

This is a sample from a research paper written in ECON 145. It is an excellent example of how to write a literature review and annotated bibliography. I've included the abstract, so that you have a sense of the student's research question. Please note that the APA style was from an older edition, so the formatting of references may not precisely match the proper format for the current year.

## **Location Choices of New U.S. Immigrants**

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### **Abstract**

The purpose of the paper is to examine which factors contribute to the location choices of new U.S. immigrants. I focus my research to the resettlement patterns of new legal permanent residents in the 51 states during the year 2000. Using regression analysis I show that the density of foreign-born population already settled in a particular state makes it more attractive to new immigrants. Previous research has focused on the effects of immigrants on the economy, labor market and society as a whole. Other variables in my research include the real and lagged unemployment rate in each state. This paper attempts to shed more light into the issue of immigration throughout the United States. This study finds that the ratio of foreign-born and the real wage had a positive effect of the number of legal permanent residents locating to a certain state while unemployment and state gross product had a small effect.

***JEL Codes: J61, J11***

### **LITERATURE REVIEW**

Today's immigrants are more diverse than ever because people are coming from all over the world. According to the Center for Immigration Studies, the immigrant population within the U.S. grew by 11.3 million in the 1990s which is faster than any other time in history. Many researchers have looked at the impact of immigrants on the host country like the United States. In a survey article (Friedberg and Hunt, 1995) they conclude that immigrants have a large adverse impact on the wages and unemployment opportunities of the native-born population. Very little evidence of economic significance is presented in determining that immigrants drive down wages for native workers. Job opportunities and economic conditions play the largest role in people choosing to leave one region for another. Though it is interesting to look at the roles of

immigrants in the labor market, we must understand why they choose to settle in specific spots throughout the nation.

Previous research on determining location choices of recent immigrants have concluded that many choose to locate in areas with higher presence of earlier immigrants. Bartel (1989) concludes that a foreign-born man has a larger probability to reside in an area where there is the same ethnic population. The author also finds that education plays key role in location choices and immigrants migrate internally more frequently than natives in the United States. Similar to Bartel (1989), Dunlevy (1991) examines the settlement patterns of people from eleven different Latin and Caribbean nations who were granted legal permanent resident from the U.S. Immigration and Naturalization (INS). There were differences between nations when determining the intended residence among the immigrants. There is a positive correlation between the new immigrant destination choices and the number of persons born in the same country already in the state. Zavodny (1999) also found that new recipients of legal permanent residents and refugees state that their intended place of residence is related to the amount of already foreign-born in the area. This issue of refugees is that they have little influence on where they choose to locate. The non-profit organizations that work with resettlement of refugees have agreements with the U.S. Department of State. The Office of Refugee Resettlement tracks their secondary migration patterns.

Zavodny's (1999) findings imply that there are some differences among the choices of some of the groups similar to Dunlevy (1991) research. Different ethnicity groups tend to cluster in certain areas because of the number of similar foreign-born populations. Dunlevy (1991) also looks at the natural occurrence of immigration, in the case of the "Mariel Boatlift" some 25,000 immigrants already settled in their in their location and their pattern has already been

determined. The presence of other foreign-born immigrants has a very strong influence of where new immigrants choose to settle. Some factors include the ease of settlement and access to services. Immigrants are often very vulnerable when migrating to a new country. The friends and family effect is also important, whereas immigrants who enter into the United States are often sponsored by friends and family already living in that city or state.

The research by Bartel (1989), Dunlevy (1991), and Zavodny (1999) indicate that immigrant location patterns are determined by the similar ethnic population that resides in the area. These authors concluded similar finding using different approaches. Bartel (1989) focuses uses data U.S. Census Bureau, more specific the Pubic Use Microdata Sample (PUMS) to measure the first location choices of male immigrants defined in the Standard Metropolitan Statistical Areas (SMSA). Similar to Bartel (1989), Friedberg and Hunt (1995) show a table describing the earnings and immigrant density in the larges SMSAs. For example, San Francisco consist of 20% of the population are foreign born and their mean wage and salary income is a little less than \$50,000. Opposite to San Francisco is Miami, where about 32% of the population are foreign born and wage and salary income average is less than \$40,000 (U.S. Census Bureau, 1993). The U.S. Census Bureau provides key information about the people living in our nation. Another source for data is the U.S. Immigration and Naturalization Service (INS) which Dunlevy (1991) and Zavodny (1999) both use. The department grants legal immigrants alien cards and also provide services to refugees who enter into the country. The difference between these two data sources is that the INS measures the initial choice of resettlement whereas the Census, measure immigrants already living in the area.

Zavodny (1999) also shows that immigrant location choices appear to be sensitive to welfare generosity. The author concludes that new refugees tend to settle in states the offer

higher AFDC (Aid to Families with Dependent Children) and food stamps benefits. The amount of public benefits granted to immigrants varies from state to state, for example, California and Texas are more attractive because they are the most generous with benefits. Similar to Zavodny (1999), some research on the “welfare magnet” was done by Borjas (1999) and Kausal (2005). According to Borjas (1999) the “welfare magnet” hypothesis has several facets being that welfare programs attract immigrants who would not come to the United States, or that immigrants see welfare as a safety net for when they don’t do well, to not return to their origin country, or that they place a heavy burden on states that are generous with their benefits. A key difference between the researches is that Borjas (1999) stated that data from California has the highest benefits; on the contrary, Zavodny (1999) did not include California in her analysis because the data might skew the results. California is a special case since it is comprised of both large numbers of illegal and legal immigrants. The results from California might drive the result from other states to be different. Borjas (1999) implies that California’s data “mirrors the national result.”

Borjas (1999) and Kausal (2005) both cite the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. This act denied legal non-citizens who came to the U.S. after 1996 access to federal benefits for the first five years. Two main factors for this legislation are that states that offer welfare was attracting low-skilled immigrants and that they might be a liability on the states. This bears on my research because it was put into legislation to reduce the number of low-skilled immigrants from migrating. The act has led to new patterns of immigration within the nation. Most immigrants migrate from countries that are poorer and less educated in the United States therefore many depend on federal help to survive. Many people are opposed to this legislation because many states offer different programs. For example, many

states use their own funds to have programs to help new immigrants. These practices also vary among the states, and California is the only one who provided the most benefits.

In contrast to Borjas (1999), Kausal (2005) concludes that there is a weak effect on the location choices of new immigrants based on access to federal programs. Her studies differ from other research done on the “welfare magnet.” She tested the effects of policies that denied access for new immigrants. These policies are put into place in order to control the immigration influx. On the other hand Borjas (1999) suggests that there is a correlation between welfare participation rates and welfare benefit levels are larger among immigrants. They tend to cluster in states that have the most generosity, since immigrant behaviors are similar.

Lastly, research done by Scott, Coomes and Izyumov (2005) looked at the migration patterns of immigrants who were granted employment-based status from the INS. The authors found that immigrants of this kind tend to choose cities where there are less immigrants of their own nationalities. Since, this research is based on the individual characteristics, like age, marital status, or professional occupation the results are different compared to the other papers examined. There are some related concepts in this study to the others. For example, this paper analyses the location decisions for cities, similar to Bartel (1989). According to the authors, the employment-based immigrants are more attracted to cities with nice weather, higher wages, and an educated population. The research presented can directly impact the immigrant related policy planning. Different from the other articles, these authors took specific countries and analyzed their patterns with occupation. They were able to determine which immigrants were not sensitive to the effects of location patterns. The authors imply that local and state government should pay attention to the patterns to make better decisions and to place and structure incentives for higher skilled immigrants into their region.

Various models and analysis were done in examining the location patterns of immigrants. Most commonly used was the multi-nominal logit model which measures the probability that an immigrant will choose  $i$  as their particular location, where “ $i$ ” is a state or region (Bartel 1989; Kaushal 2005; and Scott, Coomes, and Izyumov 2005). Another model used was the simple regression model (Zavodny 1999 and Borjas 1999). The equations are used to investigate the determinants of where the new immigrants choose to settle. They measure the probability that person will choose a state that offers the maximum amount of benefits from the federal government.

In the issue of immigration is the “push factor” that makes the decision for someone to leave their country for another. Most immigrants decide to migrate for various reasons. International migration is occurring all over the world. Immigration is an important issue to be examined for further research. As immigration policy reforms remains a hot topic on capital hill, the effects are localized all over the nation. Whether there are impacts made to unemployment, wages, income, and access to federal benefits immigration will occur. There are many studies done examining the factors that determines the location choices of new immigrants into the United States. This research will improve and update the past research done on location patterns. Using more recent data from the Office of Immigration Statistics and 2000 Census Bureau report, I am attempting to test whether these findings still hold true now. To what extent density of the foreign-born in the different regions and minimum wage effects the decisions. Since many immigrants are attracted to states that have higher wages then others, using the CPI index to measure the living standards also. In my research, I also want to address the attractions and reasons behind states that have a larger percentage of foreign born in their population?

## ANNOTATED BIBLIOGRAPHY

Bartel, A.P. (1989, October). Where do the New U.S. Immigrants Live? *Journal of Labor*

*Economics*, 7(4), 371-391. Retrieved September 12, 2006 from JSTOR Online Database.

This research examines the location choices for new immigrants in the United States during a given period of time. The findings include ethnic geographic concentrations, education and that internal migration mostly occurs among immigrants.

Borjas, G. J. (1999, October ). Immigration and Welfare Magnets. *Journal of Labor Economics*,

17(4), 607-637. Retrieved September 18, 2006 from JSTOR Online Database.

The author tests the welfare magnets of states who offer more services and benefits to immigrants. When new immigrants enter the United States does their choice depends on the amount of programs available. This varies from state to state due different polices offered by the law.

Dunlevy, J.A. (1991). On the Settlement Patterns of Recent Caribbean and Latin Immigrants to the United States. *Growth and Change*, 54- 67. Retrieved September 18, 2006 from Gale Group Online Database.

This paper looks at the difference in location of the two nationalities who chose to reside in either Florida or New York. Using U.S. Immigration and Naturalization Services data, he found that Cubans choose Florida as their destinations compared to Dominicans names New York as their destination.

Friedberg, R.M. and J. Hunt. (1995). The Impact of Immigrants on Host Country Wages,

Employment and Growth. *The Journal of Economic Perspective*, 9(2), 23-44. Retrieved September 7, 2006 from JSTOR Online Database.

This survey article examines various aspects of immigration affects on a host country like the United States. Many immigrants migrate for various reasons and their impact on the native wages are very small in the economy. The authors also look at the concentration of immigrants in certain cities with wages as a variable.

Kausal, N. (2005, January). New Immigrants' Location Choices: Magnets without Welfare. *Journal of Labor Economics*, 23(1), 59- 80. Retrieved September 26, 2006 from ABI/INFORM Global Database.

This article also studies the welfare magnets effects on new immigrant location choices. The magnets include the cost and benefits of states with welfare programs and the amount of recipients already in the area. There is also a strong influence from the Personal Responsibility and Work Opportunity Reconciliation Act, which did not allow non citizens in the U.S. from federal benefits.

Scott, D.M., P.A. Coomes, and A.I. Izyumov. (2005). The Location Choice of Employment-Based Immigrants Among U.S. Metro Areas. *Journal of Regional Science*, 45(1), 113-145. Retrieved September 26, 2006 from Synergy Blackwell Journal Database.

This research investigates the difference in location choices of employment-based immigrants granted by the U.S. Immigration and Naturalization Services. These immigrants differ because they are based on their professional skills and individual characteristics. While other examines



the choices among states, this article choose to look at the metropolitan areas instead.

Zavodny, M. (1999). Determinants of Recent Immigrants' Location Choices. *International Migration Review*, 33(4), 1014-1030. Retrieved September 26, 2006 from JSTOR Online Database.

This article explores the destination choices of newly legal permanent residents and refugees entering the United States during 1989 to 1994. The determinants of preferences include the presence of other foreign born in the state, welfare benefits and economic conditions.