualized wealth. The high transactions costs associated with housing may cause households to withdraw housing wealth slowly in retirement.

The next column of estimates adds controls for bequests and transfers. The coefficient estimates

on the controls indicate that these all have a statistically strong relationship with annualized wealth, with a positive association of wealth with bequests and transfers *to* family members and a negative association with transfers *from* family members. Transfers do not, however, substantially change the coefficient estimates on the immigration cohort dummies.

The final columns of the regressions ("+ Imm. Origins/race") introduce interaction terms between immigrant status and race and ethnicity, as well as indicators for the country of origin (grouped according to the World Bank classification of incomes). Controlling for origins and immigrant race and ethnicity further reduces the coefficient estimates on the 1965–1974 cohort dummy, but the estimates on the most recent immigrant cohort remain strongly negative and statistically significant. Thus, even after controlling for a rich set of observables, including lifetime earnings, geographic origins, and other life-cycle variables, a portion of the immigrant-native gap in annualized wealth remains unexplained for the most recent cohorts: with shortfalls in the range of 8-11% for the 1975–1984 cohort and in the range of 17-30% for the most recent cohort, depending on whether we control for earnings or geocode information.

We cannot separately identify the importance of the immigration cohort and the age of immigrants at arrival. One way to get a sense of the relative importance of these, however, is to think about the role of characteristics in explaining the differences in annualized wealth between natives and immigrants. The regression estimates indicate that more recent immigrants have accumulated less wealth than earlier cohorts. As we add covariates for demographics, life-cycle variables, transfers, and race/origins, however, these gaps begin to close, suggesting that age of arrival alone is unlikely to be the sole (or perhaps even major) driver of annualized wealth.[23] If that were the case, then we would expect most of these differences to survive the layering of covariates. Thus, while we do not have enough information to answer the question definitively, it seems fair to suggest that both likely play an important role—*who* came, and *when* they came.

[23] OLS estimates are available in Appendix B and show that the same basic pattern holds up at the mean, as well, with somewhat larger differences in implied wealth accumulation for the most recent immigrant cohorts.

4.4. Convergence of immigrant wealth?

A central question in the labor literature is whether immigrant earnings tend to converge to those of natives with similar characteristics. If saving rates and asset allocation were held constant, convergence (divergence) in earnings would imply convergence (divergence) in retirement resources. Saving, however, involves a complex relationship between earnings, saving, financial investments, and house ownership. Therefore, convergence in earnings does not necessarily imply convergence in annualized wealth if saving and investment behavior differs systematically between immigrants and natives and across immigrant cohorts.

The results in Table 5 suggest that the annualized resources of earlier immigrant waves are statistically indistinguishable from those of natives with similar characteristics. More recent immigrant cohorts, however, appear to accumulate substantially less wealth heading into retirement. These results, however, implicitly assume that immigrants and natives share similar "returns" to household characteristics, such as family composition, financial variables, and health events.

It is possible that the negative coefficient estimates on the more recent immigrant cohorts could be picking up differences in the returns to characteristics between immigrants and natives. If this is the case, we would expect some of the wealth gradient by immigration wave to disappear if we regressed annualized wealth on the covariates of just immigrants. In Table 6, we report the estimates on an increasing set of covariates for a sample of immigrant households that consist either of single respondents or married couples where both members are immigrants. The omitted immigrant category is the pre-1955 cohort.

The coefficient estimates continue to show a pattern of decreasing annualized wealth with more recent cohorts.[24] The one exception to the pattern is the 1955–1964 cohort, which does not appear to have statistically less annualized wealth than the earlier cohort. This declining pattern of annualized wealth holds across the specifications for the most recent two or three (depending on the sample) cohorts of

[24] OLS estimates, which are available in Appendix B, tell a similar story, though the magnitudes differ.

immigrants. The 1975–1984 cohort holds about 17% lower annualized wealth than the earliest cohort, while the most recent wave has between 21% and 36% lower resources, depending on whether we use the restricted earnings or the restricted geographic sample.[25]

4.5. Characteristics vs. returns

The results in Tables 5 and 6 indicate that a large portion (though not all) of the raw gap in annualized wealth between different immigrant cohorts and natives is due to differences in either observables or the returns to those observables. In this section, we explore some key differences in characteristics that a standard life-cycle model would suggest should matter for total wealth accumulation, and we decompose the raw gap in annualized wealth using Melly's (2006) quantile version of the standard Oaxaca-Blinder decomposition.

Housing, health shocks, and bequests/transfers may play potentially large roles in explaining the observed patterns of annualized wealth in the data. Tables 7, 8, and 9 highlight some systematic differences in these characteristics between natives and different waves of immigrants. The top panels in the tables report unconditional summary statistics for each variable. We then regress each of those variables on immigrant-cohort dummies, controlling for a large number of individual characteristics.[26] The bottom panels then report the coefficient estimates on the immigrant-cohort dummies.

Table 7 confirms that while immigrants are less likely to own a house, they tend to hold higher median levels of home equity, conditional on owning—at least among the earliest three waves. The most recent immigrant waves do not hold higher portions of wealth in housing after controlling for other characteristics. This could be part of the explanation for their lower levels of annualized wealth in retirement, since the drawdown rates out of housing wealth tend to be lower than those out of other sources of wealth. After controlling for characteristics, the most recent and the earliest cohorts of immigrants have the lowest rates of home ownership. While the result for the most recent cohort makes

[25] The post-1985 cohort is likely to be the worst off, not just because it is the most recent, but also because earlier cohorts may have benefited from the amnesty in given in the 1986 Immigration Reform and Control Act.

[26] Control variables include age, marital status, an indicator for whether immigrants are married to immigrants, an indicator for whether immigrants are married to natives, whether the respondent speaks English, education, Hispanic, nonwhite, family size, children, and the natural log of annualized comprehensive wealth. The regressions also control for a full set of year dummies, and standard errors are clustered at the household level.

sense, given that these immigrants might have had less time to accumulate money for a down payment or face credit constraints because of lower incomes, the results for the earliest group present more of a mystery. One possibility, though, is members of this older cohort may be moving in with their children or into other institutionalized care at higher rates than members of the younger cohorts.

Table 8 shows that there are also significant differences between natives and immigrants in health costs, business ownership, bequest motives, and expected longevity. Immigrants are less likely than natives to incur out-of-pocket medical costs, but there are no significant differences in the levels of costs, if positive. Immigrants are also less likely than natives to own their own businesses, though the differences in the ratios of net business wealth to net worth are insignificant for all but the most recent wave of immigrants. Interestingly, there are strong differences in the stated bequest motives. With the exception of the earliest wave, immigrants report considerably higher probabilities of leaving large bequests than similar natives. There is no consistent pattern of immigrant-native differences in expected longevity.

Family transfers in the form of remittances are likely to play an important role in the saving decisions of immigrants. While we do not have direct information on remittances in the HRS, we do have information on the presence of transfers to and from family members. The results in Table 9 indicate that immigrants are indeed more likely to report making transfers to their children and other relatives. The fact that they are also much less likely to live near their children suggests that some of these transfers may be flowing abroad in the form of remittance payments. The most recent wave of immigrants shows the largest difference relative to similar natives in reported transfers, suggesting both a reason for their lower annualized wealth (lower accumulation due to transfer outflows) and an added reason to be concerned about the adequacy of their resources (if current transfers predict future transfers).

Taken together, the results in Tables 7, 8, and 9 indicate that there are systematic differences in the characteristics of natives and successive waves of immigrants. If the returns to these characteristics were the same across groups, these differences would account for the decrease in the annualized wealth gaps that occurred with each additional layer of controls in the regression tables 5 and 6. Another possibility,

however, is that groups have experienced different returns to these characteristics, so that education, for example, may be more or less important for some groups than for others.

We examine this possibility by decomposing the raw annualized wealth differences using the approach in Melly (2006). Broadly, the procedure first approximates the conditional distribution by estimating a set of n quantile regressions. With the conditional distribution in hand, the unconditional distribution can then be obtained by integrating the conditional distribution over the independent variables. Importantly, the procedure can be used to obtain counterfactual unconditional distributions. In our case, we are interested in counterfactual distributions of median annualized wealth that would arise if natives had the same quantile function (i.e., coefficients) as different waves of immigrants. These counterfactual distributions can then be used to decompose the raw differences in annualized wealth into a part explained by different distributions of observables and a part explained by different "returns" to those observables.

Table 10 reports the results of the Melly (2006) decompositions for each of the immigrant waves in our sample. The decompositions are estimated using the baseline, demographic, life-cycle, and transfer covariates listed in Table 4. We do not include the geographic or immigrant-race/ethnicity covariates since these pertain only to immigrants. Across all of the waves, the lion's share of the raw differences in annualized wealth are accounted for by differences in characteristics. This should not be too surprising in light of the large differences in characteristics between immigrants and natives shown in Tables 7–9. Although we do not display the coefficient estimates on most of the characteristics from the quantile and OLS regressions in the text (they are available in Appendix B) , it is clear from looking at the full regression results that the most important characteristics in explaining the gaps in annualized wealth are financial (shares of wealth in financial vs. non-financial and home and business ownership), health (out-of-pocket costs and self-reported health), and demographic (race, ethnicity, and country of origin).

The role of coefficients, however, shows a more interesting pattern. For the earliest waves of immigrants, the returns to characteristics actually closed a portion of the raw gap in annualized wealth.

With the most recent waves, however, this pattern reverses, and the returns to characteristics are negative. The most recent immigrant waves therefore appear to be falling behind in retirement preparation both because of their characteristics, such as education and lifetime earnings, as well as their "returns" to those characteristics.

5. Conclusion and Directions for Future Research

This paper examines the total resources available to immigrants and natives in retirement. We find that while immigrants have less wealth overall than natives, they appear to be decumulating resources in retirement at a slower rate. Consistent with the literature on life-cycle wealth accumulation, we find some evidence that these patterns may be due to differential concentrations of illiquid wealth and patterns of bequests and transfers. Compared to natives, immigrant home owners have higher levels of home equity and report being more likely to leave a bequest and make transfers to children and relatives. Each of these is likely to slow wealth decumulation. The concentration of wealth in housing matters if households are reluctant to tap into housing wealth, and bequests provide a stronger incentive to preserve wealth in retirement.

The evidence so far suggests that the typical immigrant is relatively well situated in retirement, but that more recent immigrants have low levels of total resources and are likely to have difficulty maintaining ad- equate levels of spending in retirement. In this sense, the sample of households in the paper represents a potentially important transition point in the retirement well-being of immigrants. The dramatic change in the composition of immigrants following the 1965 Immigration Act will soon be mirrored in the changing face of immigrant wealth in retirement. The results in the paper suggest that some of the newer immigrants are likely to be particularly vulnerable, arriving in retirement with a combination of low Social Security benefits, low private pension coverage, and insufficient financial and non-financial wealth. Improving financial literacy and access to the formal banking sector could help narrow these gaps.

These findings come with caveats that also point to directions of future research. First, since Social Security benefits are among the most important sources of retirement wealth for both immigrants and natives, it would be helpful to understand more about the accumulation patterns by years of covered earnings. Recent immigrants have had fewer years of covered earnings, but the progressive nature of the

benefits formula means that they also experience a higher replacement rate compared to natives (Gustman and Steinmeier, 2000). The extent to which this issue mitigates the disadvantage we find for recent immigrants could be usefully explored. In addition, immigrants may also be more likely to work at older ages than natives. Borjas (2010) links the retirement behavior of U.S. immigrants to their insured status for Social Security retirement benefits. Moreover, if the lower initial earnings of recent versus earlier immigrant cohorts reflect lower skill transferability (Duleep and Regets, 1997) then one would expect recent immigrants to work longer than natives (or earlier immigrant entrants) so as to benefit from their greater human capital investment.

Immigrants may also have access to other resources that are not captured in our measure of comprehensive wealth. Relative to U.S. natives, older immigrants may receive more transfers from their children and other family members which could make them less financially vulnerable at retirement. Foreign assets could also make immigrants less financially vulnerable at retirement. The wealth questions in the HRS are meant to capture total wealth, including foreign assets. Nevertheless, a topic for future research is whether foreign assets are underreported in the HRS. Finally, the possibility of return migration may mitigate the disadvantage in retirement resources faced by the most recent cohorts. Estimates of return migration range from 15 to 30 percent (Borjas and Bratsberg, 1996; Mayr and Peri, 2008), and would be expected to be highest for the more recent immigrants in the HRS and for those who immigrated at older ages (Duleep, 1994).

Future research could help to identify the extent to which low measured wealth in the HRS corresponds to lower living standards in retirement. It would also be interesting to further examine years in the U.S. While we were unable to separately identify the impact of years in the U.S. and the cohort effect associated with the year of arrival, U.S. entry can be proxied by first reported earnings in the administrative record data (Duleep and Dowhan, 2002). Future work could potentially use this information to explore to what extent the lower wealth of recent immigrants versus natives is explained by years in the U.S. rather than a straight cohort effect linked to year of arrival.

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Tables

Table 1
Comprehensive Wealth Components of Married Couples (in 1000s of Year-2012 Dollars), Mean and Median

	Financial		Non-Financial		Social Security		Comprehensive	
Means								
	Ages: 65–74	75–84	65–74	75–84	65–74	75–84	65–74	75–84
Native	390	348	417	384	427	268	1,809	1,242
Immigrant	379	270	475	342	368	246	1,447	1,022
t-stat of diff	0.17	1.72	-0.81	1.24	6.99	3.22	1.71	2.85
Medians								
	Financial		Non-Financial		Social Security		Comprehensive	
	Ages: 65–74	75–84	65–74	75–84	65–74	75–84	65–74	75–84
Native	113	108	197	188	414	248	1,174	837
Immigrant	11	16	163	160	354	237	733	589
t-stat of diff	21.53	13.76	3.38	1.63	7.46	1.51	16.11	5.81
25th Percentile								
	Financial		Non-Financial		Social Security		Comprehensive	
	Ages: 65–74	75–84	65–74	75–84	65–74	75–84	65–74	75–84
Native	13	17	96	95	303	182	709	498
Immigrant	0	0	36	15	229	155	386	271
t-stat of diff	14.57	16.39	8.66	8.49	6.92	4.01	18.51	11.8
75th Percentile								
	Financial		Non-Financial		Social Security		Comprehensive	
	Ages: 65–74	75–84	65–74	75–84	65–74	75–84	65–74	75–84
Native	401	358	395	374	532	323	1,926	1,451
Immigrant	195	199	405	382	483	332	1,465	1,273
t-stat of diff	9.14	4.97	-0.4	-0.26	3.99	-1.05	5.36	2.43

This table reports weighted means, medians, 25th percentile, and 75th percentile of comprehensive wealth categories in the 1998–2012 waves of the HRS for married households with a respondent or spouse aged 51 or older. The *t*-stats pertain to the differences between natives and immigrants in each wealth category. An "immigrant" household is defined as one in which the respondent and spouse (if present) were born in a country other than the U.S. A "native" household is defined as one in which the respondent and spouse (if present) were born in the U.S. In the case of married households, a "married" household is one that reports being married in the first wave in which they are observed in our household, "age" is the maximum age of the respondent and spouse. Financial wealth is the sum of stocks, bonds, checking accounts, CDs, and other financial assets, including retirement plan assets (DC pensions, IRA, and Keogh Plans), less non-vehicle and non-housing debts. Non-financial wealth is the sum of housing, vehicles, and investment and business real estate less associated debt. Social Security is the actuarial present discounted value of current and expected Social Security benefits. Comprehensive wealth is the sum of all financial, non-financial, and present-value wealth sources, excluding future wage payments (see text for details).

Table 2
Annualized Wealth of Married Couples: Levels and Growth within ± 25% of the Median

		Financial	Non-financial	Annuitized	Housing	Ann. Wealth
		Levels (in year-2012 dollars)				
Age 55–64	Native	3,059	4,913	18,025	3,486	38,838
	Immigrant	99	3,000	9,971	2,143	19,314
	t-stat of diff	29.91	4.02	14.38	3.95	43.7
Age 65–74	Native	4,570	7,744	23,170	5,832	39,851
	Immigrant	416	6,607	14,971	5,780	24,543
	t-stat of diff	20.69	2.03	17.28	0.11	24.21
Age 75–85	Native	6,380	11,805	21,212	9,191	44,294
	Immigrant	1,031	12,199	14,011	10,107	29,603
	t-stat of diff	9.2	-0.41	8.93	-1.02	19.34
		Growth (in percent)				
		Financial	Non-financial	Annuitized	Housing	Ann. Wealth
Age 55–64	Native	6.4	3.9	2.8	4.3	0.4
	Immigrant	4.8	6.1	1.6	8.2	-0.9
	t-stat of diff	0.32	-1.58	2.08	-2.6	2.96
Age 65–74	Native	3.1	4.2	-0.3	5.4	0.3
	Immigrant	-1.6	6.2	-0.2	7.3	0.6
	t-stat of diff	3.39	-2.96	-0.57	-2.62	-0.54
Age 75–85	Native	2.8	5.0	-0.9	6.3	0.9
	Immigrant	1.3	10.2	-0.3	12.9	1.1
	t-stat of diff	0.37	-3.79	-2.29	-2.74	-0.15

This table reports the median levels and growth rates of various components of annualized wealth for households who were married in the first wave of the sample period. All entries in the table show median values for households holding annualized comprehensive wealth within a band of ± 25% of the year-specific median annualized wealth for that group (e.g., natives aged 65–74). The growth rates are the median annual growth rates within households across time with positive holdings of each wealth category. See Table 1 for details of wealth components.

Table 3
Annualized Comprehensive Wealth for Married Couples by Demographic Category (in 1000s of Year-2012 Dollars)

		Mean Annualized Wealth					
		Ages 65–74			Ages 75–85		
		Immigrant	Native	*t*-stat diff	Immigrant	Native	*t*-stat diff
Education	< High School	27.5	33.8	2.54	46.0	40.0	-1.07
	High School	40.2	49.4	4.09	48.0	61.8	3.13
	College	92.3	107.7	0.72	75.3	111.2	3.67
Race	White	81.5	64.7	-1.85	83.8	71.3	-1.93
	Nonwhite	59.3	34.8	-3.05	36.1	35.5	-0.07
	Hispanic	18.1	33.8	6.66	20.3	40.9	5.48
Immigration Cohort	Pre-1955	46.3	.	.	57.6	.	.
	1955–1964	78.9	.	.	77.1	.	.
	1965–1974	39.0	.	.	46.8	.	.
	1975–1984	26.3	.	.	34.0	.	.
	1985+	14.3	.	.	9.1	.	.
		Median Annualized Wealth					
		Ages 65–74			Ages 75–85		
		Immigrant	Native	*t*-stat diff	Immigrant	Native	*t*-stat diff
Education	< High School	15.1	22.9	9.99	19.5	27.9	3.26
	High School	29.5	38.8	7.25	30.0	45.0	5.11
	College	50.6	66.5	4.47	49.2	76.3	6.57
Race	White	48.8	42.9	-1.86	56.6	47.3	-2.02
	Nonwhite	31.4	24.6	-2.87	17.9	24.0	1.81
	Hispanic	14.7	25.1	7.70	13.9	26.4	5.20
Immigration Cohort	Pre-1955	30.5	.	.	33.9	.	.
	1955–1964	37.0	.	.	49.7	.	.
	1965–1974	23.3	.	.	28.6	.	.
	1975–1984	13.5	.	.	17.3	.	.
	1985+	8.0	.	.	7.0	.	.

This table displays the mean and median values of comprehensive wealth in the 1998–2012 waves of the HRS for households who were married in the first wave they appeared in the sample. Annualized comprehensive wealth is the annual income derived from an actuarially fair joint-life annuity purchased with the household's full value of comprehensive wealth. See the footnote to Table 1 for the definition of immigrant status and age.

Table 4
Descriptive Statistics, sample of HRS households with respondent or spouse aged 51 or older

Category	Variable	Mean	Std. Dev.	Min	Max
Dependent variable	Log annualized wealth	10.42	0.88	1.68	15.66
Baseline covariates	Immigrated pre-1955	0.02	0.13	0.00	1.00
	Immigrated 1955-1964	0.02	0.13	0.00	1.00
	Immigrated 1965-1974	0.02	0.14	0.00	1.00
	Immigrated 1975-1984	0.02	0.13	0.00	1.00
	Immigrated 1985+	0.01	0.10	0.00	1.00
	Ages 65–74	0.25	0.43	0.00	1.00
	Ages 75+	0.23	0.42	0.00	1.00
Demographic covariates	Married	0.50	0.50	0.00	1.00
	Immigrant Married to Immigrant	0.03	0.17	0.00	1.00
	Immigrant Married to Native	0.03	0.18	0.00	1.00
	Naturalized citizen	0.06	0.23	0.00	1.00
	No English	0.03	0.17	0.00	1.00
	High School	0.54	0.50	0.00	1.00
	College	0.26	0.44	0.00	1.00
	Hisp & White	0.05	0.21	0.00	1.00
	Hisp & Non-white	0.02	0.15	0.00	1.00
	Non-white & Non-hisp	0.13	0.34	0.00	1.00
	Family size	2.13	1.22	1.00	19.00
	Num. of children	2.91	2.03	0.00	22.00
Life-cycle covariates	Share Financial	0.13	0.34	-23.604	31.005
	Share Non-financial	0.22	0.29	-13.24	22.34
	Log of average household earnings[a]	11.06	5.74	0.00	15.91
	Std. of log household earnings[a]	0.92	0.33	0.01	3.01
	Live in urban area (pop. >1 million)[b]	0.48	0.50	0.00	1.00
	Own house	0.79	0.41	0.00	1.00
	Have business	0.10	0.29	0.00	1.00
	Good health	0.34	0.47	0.00	1.00
	Fair/poor health	0.34	0.48	0.00	1.00
	Med OOP costs	0.05	0.22	0.00	1.00
	High OOP costs	0.05	0.22	0.00	1.00
Transfer covariates	Prob(bequest >$10k)>0.5	0.70	0.46	0.00	1.00
	Prob(bequest >$100k)>0.5	0.47	0.50	0.00	1.00
	Kids within 10 miles	0.56	0.50	0.00	1.00
	Transfer to kid?	0.40	0.49	0.00	1.00
	Transfer from kid?	0.05	0.22	0.00	1.00
	Transfer to relative?	0.10	0.30	0.00	1.00
	Transfer from relative?	0.03	0.18	0.00	1.00
Immigrant origin/race Covariates	Resp. immigrant from Mexico[b]	0.01	0.12	0.00	1.00
	High-middle income country[b]	0.03	0.18	0.00	1.00
	Low-middle income country[b]	0.01	0.12	0.00	1.00
	Low income country[b]	0.01	0.08	0.00	1.00
	Hisp nonwhite immigrant	0.01	0.11	0.00	1.00
	Hisp white immigrant	0.02	0.16	0.00	1.00
	Nonwhite immigrant	0.02	0.13	0.00	1.00

This table reports descriptive statistics for the 1998–2012 waves of the HRS for households with a respondent or spouse aged 51 or older. The natural logarithm of financial wealth, as well as the shares of financial and nonfinancial wealth, are the *initial* values observed within the panel for each household. The years in the U.S. is the average years in the U.S. within the household. Education categories pertain to the respondent. Family size is the number of people living in the household at the time of the survey. "Good health" and "Fair/poor health" are indicator variables for self-reported health status ("excellent/very good" is the omitted category). "Med OOP costs" and "High OOP costs" are indicators for the highest 1/3 percentiles of out-of-pocked medical costs (the lowest 1/3 percentile is omitted). "Small bequest prob." and "Large bequest prob." are indicator variables for whether respondents report that they expect to leave bequests larger than $10k and $100k, respectively, with a probability greater than 50%.

[a] Only in the restricted earnings sample.
[b] Only in the restricted geocode sample.

Table 5
Median Regressions of Log Annualized Wealth

Restricted-Earnings Sample

	Baseline	+ Demog.	+ Life-cycle	+ Transfers	+ Imm. Race/Origins
Immigrated pre-1955	-0.222*	-0.053	0.050	0.060	0.094**
	(0.124)	(0.073)	(0.048)	(0.048)	(0.040)
Immigrated 1955-1964	-0.147**	0.025	0.085*	0.072*	0.116**
	(0.066)	(0.058)	(0.049)	(0.038)	(0.045)
Immigrated 1965-1974	-0.626***	-0.147***	-0.031	-0.029	0.034
	(0.071)	(0.047)	(0.037)	(0.038)	(0.039)
Immigrated 1975-1984	-0.932***	-0.311***	-0.151***	-0.156***	-0.086*
	(0.061)	(0.045)	(0.035)	(0.042)	(0.050)
Immigrated 1985+	-1.246***	-0.662***	-0.195***	-0.220***	-0.184***
	(0.070)	(0.073)	(0.052)	(0.058)	(0.062)
Constant	10.342***	9.917***	8.127***	8.411***	8.411***
	(0.010)	(0.020)	(0.070)	(0.073)	(0.069)
R-squared	0.066	0.348	0.378	0.524	0.524
Obs.	105268	103289	81138	69055	69055

Restricted-Geocode Sample

	Baseline	+ Demog.	+ Life-cycle	+ Transfers	+ Imm. Race/Origins
Immigrated pre-1955	-0.222*	-0.053	0.000	0.017	0.061
	(0.124)	(0.073)	(0.031)	(0.034)	(0.040)
Immigrated 1955-1964	-0.147**	0.025	0.065	0.053	0.109***
	(0.066)	(0.058)	(0.041)	(0.037)	(0.042)
Immigrated 1965-1974	-0.626***	-0.147***	-0.094**	-0.078*	-0.001
	(0.071)	(0.047)	(0.039)	(0.041)	(0.045)
Immigrated 1975-1984	-0.932***	-0.311***	-0.204***	-0.216***	-0.126**
	(0.061)	(0.045)	(0.035)	(0.043)	(0.050)
Immigrated 1985+	-1.246***	-0.662***	-0.414***	-0.464***	-0.355***
	(0.070)	(0.073)	(0.053)	(0.060)	(0.094)
Constant	10.342***	9.917***	9.389***	9.378***	9.377***
	(0.010)	(0.020)	(0.017)	(0.019)	(0.018)
R-squared	0.066	0.348	0.285	0.389	0.389
Obs.	105268	103289	103289	86382	86382

This table reports coefficient estimates and standard errors from quantile regressions of the natural logarithm of annualized wealth on household characteristics for all households with respondents aged 51 or older in the 1998– 2012 waves of the HRS. Each successive column of the table adds the covariates listed in the relevant category in Table 4. All specifications include a full set of year dummies. See the note under Table 4 and the main text for definitions and a discussion of the covariates. Standard errors are clustered at the household level. Asterisks denote levels of statistical significance: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 6
Median Regressions of Log Annualized Wealth (Immigrants Only)

Restricted-Earnings Sample

	Baseline	+ Demog.	+ Life-cycle	+ Transfers	+ Race/Origins
Immigrated 1955-1964	0.200*	0.052	-0.012	-0.019	-0.029
	(0.111)	(0.091)	(0.058)	(0.053)	(0.048)
Immigrated 1965-1974	-0.202**	-0.222***	-0.109**	-0.101**	-0.080*
	(0.096)	(0.070)	(0.046)	(0.048)	(0.041)
Immigrated 1975-1984	-0.534***	-0.399***	-0.225***	-0.208***	-0.187***
	(0.088)	(0.070)	(0.050)	(0.050)	(0.045)
Immigrated 1985+	-0.819***	-0.767***	-0.209***	-0.233***	-0.242***
	(0.090)	(0.087)	(0.071)	(0.069)	(0.078)
Constant	9.909***	9.544***	7.302***	7.737***	7.937***
	(0.068)	(0.074)	(0.285)	(0.270)	(0.309)
R-squared	0.105	0.323	0.489	0.560	0.606
Obs.	9135	8985	6206	5087	5087

Restricted-Geocode Sample

	Baseline	+ Demog.	+ Life-cycle	+ Transfers	+ Race/Origins
Immigrated 1955-1964	0.200*	0.052	0.070	0.022	0.054
	(0.111)	(0.091)	(0.052)	(0.043)	(0.046)
Immigrated 1965-1974	-0.202**	-0.222***	-0.129***	-0.138***	-0.069
	(0.096)	(0.070)	(0.042)	(0.043)	(0.050)
Immigrated 1975-1984	-0.534***	-0.399***	-0.250***	-0.256***	-0.196***
	(0.088)	(0.070)	(0.042)	(0.043)	(0.054)
Immigrated 1985+	-0.819***	-0.767***	-0.440***	-0.496***	-0.447***
	(0.090)	(0.087)	(0.062)	(0.068)	(0.082)
Constant	9.909***	9.544***	9.166***	9.176***	9.396***
	(0.068)	(0.074)	(0.053)	(0.054)	(0.071)
R-squared	0.105	0.323	0.430	0.513	0.550
Obs.	9135	8985	8985	7175	7175

This table reports coefficient estimates and standard errors from quantile regressions of the natural logarithm of annualized wealth on household characteristics for immigrant households with respondents aged 51 or older in the 1998–2012 waves of the HRS. Immigrant households consist of single immigrants or married couples in which both members are immigrants. The covariates are the same as in Table 5. See the note under Table 4 and the main text for definitions and a discussion of the covariates. Standard errors are clustered at the household level. Asterisks denote levels of statistical significance: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 7
Housing Characteristics of Immigrants and Natives

	Home Ownership (Mean)	Equity/(Net Worth) (Median | Own)	Have Mortgage (Mean | Own)	Mortgage/(House Value) (Median | Have)
		Summary Statistics		
Native	0.76	0.51	0.42	0.39
Immigrated pre-1955	0.64	0.68	0.28	0.36
Immigrated 1955-1964	0.72	0.64	0.45	0.36
Immigrated 1965-1974	0.64	0.83	0.53	0.40
Immigrated 1975-1984	0.60	0.82	0.59	0.50
Immigrated 1985+	0.46	0.79	0.54	0.60
		Regressions		
	Home Ownership	Equity/(Net Worth)	Have Mortgage	Mortgage/(House Value)
Immigrated pre-1955	-0.255***	0.032***	-0.042	-0.019
	(0.069)	(0.011)	(0.084)	(0.033)
Immigrated 1955-1964	-0.119*	0.042***	0.143*	-0.024
	(0.068)	(0.016)	(0.074)	(0.026)
Immigrated 1965-1974	-0.149**	0.031*	0.186**	-0.053***
	(0.065)	(0.016)	(0.075)	(0.020)
Immigrated 1975-1984	-0.089	-0.020	0.274***	-0.025
	(0.070)	(0.018)	(0.080)	(0.032)
Immigrated 1985+	-0.223**	-0.026	-0.053	0.042
	(0.091)	(0.027)	(0.095)	(0.037)

This table uses the sample of all households with respondents aged 51 or older in the 1998– 2012 waves of the HRS. The top portion of the table reports the following statistics for natives and immigrants: mean ownership rate (1st column), median ratio of home equity to financial and non-financial net worth (2nd column), mean fraction with mortgage, conditional on owning (3rd column), and median mortgage to house value for households with mortgages. The bottom portion of the table reports the coefficient estimates from probit regressions (in the case of home ownership and mortgage holding) and quantile regressions (in the case of the equity ratio and the mortgage ratio). The regressions include controls for age, marital status, an indicator for whether immigrants are married to immigrants, an indicator for whether immigrants are married to natives, whether the respondent speaks English, education, Hispanic, nonwhite, family size, children, and the natural log of annualized comprehensive wealth. The regressions also control for a full set of year dummies, and standard errors are clustered at the household level. Asterisks denote levels of statistical significance: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 8
Health, Businesses, Bequests, and Longevity of Immigrants and Natives

Summary Statistics

	Pos. OOP Costs (Mean)	OOP Costs (Med)	Have Bus. (Mean)	Bus.-Net-Worth (Med)	Beq. Small (Mean)	Beq. Large (Mean)	Life Exp. (Med)
Native	0.909	2400	0.086	0.289	66.61	42.52	1.086
Imm. pre-1955	0.824	2500	0.027	0.284	59.63	37.31	1.185
Imm. 1955-1964	0.844	2160	0.050	0.219	62.39	43.39	1.074
Imm. 1965-1974	0.795	2160	0.021	0.265	51.15	31.74	0.962
Imm. 1975-1984	0.773	1790	0.047	0.313	45.97	27.39	0.996
Imm. 1985+	0.799	1660	0.039	0.376	42.77	25.51	0.985

Regressions

	Pos. OOP Costs	OOP Costs	Have Bus.	Bus.-Net-Worth	Beq. Small	Beq. Large	Life Exp.
Imm. pre-1955	-0.181***	272.013*	-0.364***	-0.009	-2.424*	0.166	0.176*
	(0.058)	(144.134)	(0.118)	(0.034)	(1.347)	(1.306)	(0.096)
Imm. 1955-1964	-0.141**	125.526	-0.214**	-0.020	-2.288	2.841**	-0.114**
	(0.058)	(119.174)	(0.092)	(0.035)	(1.479)	(1.446)	(0.049)
Imm. 1965-1974	-0.155***	122.403	-0.362***	-0.037	-2.077	3.460**	-0.127***
	(0.057)	(121.022)	(0.109)	(0.050)	(1.434)	(1.378)	(0.039)
Imm. 1975-1984	-0.150***	-39.083	0.098	0.109	-2.103	4.645***	-0.055
	(0.058)	(122.120)	(0.103)	(0.075)	(1.545)	(1.401)	(0.052)
Imm. 1985+	0.089	-73.137	0.089	0.213**	3.991*	14.180***	-0.002
	(0.073)	(154.442)	(0.147)	(0.092)	(2.076)	(1.999)	(0.057)

This table uses the sample of all households with respondents aged 51 or older in the 1998– 2012 waves of the HRS. The top portion of the table reports the following statistics for natives and immigrants: mean fraction with pos. OOP medical costs (1st column), median OOP costs if positive (2nd column), mean fraction with business (3rd column), median business to net worth for households with business (4th column), mean self-reported probability of leaving a bequest larger than $10k (5th column), the mean self-reported probability of leaving a bequest larger than $100k (6th column), and the ratio of self-reported survival probabilities to the corresponding SSA period life table survival probabilities (7th column). The self-reported survival probabilities come from HRS questions about the likelihood that respondents will live to age 85 or 10 more years, depending on the survey year. The bottom portion of the table reports the coefficient estimates from probit regressions (in the cases of pos. OOP costs and whether a household has a business), quantile regressions (in the cases of OOP costs and the ratio of business to net worth), and OLS regressions (in the cases of bequest probabilities and life-expectancy. The regressions include controls for age, marital status, an indicator for whether immigrants are married to immigrants, an indicator for whether immigrants are married to natives, whether the respondent speaks English, education, Hispanic, nonwhite, family size, children, and the natural log of annualized comprehensive wealth. The regressions also control for a full set of year dummies, and standard errors are clustered at the household level. Asterisks denote levels of statistical significance: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 9
Family Transfers: Immigrants and Natives

Summary Statistics

	Extra Members	Kids Near?	Tr. to Kid?	Tr.. from Kid?	Tr. to Other?	Tr. from Other?
Native	0.547	0.589	0.361	0.058	0.083	0.029
Imm. pre-1955	0.627	0.551	0.309	0.077	0.074	0.024
Imm. 1955-1964	0.891	0.561	0.336	0.087	0.103	0.017
Imm. 1965-1974	1.288	0.562	0.315	0.107	0.122	0.022
Imm. 1975-1984	1.531	0.579	0.265	0.116	0.146	0.028
Imm. 1985+	1.791	0.424	0.330	0.113	0.146	0.023

Regressions

	Extra Members	Kids Near?	Tr. to Kid?	Tr.. from Kid?	Tr. to Other?	Tr. from Other?
Immigrated pre-1955	0.015**	-0.142**	0.137***	0.074	0.091	0.114
	(0.007)	(0.059)	(0.051)	(0.068)	(0.067)	(0.102)
Immigrated 1955-1964	0.019**	-0.066	0.089	0.158**	0.075	-0.143*
	(0.009)	(0.063)	(0.056)	(0.072)	(0.066)	(0.083)
Immigrated 1965-1974	0.043***	-0.144**	0.168***	0.154**	0.265***	-0.060
	(0.009)	(0.059)	(0.051)	(0.062)	(0.060)	(0.085)
Immigrated 1975-1984	0.052***	-0.173***	0.076	0.143**	0.409***	-0.026
	(0.008)	(0.064)	(0.054)	(0.066)	(0.064)	(0.086)
Immigrated 1985+	0.041***	-0.486***	0.357***	0.013	0.464***	-0.331***
	(0.011)	(0.077)	(0.065)	(0.074)	(0.075)	(0.107)

This table uses the sample of all households with respondents aged 51 or older in the 1998– 2012 waves of the HRS. The top portion of the table reports the mean values of the following variables: (1) How many people live in the household other than the respondent or spouse?; (2) Do any of your children who do not live with you live within 10 miles of you?; (3) Including help with education but not shared housing or shared food, have you given give financial help totaling $500 or more to any of your children?; (4) Have you received financial help totaling $500 or more from any of your children?; (5) Have you given financial help totaling $500 or more to any of your non- children relatives?; (6) Have you received financial help totaling $500 or more from any of your non-children relatives? The bottom portion of the table reports the coefficient estimates from regressions corresponding to the questions in the first panel of the table (OLS for the first column and probit for the rest). The regressions include controls for age, marital status, an indicator for whether immigrants are married to immigrants, an indicator for whether immigrants are married to natives, whether the respondent speaks English, education, Hispanic, nonwhite, family size, children, and the natural log of annualized comprehensive wealth. The regressions also control for a full set of year dummies, and standard errors are clustered at the household level. Asterisks denote levels of statistical significance: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 10
Decomposition of Differences in Median Annualized Wealth

	Raw Difference	Characteristics	Coefficients
Immigrated pre-1955	-0.163	-0.328	0.165
	(0.022)	(0.037)	(0.003)
Immigrated 1955-1964	-0.251	-0.371	0.120
	(0.041)	(0.052)	(0.003)
Immigrated 1965-1974	-0.595	-0.648	0.053
	(0.036)	(0.037)	(0.004)
Immigrated 1975-1984	-0.971	-0.833	-0.139
	(0.023)	(0.037)	(0.002)
Immigrated 1985+	-1.084	-0.793	-0.292
	(0.036)	(0.043)	(0.004)

This table uses the sample of all households with respondents aged 51 or older in the 1998– 2012 waves of the HRS. This table reports the decomposition of the differences in median annualized wealth be- tween natives and different cohorts of immigrants using the method and Stata implementation, nqdeco, which is described in Melly (2006). The first column of the table shows the raw difference in the median levels of annualized wealth. The second and third columns report the contributions of observable characteristics and coefficients, respectively. The quantile regressions are estimated using the restricted earnings sample and include the demographic, life-cycle, and transfer covariates reported in Table 4, as well as a full set of year dummies. We do not include the geographic or immigrant-race/ethnicity covariates since these pertain only to immigrants.

Figures

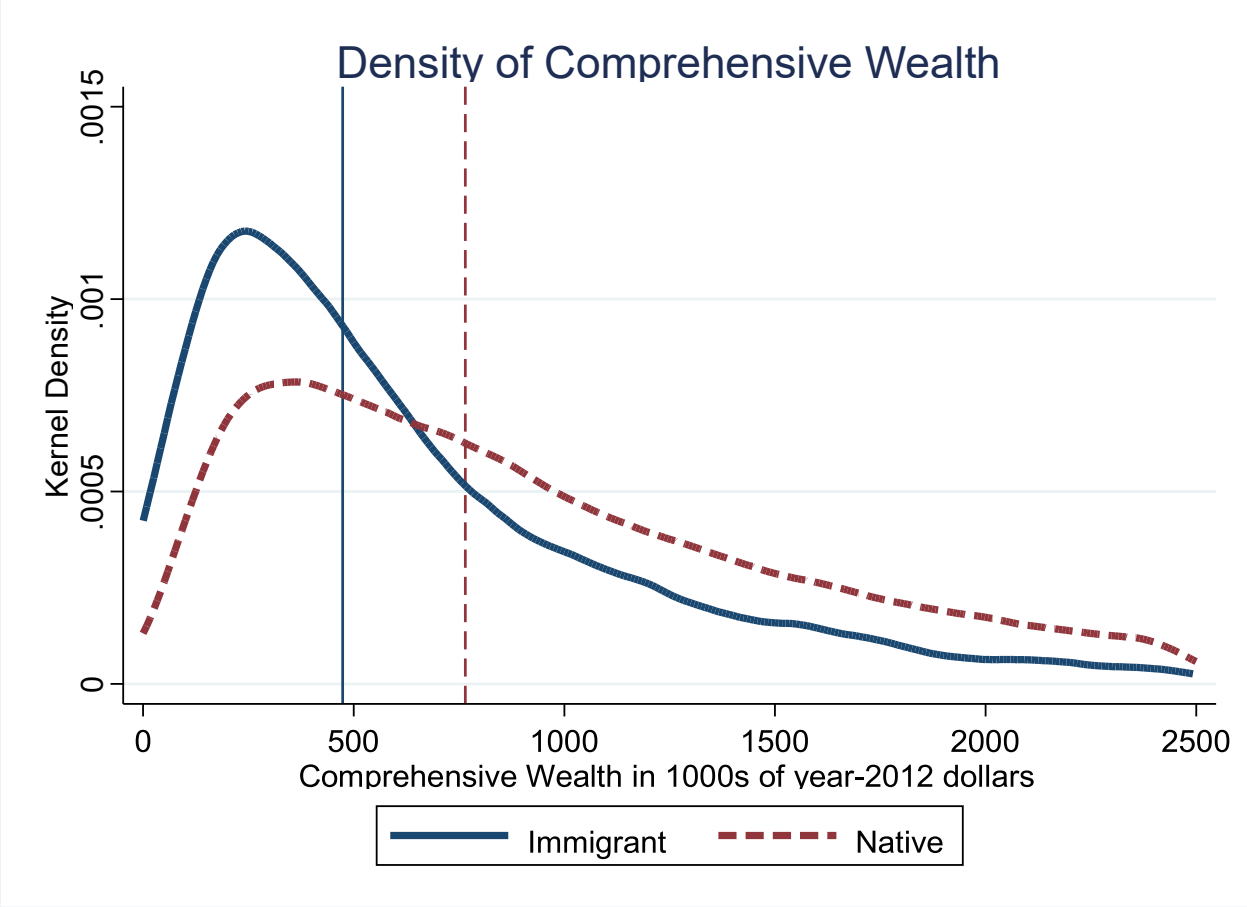

Figure 1
Comprehensive Wealth Densities: This figure displays the kernel densities of comprehensive wealth for married immigrant and native households aged 60–89 in the 1998–2012 waves of the HRS. Households are treated as married if they are married in the first wave they are observed. The vertical bars indicate the median values of comprehensive wealth for natives (dashed) and immigrants (solid), respectively. See text for details.

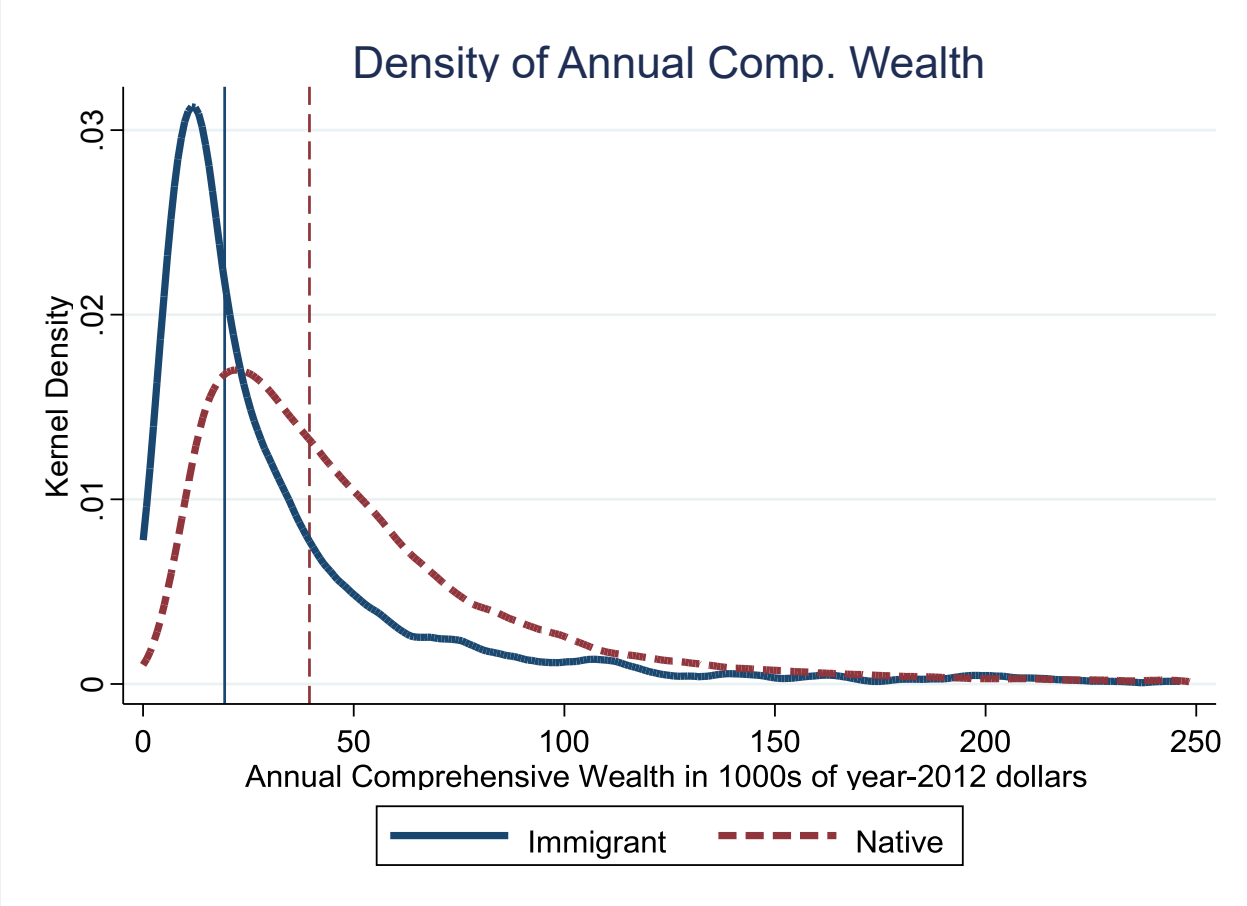

Figure 2
Annualized Comprehensive Wealth Densities: This figure displays the kernel densities of annualized comprehensive wealth for married immigrant and native households aged 60–89 in the 1998–2012 waves of the HRS. Households are treated as married if they are married in the first wave they are observed. The vertical bars indicate the median values of annualized comprehensive wealth for natives (dashed) and immigrants (solid), respectively. See text for details.

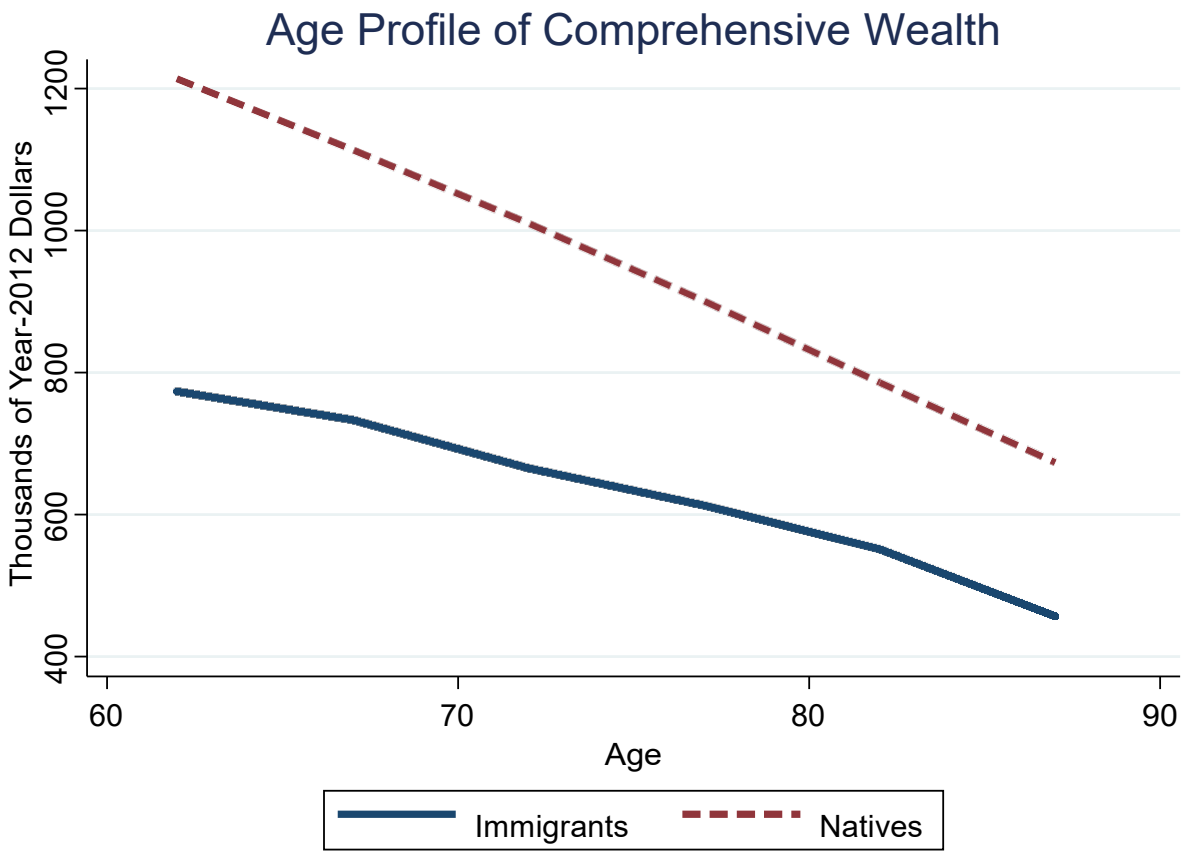

Figure 3
Comprehensive Wealth Profiles: This figure displays comprehensive wealth profiles for married households aged 65 and older in the 1998–2012 waves of the HRS. Households are treated as married if they are married in the first wave they are observed. The profiles are constructed using the coefficient estimates on a set of two-year age dummies from a median regression of the growth of annualized wealth that includes a full set of year dummies. See text for details.

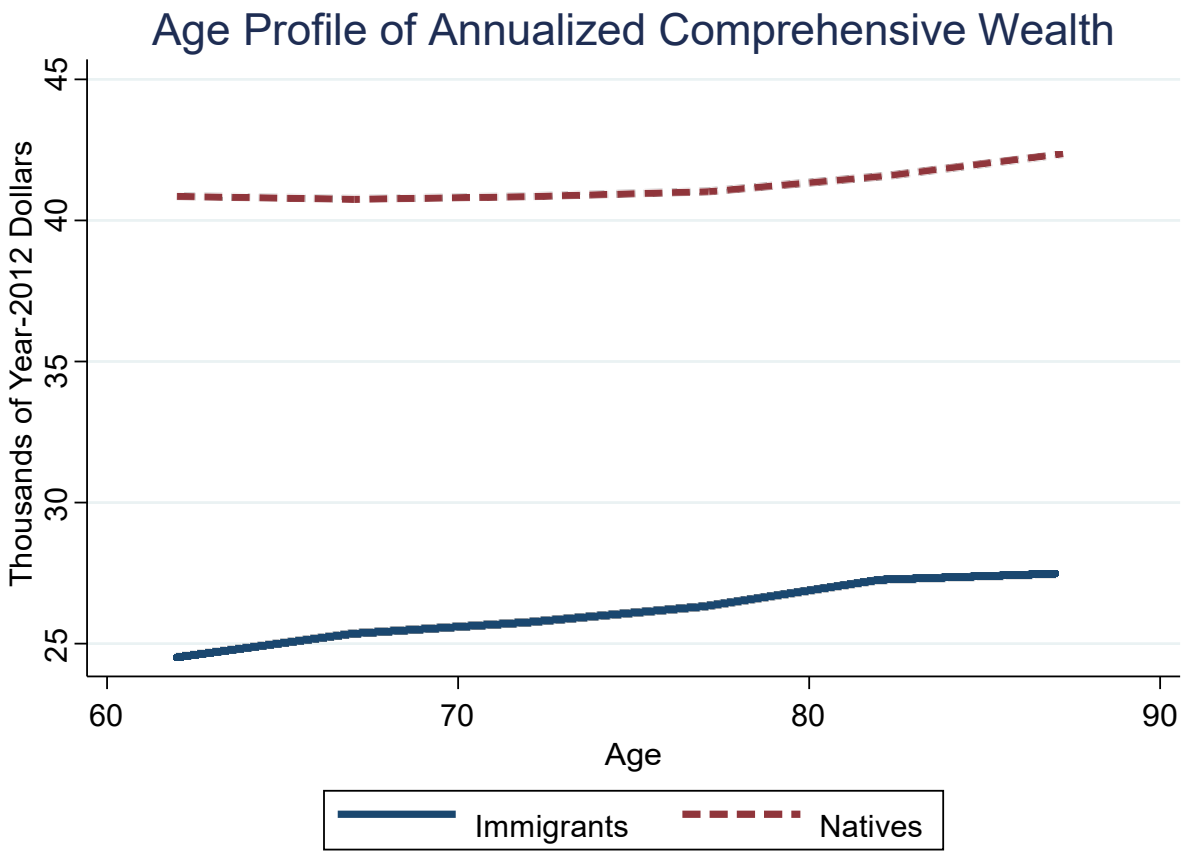

Figure 4
Annualized Comprehensive Wealth Profiles for Married Households: This figure displays annualized comprehensive wealth profiles for married households aged 65 and older in the 1998–2012 waves of the HRS. Households are treated as married if they are married in the first wave they are observed. The profiles are constructed using the coefficient estimates on a set of two-year age dummies from a median regression of the growth of annualized wealth that includes a full set of year dummies. See text for details.

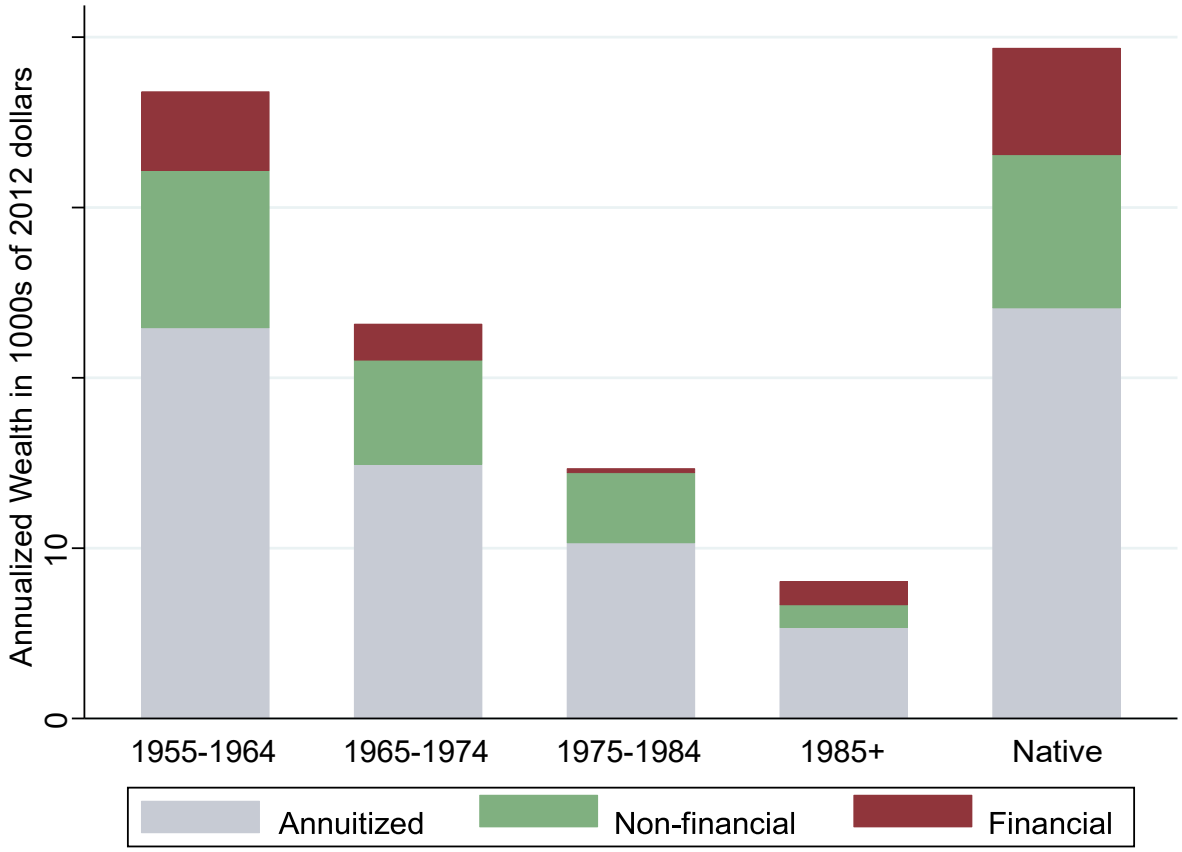

Figure 5
Annualized Wealth by Immigration Cohort: This chart displays the median value of annualized wealth broken down into annuitized, financial, and nonfinancial components for married households aged 65–74 in the 1998–2012 waves of the HRS. Households are treated as married if they are married in the first wave they are observed. See text for details.

Appendix A: Constructing Comprehensive and Annualized Wealth

Comprehensive wealth combines current wealth values, such as 401(k) plans, with the actuarial present value of cash flows, such Social Security income. The current wealth components are taken at their current market values, converted into year-2012 prices, and added together. For the present value of future cash flows, the HRS lists scores of possible annuities, pensions, social security payments, SSI, etc., for each year, and these all need to be converted into a present value for each respondent in the survey. While the details of the computations differ depending on whether these cash flows come with cost-of-living adjustments or survivor's benefits, the basic idea is straightforward.

Consider a stream of payments for an individual at age t, $\{x_t, x_{t+1}, \ldots, x_T\}$, where some of the x_{t+i} values may be zero, if the payments do not start until some known future date. In the simplest cases, we can just apply the standard discounting formula, where the discount rate reflects the interest rate (real, in the case of Social Security; nominal in the case of some future pension income), differential survival probabilities (by education, gender, and race), and survivor's benefits. Let S_t^r denote the respondent's probability of surviving until age $t + i$, conditional on being alive in period t, and let S_t^s denote the corresponding survival probability for the respondent's spouse.

$$PV_t = \sum_{i=0}^{T} x_{t+i} \frac{[S_{t+i}^r + \theta_{t+i}(1 - S_{t+i}^r)S_{t+i}^s]}{(1+r)^i}, \qquad \text{(A-1)}$$

In terms of the details, x_{t+1} will generally represent both current and *expected* future income payments from sources like Social Security and traditional DB pensions. In cases where the respondent is already receiving a payment, the HRS asks how long that payment is expected to continue. In cases where the respondent has not yet received a payment, the HRS asks about the starting date, the expected amount, and the duration of payments. We use these self-reported expected values to estimate the future cash flows in our present value calculations.

We apply versions of equation (A-1) to streams of payments from annuities, DB pensions, Social Security, and government transfer programs. We then sum these present values to the current wealth values to arrive at our measure of comprehensive wealth.

Once we have our final wealth values (comprehensive wealth and its components), we can convert those amounts to an annualized equivalent by asking how much one would have to pay for an actuarially fair, joint life annuity that pays an equivalence $\$\alpha$ when both members of the household are living and \$1 otherwise. The price of such an annuity is given by:

$$P_t = \sum_{i=0}^{T} \frac{\alpha S_{t+i}^r S_{t+i}^s + S_{t+i}^r(1 - S_{t+i}^s) + S_{t+i}^s(1 - S_{t+i}^r)}{(1+r)^i}, \qquad \text{(A-2)}$$

where the survival probabilities again reflect differential mortality by education, race, and gender, as described in the text. The annualizing factors, a_t, are household- and age- specific and equal to the reciprocal of the annuity price:

$$a_t = \frac{1}{P_t}. \qquad \text{(A-3)}$$

The final step to computing annualized comprehensive wealth is to simply multiply the annualizing factors, a_t, by the value of comprehensive wealth for each household. The final result provides an approximate mapping of total household resources into an amount that households could spend each year, as if they were able to fully annuitize their current and future wealth.

Appendix B: Supplementary Tables

Appendix B Table 1: Median Regressions of Log Annualized Wealth (Restricted Earnings Sample)

	Baseline	+ Demog.	+ Life-cycle	+ Transfers	+ Imm. Race/Origins
Immigrated pre-1955	-0.222*	-0.053	0.050	0.060	0.094**
	(0.124)	(0.073)	(0.048)	(0.048)	(0.040)
Immigrated 1955-1964	-0.147**	0.025	0.085*	0.072*	0.116**
	(0.066)	(0.058)	(0.049)	(0.038)	(0.045)
Immigrated 1965-1974	-0.626***	-0.147***	-0.031	-0.029	0.034
	(0.071)	(0.047)	(0.037)	(0.038)	(0.039)
Immigrated 1975-1984	-0.932***	-0.311***	-0.151***	-0.156***	-0.086*
	(0.061)	(0.045)	(0.035)	(0.042)	(0.050)
Immigrated 1985+	-1.246***	-0.662***	-0.195***	-0.220***	-0.184***
	(0.070)	(0.073)	(0.052)	(0.058)	(0.062)
Married		0.288***	0.043***	0.025**	0.025**
		(0.013)	(0.012)	(0.012)	(0.012)
Immigrant Married to Immigrant		0.038	-0.081***	-0.068**	-0.058*
		(0.038)	(0.031)	(0.029)	(0.032)
Immigrant Married to Native		0.021	0.008	-0.010	-0.014
		(0.035)	(0.030)	(0.027)	(0.025)
Naturalized citizen		0.077*	0.013	0.001	0.007
		(0.043)	(0.031)	(0.031)	(0.027)
No English		-0.178***	-0.088***	-0.096**	-0.076*
		(0.041)	(0.031)	(0.040)	(0.042)
High School		0.460***	0.193***	0.149***	0.150***
		(0.016)	(0.013)	(0.012)	(0.012)
College		0.987***	0.501***	0.400***	0.400***
		(0.019)	(0.022)	(0.018)	(0.018)
Hisp & White		-0.502***	-0.246***	-0.234***	-0.208***
		(0.031)	(0.022)	(0.021)	(0.029)
Hisp & Non-white		-0.486***	-0.198***	-0.179***	-0.133***
		(0.038)	(0.026)	(0.029)	(0.033)
Non-white & Non-hisp		-0.360***	-0.085***	-0.079***	-0.076***
		(0.016)	(0.015)	(0.013)	(0.014)
Family size		-0.031***	-0.003	-0.004	-0.003
		(0.004)	(0.003)	(0.004)	(0.003)
Num. of children		-0.023***	-0.008***	-0.007***	-0.007***
		(0.003)	(0.002)	(0.002)	(0.002)
Share Financial			0.019***	0.015***	0.015***
			(0.001)	(0.001)	(0.001)
Share Non-financial			0.009***	0.007***	0.007***
			(0.001)	(0.001)	(0.001)
Log of average household earnings			0.102***	0.079***	0.079***
			(0.005)	(0.005)	(0.005)
Std. of log household earnings			0.036**	0.015	0.016
			(0.016)	(0.015)	(0.015)
Own house			0.303***	0.217***	0.216***
			(0.016)	(0.014)	(0.014)
Have business			0.125***	0.080***	0.082***
			(0.020)	(0.017)	(0.017)
Good health			-0.057***	-0.032***	-0.032***
			(0.009)	(0.008)	(0.008)
Fair/poor health			-0.147***	-0.109***	-0.108***
			(0.010)	(0.009)	(0.009)
Med OOP costs			0.063***	0.049***	0.044***
			(0.014)	(0.014)	(0.014)
High OOP costs			0.097***	0.084***	0.076***
			(0.015)	(0.015)	(0.014)
beqSmallProb				0.088***	0.088***
				(0.009)	(0.008)
beqLargeProb				0.250***	0.250***
				(0.011)	(0.011)
Hisp nonwhite immigrant					-0.160***
					(0.052)
Hisp white immigrant					-0.104**
					(0.049)
Nonwhite immigrant					-0.071
					(0.044)
Kids within 10 miles				-0.011	-0.011
				(0.008)	(0.008)
Transfer to kid?				0.153***	0.152***
				(0.007)	(0.007)
Transfer from kid?				-0.064***	-0.064***
				(0.011)	(0.012)
Transfer to relative?				0.122***	0.124***
				(0.013)	(0.013)
Transfer from relative?				-0.087***	-0.087***
				(0.017)	(0.017)
Ages 65–74	0.084***	0.147***	0.019**	0.052***	0.052***
	(0.013)	(0.010)	(0.009)	(0.008)	(0.008)
Ages 75+	0.189***	0.326***	0.128***	0.181***	0.182***
	(0.018)	(0.014)	(0.014)	(0.013)	(0.013)
Constant	10.342***	9.917***	8.127***	8.411***	8.411***
	(0.010)	(0.020)	(0.070)	(0.073)	(0.069)
R-squared	0.066	0.348	0.378	0.524	0.524
Obs.	105268	103289	81138	69055	69055

This table reports the complete coefficient estimates for the regressions in Table 5, Panel A of the paper. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Appendix B Table 2: Median Regressions of Log Annualized Wealth (Restricted Geographic Sample)

Immigrated pre-1955	-0.222*	-0.053	0.000	0.017	0.061
	(0.124)	(0.073)	(0.031)	(0.034)	(0.040)
Immigrated 1955-1964	-0.147**	0.025	0.065	0.053	0.109***
	(0.066)	(0.058)	(0.041)	(0.037)	(0.042)
Immigrated 1965-1974	-0.626***	-0.147***	-0.094**	-0.078*	-0.001
	(0.071)	(0.047)	(0.039)	(0.041)	(0.045)
Immigrated 1975-1984	-0.932***	-0.311***	-0.204***	-0.216***	-0.126**
	(0.061)	(0.045)	(0.035)	(0.043)	(0.050)
Immigrated 1985+	-1.246***	-0.662***	-0.414***	-0.464***	-0.355***
	(0.070)	(0.073)	(0.053)	(0.060)	(0.094)
Ages 70–79	0.084***	0.147***	0.029***	0.058***	0.056***
	(0.013)	(0.010)	(0.008)	(0.008)	(0.008)
Ages 80+	0.189***	0.326***	0.118***	0.178***	0.178***
	(0.018)	(0.014)	(0.012)	(0.013)	(0.013)
Married		0.288***	0.120***	0.084***	0.084***
		(0.013)	(0.010)	(0.009)	(0.009)
Immigrant Married to Immigrant		0.038	-0.066**	-0.056**	-0.047
		(0.038)	(0.031)	(0.029)	(0.032)
Immigrant Married to Native		0.021	-0.013	-0.016	-0.016
		(0.035)	(0.027)	(0.027)	(0.026)
Naturalized citizen		0.077*	0.032	0.000	0.010
		(0.043)	(0.027)	(0.029)	(0.030)
No English		-0.178***	-0.180***	-0.149***	-0.148***
		(0.041)	(0.029)	(0.034)	(0.027)
High School		0.460***	0.227***	0.169***	0.168***
		(0.016)	(0.011)	(0.010)	(0.010)
College		0.987***	0.535***	0.418***	0.417***
		(0.019)	(0.018)	(0.017)	(0.017)
Hisp & White		-0.502***	-0.262***	-0.254***	-0.226***
		(0.031)	(0.021)	(0.020)	(0.020)
Hisp & Non-white		-0.486***	-0.223***	-0.224***	-0.208***
		(0.038)	(0.027)	(0.025)	(0.028)
Non-white & Non-hisp		-0.360***	-0.132***	-0.111***	-0.109***
		(0.016)	(0.013)	(0.012)	(0.012)
Family size		-0.031***	-0.007**	-0.009***	-0.009***
		(0.004)	(0.003)	(0.003)	(0.003)
Num. of children		-0.023***	-0.009***	-0.007***	-0.007***
		(0.003)	(0.002)	(0.002)	(0.002)
Share Financial			0.018***	0.014***	0.014***
			(0.001)	(0.001)	(0.001)
Share Non-financial			0.007***	0.006***	0.007***
			(0.001)	(0.000)	(0.000)
Own house			0.375***	0.277***	0.276***
			(0.015)	(0.013)	(0.013)
Have business			0.182***	0.113***	0.112***
			(0.018)	(0.017)	(0.017)
Live in urban area (pop. >1 million)			0.162***	0.124***	0.120***
			(0.008)	(0.008)	(0.008)
Good health			-0.069***	-0.045***	-0.045***
			(0.008)	(0.007)	(0.007)
Fair/poor health			-0.168***	-0.121***	-0.121***
			(0.010)	(0.009)	(0.009)
Med OOP costs			0.099***	0.074***	0.074***
			(0.007)	(0.006)	(0.006)
High OOP costs			0.102***	0.089***	0.088***
			(0.008)	(0.008)	(0.008)
beqSmallProb				0.093***	0.094***
				(0.008)	(0.008)
beqLargeProb				0.257***	0.256***
				(0.012)	(0.012)
Kids within 10 miles				-0.016**	-0.016**
				(0.007)	(0.007)
Transfer to kid?				0.159***	0.158***
				(0.007)	(0.007)
Transfer from kid?				-0.077***	-0.080***
				(0.010)	(0.010)
Transfer to relative?				0.134***	0.133***
				(0.011)	(0.011)
Transfer from relative?				-0.101***	-0.101***
				(0.017)	(0.017)
High-middle income country					-0.086**
					(0.040)
Low-middle income country					-0.112**
					(0.050)
Low income country					-0.074
					(0.069)
Resp. immigrant from Mexico					-0.101***
					(0.036)
Constant	10.342***	9.917***	9.389***	9.378***	9.377***
	(0.010)	(0.020)	(0.017)	(0.019)	(0.018)
R-squared	0.066	0.348	0.285	0.389	0.389
Obs.	105268	103289	103289	86382	86382

This table reports the complete coefficient estimates for the regressions in Table 5, panel B of the paper. * $p<0.10$, ** $p<0.05$, *** $p<0.01$.

Appendix B Table 3: OLS Regressions of Log Annualized Wealth (Restricted Earnings Sample)

	Baseline	+ Demog.	+ Life-cycle	+ Transfers	+ Imm. Race/Origins
Immigrated pre-1955	-0.183***	-0.063	0.048	0.049	0.091**
	(0.051)	(0.048)	(0.046)	(0.043)	(0.046)
Immigrated 1955-1964	-0.129**	0.036	0.098*	0.057	0.108**
	(0.055)	(0.053)	(0.051)	(0.047)	(0.051)
Immigrated 1965-1974	-0.551***	-0.125***	-0.008	-0.042	0.044
	(0.044)	(0.047)	(0.047)	(0.043)	(0.051)
Immigrated 1975-1984	-0.776***	-0.298***	-0.124**	-0.161***	-0.071
	(0.045)	(0.047)	(0.062)	(0.045)	(0.054)
Immigrated 1985+	-1.172***	-0.686***	-0.276***	-0.350***	-0.267***
	(0.065)	(0.066)	(0.076)	(0.080)	(0.083)
Married		0.295***	0.046***	0.014	0.015
		(0.010)	(0.012)	(0.011)	(0.011)
Immigrant Married to Immigrant		-0.015	-0.034	-0.049	-0.039
		(0.037)	(0.034)	(0.033)	(0.033)
Immigrant Married to Native		-0.020	0.023	0.001	-0.009
		(0.028)	(0.029)	(0.025)	(0.025)
Naturalized citizen		0.133***	0.027	0.019	0.027
		(0.036)	(0.037)	(0.035)	(0.035)
No English		-0.246***	-0.145***	-0.113***	-0.089**
		(0.040)	(0.039)	(0.038)	(0.039)
High School		0.427***	0.267***	0.185***	0.186***
		(0.013)	(0.015)	(0.012)	(0.012)
College		0.936***	0.649***	0.474***	0.473***
		(0.017)	(0.027)	(0.018)	(0.018)
Hisp & White		-0.515***	-0.363***	-0.304***	-0.275***
		(0.023)	(0.028)	(0.021)	(0.024)
Hisp & Non-white		-0.516***	-0.307***	-0.255***	-0.175***
		(0.032)	(0.036)	(0.033)	(0.035)
Non-white & Non-hisp		-0.360***	-0.180***	-0.129***	-0.125***
		(0.013)	(0.022)	(0.014)	(0.014)
Family size		-0.035***	-0.017***	-0.016***	-0.015***
		(0.004)	(0.004)	(0.003)	(0.003)
Num. of children		-0.020***	-0.016***	-0.012***	-0.011***
		(0.002)	(0.003)	(0.002)	(0.002)
Share Financial			0.005**	0.005***	0.005***
			(0.002)	(0.001)	(0.001)
Share Non-financial			0.002**	0.003***	0.003***
			(0.001)	(0.001)	(0.001)
Log of average household earnings			0.101***	0.076***	0.076***
			(0.005)	(0.005)	(0.005)
Std. of log household earnings			0.002	-0.013	-0.014
			(0.016)	(0.015)	(0.015)
Own house			0.490***	0.309***	0.307***
			(0.027)	(0.018)	(0.018)
Have business			0.262***	0.157***	0.158***
			(0.025)	(0.020)	(0.020)
Good health			-0.086***	-0.047***	-0.047***
			(0.010)	(0.008)	(0.008)
Fair/poor health			-0.213***	-0.132***	-0.131***
			(0.015)	(0.010)	(0.010)
Med OOP costs			0.069***	0.039***	0.039**
			(0.015)	(0.015)	(0.015)
High OOP costs			0.131***	0.101***	0.101***
			(0.015)	(0.016)	(0.016)
beqSmallProb				0.103***	0.103***
				(0.008)	(0.008)
beqLargeProb				0.351***	0.351***
				(0.013)	(0.013)
Hisp nonwhite immigrant					-0.240***
					(0.068)
Hisp white immigrant					-0.131***
					(0.045)
Nonwhite immigrant					-0.099**
					(0.047)
Kids within 10 miles				-0.009	-0.009
				(0.008)	(0.008)
Transfer to kid?				0.172***	0.171***
				(0.007)	(0.007)
Transfer from kid?				-0.103***	-0.102***
				(0.012)	(0.012)
Transfer to relative?				0.149***	0.149***
				(0.012)	(0.012)
Transfer from relative?				-0.158***	-0.157***
				(0.018)	(0.018)
Ages 65–74	0.132***	0.165***	0.129***	0.138***	0.138***
	(0.010)	(0.008)	(0.012)	(0.009)	(0.009)
Ages 75+	0.255***	0.366***	0.373***	0.368***	0.369***
	(0.013)	(0.012)	(0.028)	(0.018)	(0.018)
Constant	10.292***	9.937***	8.327***	8.563***	8.562***
	(0.008)	(0.017)	(0.079)	(0.070)	(0.070)
R-squared	0.067	0.350	0.517	0.598	0.598
Obs	105268	103289	81138	69055	69055

This table reports the complete coefficient estimates for OLS versions of Table 5 Panel A regressions, which are not included in the main text.
* $p<0.10$, ** $p<0.05$, *** $p<0.01$.

Appendix B Table 4: OLS Regressions of Log Annualized Wealth (Restricted Geographic Sample)

	Baseline	+ Demog.	+ Life-cycle	+ Transfers	+ Imm. Race/Origins
Immigrated pre-1955	-0.183***	-0.063	-0.016	-0.006	0.047
	(0.051)	(0.048)	(0.040)	(0.041)	(0.042)
Immigrated 1955-1964	-0.129**	0.036	0.037	0.022	0.096**
	(0.055)	(0.053)	(0.044)	(0.043)	(0.046)
Immigrated 1965-1974	-0.551***	-0.125***	-0.095**	-0.116***	-0.010
	(0.044)	(0.047)	(0.040)	(0.040)	(0.047)
Immigrated 1975-1984	-0.776***	-0.298***	-0.242***	-0.250***	-0.126***
	(0.045)	(0.047)	(0.048)	(0.040)	(0.048)
Immigrated 1985+	-1.172***	-0.686***	-0.565***	-0.596***	-0.483***
	(0.065)	(0.066)	(0.060)	(0.066)	(0.069)
Ages 70–79	0.132***	0.165***	0.132***	0.151***	0.151***
	(0.010)	(0.008)	(0.009)	(0.009)	(0.009)
Ages 80+	0.255***	0.366***	0.361***	0.391***	0.392***
	(0.013)	(0.012)	(0.019)	(0.018)	(0.018)
Married		0.295***	0.109***	0.051***	0.050***
		(0.010)	(0.010)	(0.009)	(0.009)
Immigrant Married to Immigrant		-0.015	-0.025	-0.027	-0.016
		(0.037)	(0.032)	(0.032)	(0.031)
Immigrant Married to Native		-0.020	-0.008	-0.008	-0.015
		(0.028)	(0.026)	(0.023)	(0.023)
Naturalized citizen		0.133***	0.090***	0.071**	0.072**
		(0.036)	(0.032)	(0.032)	(0.032)
No English		-0.246***	-0.230***	-0.175***	-0.164***
		(0.040)	(0.034)	(0.034)	(0.034)
High School		0.427***	0.285***	0.195***	0.194***
		(0.013)	(0.012)	(0.010)	(0.010)
College		0.936***	0.665***	0.487***	0.487***
		(0.017)	(0.020)	(0.016)	(0.016)
Hisp & White		-0.515***	-0.405***	-0.351***	-0.320***
		(0.023)	(0.021)	(0.020)	(0.020)
Hisp & Non-white		-0.516***	-0.370***	-0.331***	-0.315***
		(0.032)	(0.029)	(0.028)	(0.028)
Non-white & Non-hisp		-0.360***	-0.248***	-0.189***	-0.183***
		(0.013)	(0.017)	(0.015)	(0.015)
Family size		-0.035***	-0.025***	-0.022***	-0.021***
		(0.004)	(0.003)	(0.003)	(0.003)
Num. of children		-0.020***	-0.015***	-0.013***	-0.012***
		(0.002)	(0.002)	(0.002)	(0.002)
Share Financial			0.003**	0.002*	0.002*
			(0.001)	(0.001)	(0.001)
Share Non-financial			0.002**	0.002***	0.002***
			(0.001)	(0.001)	(0.001)
Own house			0.556***	0.369***	0.370***
			(0.019)	(0.015)	(0.015)
Have business			0.302***	0.194***	0.195***
			(0.020)	(0.016)	(0.016)
Live in urban area (pop. >1 million)			0.195***	0.142***	0.141***
			(0.009)	(0.008)	(0.008)
Good health			-0.106***	-0.064***	-0.064***
			(0.008)	(0.007)	(0.007)
Fair/poor health			-0.248***	-0.158***	-0.158***
			(0.011)	(0.009)	(0.009)
Med OOP costs			0.128***	0.093***	0.093***
			(0.007)	(0.007)	(0.007)
High OOP costs			0.166***	0.134***	0.134***
			(0.009)	(0.009)	(0.009)
beqSmallProb				0.115***	0.115***
				(0.008)	(0.008)
beqLargeProb				0.372***	0.372***
				(0.013)	(0.013)
Kids within 10 miles				-0.014*	-0.014**
				(0.007)	(0.007)
Transfer to kid?				0.185***	0.185***
				(0.007)	(0.007)
Transfer from kid?				-0.125***	-0.124***
				(0.011)	(0.011)
Transfer to relative?				0.153***	0.153***
				(0.011)	(0.011)
Transfer from relative?				-0.173***	-0.172***
				(0.017)	(0.017)
High-middle income country					-0.121***
					(0.042)
Low-middle income country					-0.166***
					(0.050)
Low income country					-0.171***
					(0.054)
Resp. immigrant from Mexico					-0.096**
					(0.045)
Constant	10.292***	9.937***	9.539***	9.480***	9.475***
	(0.008)	(0.017)	(0.021)	(0.020)	(0.020)
R-squared	0.067	0.350	0.494	0.571	0.572
Obs	105268	103289	103289	86382	86382

This table reports the complete coefficient estimates for OLS versions of Table 5 Panel B regressions, which are not included in the main text. * $p<0.10$, ** $p<0.05$, *** $p<0.01$.

Appendix B Table 5: Median Regressions of Log Annualized Wealth (Immigrants Only), Restricted Earnings Sample

	Baseline	+ Demog.	+ Life-cycle	+ Transfers	+ Race/Origins
Immigrated 1955-1964	0.200*	0.052	-0.012	-0.019	-0.029
	(0.111)	(0.091)	(0.058)	(0.053)	(0.048)
Immigrated 1965-1974	-0.202**	-0.222***	-0.109**	-0.101**	-0.080*
	(0.096)	(0.070)	(0.046)	(0.048)	(0.041)
Immigrated 1975-1984	-0.534***	-0.399***	-0.225***	-0.208***	-0.187***
	(0.088)	(0.070)	(0.050)	(0.050)	(0.045)
Immigrated 1985+	-0.819***	-0.767***	-0.209***	-0.233***	-0.242***
	(0.090)	(0.087)	(0.071)	(0.069)	(0.078)
Ages 65–74		0.068**	0.051**	0.089***	0.072***
		(0.032)	(0.025)	(0.025)	(0.023)
Ages 75+		0.157***	0.155***	0.225***	0.194***
		(0.051)	(0.038)	(0.039)	(0.037)
Married		0.257***	-0.072**	-0.094***	-0.058*
		(0.042)	(0.034)	(0.033)	(0.033)
High School		0.560***	0.219***	0.183***	0.148***
		(0.050)	(0.038)	(0.036)	(0.036)
College		1.177***	0.493***	0.385***	0.320***
		(0.060)	(0.059)	(0.058)	(0.061)
Naturalized citizen		0.111**	-0.003	-0.009	0.022
		(0.047)	(0.032)	(0.031)	(0.032)
Family size		-0.032***	-0.011	-0.002	0.003
		(0.011)	(0.007)	(0.007)	(0.007)
Num. of children		-0.026***	-0.006	-0.005	-0.005
		(0.008)	(0.006)	(0.007)	(0.007)
Share Financial			0.023***	0.019***	0.015***
			(0.002)	(0.002)	(0.002)
Share Non-financial			0.008***	0.007***	0.006***
			(0.001)	(0.001)	(0.001)
Log of average household earnings			0.162***	0.127***	0.129***
			(0.021)	(0.020)	(0.023)
Std. of log household earnings			0.036	-0.007	-0.008
			(0.047)	(0.050)	(0.054)
Own house			0.272***	0.196***	0.196***
			(0.041)	(0.039)	(0.033)
Have business			0.195**	0.054	0.045
			(0.092)	(0.086)	(0.099)
Good health			-0.068*	-0.080**	-0.046
			(0.036)	(0.040)	(0.032)
Fair/poor health			-0.213***	-0.194***	-0.152***
			(0.041)	(0.043)	(0.037)
Med OOP costs			0.213***	0.130***	0.080
			(0.059)	(0.045)	(0.054)
High OOP costs			0.132**	0.090*	0.059
			(0.052)	(0.049)	(0.045)
beqSmallProb				0.063**	0.057**
				(0.027)	(0.026)
beqLargeProb				0.239***	0.250***
				(0.041)	(0.036)
Kids within 10 miles				0.000	-0.000
				(0.024)	(0.023)
Transfer to kid?				0.220***	0.186***
				(0.029)	(0.027)
Transfer from kid?				-0.017	-0.016
				(0.035)	(0.030)
Transfer to relative?				0.085**	0.108***
				(0.034)	(0.036)
Transfer from relative?				-0.110	-0.027
				(0.088)	(0.085)
Hisp & White					-0.327***
					(0.052)
Hisp & Non-white					-0.337***
					(0.060)
Non-white & Non-hisp					-0.200***
					(0.058)
Constant	9.909***	9.544***	7.302***	7.737***	7.937***
	(0.068)	(0.074)	(0.285)	(0.270)	(0.309)
R-squared	0.105	0.323	0.489	0.560	0.606
Obs.	9135	8985	6206	5087	5087

This table reports the complete coefficient estimates for the regressions in Table 6 Panel A of the paper. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Appendix B Table 6: Median Regressions of Log Annualized Wealth (Immigrants Only), Restricted Geographic Sample

	Baseline	+ Demog.	+ Life-cycle	+ Transfers	+ Race/Origins
Immigrated 1955-1964	0.200*	0.052	0.070	0.022	0.054
	(0.111)	(0.091)	(0.052)	(0.043)	(0.046)
Immigrated 1965-1974	-0.202**	-0.222***	-0.129***	-0.138***	-0.069
	(0.096)	(0.070)	(0.042)	(0.043)	(0.050)
Immigrated 1975-1984	-0.534***	-0.399***	-0.250***	-0.256***	-0.196***
	(0.088)	(0.070)	(0.042)	(0.043)	(0.054)
Immigrated 1985+	-0.819***	-0.767***	-0.440***	-0.496***	-0.447***
	(0.090)	(0.087)	(0.062)	(0.068)	(0.082)
Ages 70–79		0.068**	0.080***	0.093***	0.056**
		(0.032)	(0.027)	(0.023)	(0.025)
Ages 80+		0.157***	0.157***	0.195***	0.152***
		(0.051)	(0.032)	(0.033)	(0.035)
Married		0.257***	0.026	0.003	0.017
		(0.042)	(0.031)	(0.029)	(0.030)
High School		0.560***	0.286***	0.225***	0.147***
		(0.050)	(0.038)	(0.035)	(0.038)
College		1.177***	0.556***	0.391***	0.327***
		(0.060)	(0.057)	(0.053)	(0.052)
Naturalized citizen		0.111**	0.019	0.002	0.009
		(0.047)	(0.029)	(0.028)	(0.031)
Family size		-0.032***	-0.027***	-0.018***	-0.010
		(0.011)	(0.007)	(0.006)	(0.007)
Num. of children		-0.026***	-0.002	-0.003	0.004
		(0.008)	(0.005)	(0.005)	(0.006)
Share Financial			0.022***	0.020***	0.017***
			(0.002)	(0.002)	(0.002)
Share Non-financial			0.006***	0.005***	0.005***
			(0.001)	(0.001)	(0.001)
Live in urban area (pop. >1 million)			0.245***	0.214***	0.173***
			(0.032)	(0.028)	(0.033)
Own house			0.442***	0.351***	0.364***
			(0.045)	(0.034)	(0.034)
Have business			0.207**	0.077	0.033
			(0.086)	(0.071)	(0.076)
Good health			-0.125***	-0.111***	-0.092***
			(0.033)	(0.031)	(0.032)
Fair/poor health			-0.283***	-0.230***	-0.183***
			(0.036)	(0.035)	(0.035)
Med OOP costs			0.142***	0.095***	0.079***
			(0.023)	(0.022)	(0.022)
High OOP costs			0.149***	0.113***	0.090***
			(0.028)	(0.026)	(0.029)
beqSmallProb				0.034	0.048**
				(0.027)	(0.024)
beqLargeProb				0.277***	0.265***
				(0.034)	(0.034)
Kids within 10 miles				-0.006	-0.014
				(0.021)	(0.022)
Transfer to kid?				0.244***	0.218***
				(0.025)	(0.024)
Transfer from kid?				-0.051*	-0.051
				(0.031)	(0.033)
Transfer to relative?				0.117***	0.154***
				(0.034)	(0.036)
Transfer from relative?				-0.155**	-0.159*
				(0.079)	(0.094)
Hisp & White					-0.257***
					(0.051)
Hisp & Non-white					-0.284***
					(0.060)
Non-white & Non-hisp					-0.069
					(0.058)
Resp. immigrant from Mexico					-0.067
					(0.046)
High-middle income country					-0.072*
					(0.043)
Low-middle income country					-0.138**
					(0.054)
Low income country					-0.084
					(0.056)
Constant	9.909***	9.544***	9.166***	9.176***	9.396***
	(0.068)	(0.074)	(0.053)	(0.054)	(0.071)
R-squared	0.105	0.323	0.430	0.513	0.550
Obs.	9135	8985	8985	7175	7175

This table reports the complete coefficient estimates for the regressions in Table 6 Panel B of the paper. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Appendix B Table 7: OLS Regressions of Log Annualized Wealth (Immigrants Only), Restricted Earnings Sample

	Baseline	+ Demog.	+ Life-cycle	+ Transfers	+ Race/Origins
Immigrated 1955-1964	0.166**	0.116	0.027	0.001	0.002
	(0.080)	(0.073)	(0.058)	(0.056)	(0.054)
Immigrated 1965-1974	-0.257***	-0.216***	-0.138***	-0.140***	-0.073
	(0.068)	(0.060)	(0.052)	(0.051)	(0.049)
Immigrated 1975-1984	-0.493***	-0.413***	-0.273***	-0.242***	-0.182***
	(0.068)	(0.063)	(0.059)	(0.057)	(0.054)
Immigrated 1985+	-0.886***	-0.799***	-0.312***	-0.369***	-0.340***
	(0.086)	(0.085)	(0.092)	(0.090)	(0.089)
Ages 65–74		0.141***	0.146***	0.171***	0.123***
		(0.032)	(0.033)	(0.033)	(0.031)
Ages 75+		0.315***	0.369***	0.415***	0.324***
		(0.049)	(0.053)	(0.053)	(0.047)
Married		0.288***	-0.046	-0.090**	-0.074**
		(0.041)	(0.038)	(0.038)	(0.037)
High School		0.513***	0.289***	0.218***	0.146***
		(0.047)	(0.041)	(0.038)	(0.038)
College		1.105***	0.593***	0.432***	0.331***
		(0.065)	(0.075)	(0.070)	(0.069)
Naturalized citizen		0.156***	0.040	0.022	0.040
		(0.043)	(0.039)	(0.037)	(0.036)
Family size		-0.056***	-0.022**	-0.007	-0.000
		(0.010)	(0.009)	(0.009)	(0.009)
Num. of children		-0.032***	-0.015**	-0.017**	-0.013*
		(0.009)	(0.007)	(0.008)	(0.007)
Share Financial			0.009**	0.007*	0.006*
			(0.004)	(0.004)	(0.003)
Share Non-financial			0.004***	0.003**	0.003*
			(0.001)	(0.002)	(0.001)
Log of average household earnings			0.179***	0.141***	0.134***
			(0.019)	(0.019)	(0.018)
Std. of log household earnings			0.007	-0.006	-0.006
			(0.052)	(0.049)	(0.048)
Own house			0.438***	0.306***	0.294***
			(0.051)	(0.048)	(0.045)
Have business			0.315***	0.127	0.091
			(0.095)	(0.095)	(0.088)
Good health			-0.104***	-0.080**	-0.053
			(0.038)	(0.039)	(0.038)
Fair/poor health			-0.281***	-0.217***	-0.161***
			(0.042)	(0.041)	(0.041)
Med OOP costs			0.159***	0.110*	0.099*
			(0.058)	(0.061)	(0.058)
High OOP costs			0.207***	0.146**	0.130**
			(0.058)	(0.060)	(0.056)
beqSmallProb				0.082***	0.089***
				(0.031)	(0.030)
beqLargeProb				0.345***	0.309***
				(0.044)	(0.039)
Kids within 10 miles				0.005	0.015
				(0.026)	(0.026)
Transfer to kid?				0.273***	0.227***
				(0.031)	(0.028)
Transfer from kid?				-0.080**	-0.071*
				(0.040)	(0.039)
Transfer to relative?				0.155***	0.161***
				(0.043)	(0.043)
Transfer from relative?				-0.218	-0.243*
				(0.133)	(0.126)
Hisp & White					-0.453***
					(0.059)
Hisp & Non-white					-0.473***
					(0.072)
Non-white & Non-hisp					-0.277***
					(0.066)
Constant	10.048***	9.623***	7.168***	7.593***	7.970***
	(0.049)	(0.067)	(0.259)	(0.253)	(0.247)
R-squared	0.108	0.334	0.568	0.626	0.653
Obs.	9135	8985	6206	5087	5087

This table reports the complete coefficient estimates for OLS versions of Table 6 Panel A regressions, which are not included in the main text. * $p < 0.10$,
** $p < 0.05$, *** $p < 0.01$.

Appendix B Table 8: OLS Regressions of Log Annualized Wealth (Immigrants Only), Restricted Geographic Sample

	Baseline	+ Demog.	+ Life-cycle	+ Transfers	+ Race/Origins
Immigrated 1955-1964	0.166**	0.116	0.082	0.057	0.088*
	(0.080)	(0.073)	(0.052)	(0.051)	(0.050)
Immigrated 1965-1974	-0.257***	-0.216***	-0.145***	-0.161***	-0.066
	(0.068)	(0.060)	(0.046)	(0.046)	(0.047)
Immigrated 1975-1984	-0.493***	-0.413***	-0.308***	-0.286***	-0.189***
	(0.068)	(0.063)	(0.051)	(0.051)	(0.053)
Immigrated 1985+	-0.886***	-0.799***	-0.588***	-0.623***	-0.566***
	(0.086)	(0.085)	(0.074)	(0.077)	(0.076)
Ages 70–79		0.141***	0.170***	0.206***	0.142***
		(0.032)	(0.029)	(0.030)	(0.029)
Ages 80+		0.315***	0.387***	0.433***	0.332***
		(0.049)	(0.043)	(0.046)	(0.042)
Married		0.288***	0.068*	0.018	0.029
		(0.041)	(0.035)	(0.036)	(0.035)
High School		0.513***	0.331***	0.254***	0.154***
		(0.047)	(0.038)	(0.037)	(0.039)
College		1.105***	0.657***	0.464***	0.347***
		(0.065)	(0.060)	(0.060)	(0.062)
Naturalized citizen		0.156***	0.112***	0.081**	0.078**
		(0.043)	(0.034)	(0.034)	(0.033)
Family size		-0.056***	-0.043***	-0.031***	-0.020**
		(0.010)	(0.008)	(0.009)	(0.008)
Num. of children		-0.032***	-0.014**	-0.014*	-0.004
		(0.009)	(0.007)	(0.007)	(0.007)
Share Financial			0.008***	0.007**	0.006**
			(0.002)	(0.003)	(0.003)
Share Non-financial			0.001	0.001	0.000
			(0.001)	(0.001)	(0.001)
Live in urban area (pop. >1 million)			0.260***	0.207***	0.200***
			(0.035)	(0.034)	(0.036)
Own house			0.656***	0.484***	0.490***
			(0.049)	(0.052)	(0.050)
Have business			0.348***	0.148*	0.134*
			(0.082)	(0.084)	(0.078)
Good health			-0.161***	-0.134***	-0.092***
			(0.034)	(0.036)	(0.035)
Fair/poor health			-0.379***	-0.283***	-0.206***
			(0.038)	(0.039)	(0.037)
Med OOP costs			0.199***	0.126***	0.098***
			(0.025)	(0.026)	(0.025)
High OOP costs			0.217***	0.152***	0.118***
			(0.032)	(0.033)	(0.030)
beqSmallProb				0.065**	0.072**
				(0.030)	(0.029)
beqLargeProb				0.393***	0.368***
				(0.038)	(0.035)
Kids within 10 miles				-0.017	-0.011
				(0.026)	(0.025)
Transfer to kid?				0.282***	0.233***
				(0.027)	(0.025)
Transfer from kid?				-0.119***	-0.110***
				(0.037)	(0.036)
Transfer to relative?				0.198***	0.213***
				(0.043)	(0.042)
Transfer from relative?				-0.216**	-0.225**
				(0.104)	(0.099)
Hisp & White					-0.381***
					(0.057)
Hisp & Non-white					-0.439***
					(0.065)
Non-white & Non-hisp					-0.116*
					(0.066)
Resp. immigrant from Mexico					-0.081
					(0.053)
High-middle income country					-0.107**
					(0.049)
Low-middle income country					-0.182***
					(0.063)
Low income country					-0.190***
					(0.062)
Constant	10.048***	9.623***	9.201***	9.172***	9.468***
	(0.049)	(0.067)	(0.068)	(0.076)	(0.084)
R-squared	0.108	0.334	0.514	0.577	0.606
Obs.	9135	8985	8985	7175	7175

This table reports the complete coefficient estimates for OLS versions of Table 6 Panel B regressions, which are not included in the main text. * $p < 0.10$,
** $p < 0.05$, *** $p < 0.01$.