

Poverty among Immigrant Newcomers: Assessing the Roles of Market, State, and Family

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**Paper prepared for the annual meeting of the Research Committee on
Poverty, Social Welfare, and Social Policy (RC19) of the
International Sociological Association**

Florence, Italy, 6-8 September 2007

**Draft – Comments welcome.
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Abstract. This paper asks whether, how, and why immigrant poverty varies across three institutionally distinct European states: Germany, Sweden, and the UK. Focusing on more than 30 immigrant groups that reside in these countries (i.e., controlling for sending country in addition to standard human capital and family characteristics), I explore host-country variation in (1) immigrant/native-born *poverty gaps* and (2) the overall *poverty levels* at which these gaps occur. Findings show larger immigrant/native-born poverty gaps in Sweden than in Germany or the UK, before and after taxation and transfers. I demonstrate that this is a result of immigrants' comparatively severe labor market disadvantages in Sweden, the consequences of which even the very effective Swedish welfare state cannot eliminate. However, an important caveat is that overall poverty levels are considerably lower in Sweden than in the other two countries. Thus, immigrants in Sweden live at lower levels of poverty than immigrants elsewhere, despite larger poverty gaps. I show that this is a result of Sweden's two-pronged welfare-state strategy: enabling work (particularly among women, immigrant and native-born alike) and reducing poverty through income support. In conclusion, I discuss implications of poverty gaps and poverty levels, especially for the children of immigrants.

Introduction

This paper focuses on the roles of market, state, and family in determining immigrant economic well-being and poverty. Empirically, this involves tracing how the labor market outcomes of immigrants, analyzed in much previous research, are mediated by the institutions of state and family. In other words, how closely (or loosely) are the fates of first generation immigrants in host country labor markets related to their economic well-being and to poverty?

An answer to this question requires a shift in the level of analysis, compared to much previous research: Whereas labor market outcomes can be (and often are) analyzed at the level of the individual, economic well-being cannot be – it is intrinsically a family-level concept. This shapes methodological considerations, but it also gives the concept of economic well-being sociological import. Family well-being is important precisely because it is one of the theoretical links between disadvantages of the immigrant first generation and those of subsequent generations – for families are the sites of intergenerational transmission. Ultimately, the mediation of market inequalities shapes the contexts in which the *children* of immigrants come of age. Labor market outcomes are but one determinant of welfare¹ in advanced capitalist societies, and yet studies of immigrant “economic incorporation” often focus fairly exclusively on the labor market; in this paper I begin to fill in this void.

In order to examine more closely the issue of economic well-being, I focus in this paper on rates of relative poverty, both before and after the state redistributes income through taxes and transfers. The paper is organized as follows. I begin with a review of general differences in poverty across nations and across welfare regimes. In this review, I consider overall levels of poverty, differences in poverty across societal sub-groups, research on the institutional causes of cross-national variation in poverty, and reasons we might expect immigrant poverty to differ from native-born poverty. I then introduce the data and methods I use to examine immigrant poverty. The empirical analysis has two major components. I first address the question of whether and to what extent immigrants are more likely to be in poverty than native-born persons with similar individual and family characteristics. That is, are there immigrant-specific risks of poverty? The second part of the empirical analysis assesses how “general” contours of poverty affect immigrant families. That is, do *differences* in poverty between native-born and immigrant families occur at high or low overall

¹I will use the term welfare throughout this paper to refer in the broad sense to economic well-being; I do *not* mean welfare in the narrower sense of social assistance.

levels of poverty? Here, I assess whether immigrants in one country are better off than similar immigrants in another country, and to what extent cross-national differences arise because of general contours of poverty across countries or because of specific immigrant/native-born inequalities.

Poverty in Comparative Perspective

The alleviation of poverty has been a key goal of the modern welfare state, whether this alleviation was part of a socialist strategy of de-commodification or a conservative, Bismarckian strategy of avoiding major class conflict. Even in relatively weak welfare states, the transformation of the material experiences of certain groups as welfare states have developed is truly astounding. Nonetheless, major cross-national differences exist in the incidence of poverty and the poverty risks of specific demographic groups. In this section, I present evidence on such cross-national differences, and review the literature on why such differences exist.

In this review and in the analysis of immigrant poverty that follows later in the paper, I consider *relative* poverty, which is measured by a poverty line that is generally some percentage of the mean or median income, adjusted for household size, for a given country at a given point in time.² Absolute poverty would be based on a fixed poverty line, adjusted over time according to a consumer price index. A fixed poverty line is somewhat more common when the focus of the analysis is a single country, but it has been the target of a host of critiques (Ruggles 1990; Burtless & Smeeding 2001; Brady 2003). Furthermore, a relative poverty line facilitates cross-national and over-time comparisons. In the review and in the analysis below, I consider two kinds of poverty. The first, which others have labeled “market-generated” poverty, refers to poverty rates based on income before taxes and transfers. The second, “state-mediated” poverty, refers to poverty rates based on disposable income, or income after taxes and transfers (Brady 2003, 2005). The difference between these two kinds of poverty is obviously important, given my concern with the institutional nexus of market, state, and family, because the state’s most direct effect on poverty occurs in the process of income redistribution.

²There are many methods for calculating equivalent income (i.e., income adjusted for household size) and there are also alternative poverty lines. Equivalent income is sometimes calculated by dividing family or household income by the square root of family size and sometimes by assigning heads, spouses, and children differing weights (Buhmann et al. 1988; Atkinson et al. 1995). The poverty line is set at some percentage of either the median or mean – generally 40, 50, or 60 percent. The specific choices affect levels of poverty more than cross-national or over-time differences.

The Luxembourg Income Study (LIS) is unquestionably the best available data source for studying poverty in cross-national perspective, and most current cross-national research uses it (although for reasons I discuss below, I cannot use it in the analysis of immigrant poverty). In the following discussion, I present figures on poverty across a range of rich democracies. Some of these figures are generated by the LIS staff and are available as “key figures” on the LIS website (Luxembourg Income Study 2006); I generate others myself, using slightly modified versions of statistical programs also available on the LIS website.³

[Table 1]

Table 1 presents market-generated poverty rates in 16 rich democracies, based on the most recent data for each country in the LIS database (around 2000), for the entire population of each country, and then separately for the working-aged population (25 to 59) and for children (under 18).⁴ In these figures, we see a slightly different pattern depending on the age group under consideration. In all three panels, the UK, a liberal country, has unambiguously the highest poverty of these countries, and Switzerland, a corporatist country, has the lowest poverty. But there is considerable overlap across regime types. For the population as a whole, the picture is the most complex, due in part to the unique patterns of elderly poverty, not shown here. For working-aged adults, we see somewhat of a divide between, on the one hand, the liberal and social democratic countries, which post relatively high market-generated poverty rates, and, on the other hand, the corporatist countries, which post lower rates. An exception is Norway, which has lower market-generated poverty than other social democratic countries. Among children, the clearest cross-national patterns emerge, with liberal countries having the highest poverty, followed by the social democratic countries, the northern Continental countries, and finally the southern Continental countries. Norway and Switzerland are the only two countries not to follow this ranking. These figures on market-generated poverty thus illustrate a major institutional difference across countries: The corporatist countries reduce inequality through actual market intervention much more than do both

³In particular, I produce all market-generated poverty rates and poverty reduction figures myself, as well as all figures for working-aged persons. State-mediated poverty rates for the total population and for children (also children by family type) are directly available on the LIS website. One focus of much scholarship is poverty among the elderly; I do not focus on this here, because its dynamics and cross-national contours are somewhat different than poverty among the working-aged and among children. I focus on the portion of the population whose welfare is considerably affected by the labor market: the working-aged population and children, mostly in working-aged families.

⁴Most data are from 2000, with the exceptions of the Netherlands and the UK (1999), France and Australia (1994), and Denmark (1992).

liberal and social democratic countries. Corporatist countries *prevent* market inequality, rather than just mitigating its consequences (DiPrete 2002).

[Table 2]

It is with state mediation of market-generated inequalities that social democratic countries set themselves clearly apart from liberal regimes. In addition to the 16 countries in Table 1, the state-mediated poverty rates in Table 2 also include Belgium, Greece, and Ireland.⁵ Although the liberal countries are still the most unequal, even in these countries, state-mediated poverty is lower than market-generated poverty, in a few cases (notably the UK) by substantial margins. Southern Continental countries, given their already relatively low market-generated poverty rates, reduce poverty by generally no more than liberal countries.⁶ Northern Continental have a more impressive poverty-reduction effort than either liberal or southern Continental countries. But the most significant poverty-reduction effort clearly occurs in the social democratic countries, which post by far the lowest state-mediated poverty rates.

Explaining cross-national trends in poverty is more complicated than documenting them, but recent work has generally found convincing evidence that both labor market regulation and welfare state generosity reduce poverty (Cantillon 1997; Kenworthy 1999; Smeeding et al. 2001; Moller et al. 2003; Brady 2005; Hout & DiPrete 2006). A considerable portion of poverty research focuses not on overall differences, but on cross-national and institutional effects on specific sub-groups, particularly children, women (especially single mothers), and the elderly. It is these sub-groups that are at high potential risk of poverty that have the most to gain from generous welfare states. Or, in other words, generous welfare states are notable not just in terms of overall low levels of poverty, but also in terms of low differentials between key sub-groups and particularly low poverty among the most vulnerable (Casper et al. 1994; Christopher et al. 2002; Rainwater & Smeeding 2003). Group differences in poverty are also important because they often shape public attitudes about poverty (Waldfoegel 2001).

Because the salience of nativity and ethnicity are increasing as dimensions of inequality in the European context, it is important to understand whether the patterns of poverty that researchers have documented across welfare regimes for native-born populations (or populations regardless of

⁵Only post-tax/transfer income data are available for these countries. Data are from 2000 for all three of these countries.

⁶This particular finding is one of many that supports a welfare state schema of *four* worlds of welfare capitalism, the fourth being the Southern European, Mediterranean model of minimal protection and conservative, “Bismarckian” organization (Bonoli 1997).

nativity) apply equally to minorities. We might expect immigrant newcomers to face many of the same institutional influences and constraints as other residents in a given nation state, and to therefore show many of the same general contours of poverty. For example, a higher bottom on earnings keeps working families – whether immigrant or native-born – out of (market-generated) poverty. And generous transfers to single parents, blind to nativity, would alleviate poverty among *all* single parents.

It is also possible that immigrants benefit disproportionately from certain poverty-reducing institutional configurations, because of differences between immigrants and the native-born population in individual and family characteristics. For example, those workers with the lowest levels of human capital, often immigrants, are likely to end up at the bottom of the earnings distribution; such workers benefit disproportionately from wage compression. Reitz (1998) and colleagues (Reitz et al. 1999) have shown how this matters for immigrant earnings across a range of countries. Similarly, if immigrant families have more children than do native-born families, they will disproportionately benefit in host countries that prioritize the reduction of child poverty. In the analysis below, I will demonstrate the impact of certain poverty-related policies on immigrant families specifically.

But there are also reasons to expect immigrants and the native-born to face different poverty risks, even given identical individual and family characteristics; these reasons are related to the market, state, and family processes that shape poverty. First, as much previous research has shown, many immigrants face sizable barriers in the labor market, even net of their own human capital and family characteristics. These disadvantages include underemployment and over-representation in the lowest status, poorest paid jobs. We would expect these inequalities to translate, to a greater or lesser extent, into differences in material well-being. Second, inequality between native-born and immigrant *couples* may be particularly extreme, because the effects of individual barriers that immigrants face in the labor market are magnified when immigrants partner with each other. In the following analyses, I therefore pay special attention to the effects of partnership patterns. Finally, immigrants can have limited access to or limited information about income transfer programs, so even with the same level of gross income, we might expect some inequalities in state-mediated poverty rates. In the analysis below, I balance the discussion of immigrant-specific risks of poverty with a discussion of general contours of poverty.

Data and Poverty Measures

It is difficult to find family-level income data for *immigrants*. The Luxembourg Income Study has no standardized definitions for country of birth or origin and has relatively modest sample sizes in each country, not large enough to study detailed subgroups, such as immigrants by detailed country of origin. LIS has been used to study immigrant poverty (Morrisens 2006), using widely varying definitions of the “immigrant” population, but it is ultimately difficult to disentangle whether observed cross-national differences are due to differences in the composition of or definition of immigrant populations. For this reason, I turn to other, large, household-level data sets for each country, which I have standardized to the extent possible to focus on poverty. One major advantage of the data sets I use is that it is possible to control for immigrants’ country of origin.

The analysis uses British Labour Force Surveys (BLFS), the German Mikrozensus (MZ), and Swedish Longitudinal Individual Data (LINDA). All are nationally representative, household-level surveys, with sample sizes large enough to explicitly compare specific immigrant groups by country of origin. Due to issues of data confidentiality, it was necessary for me to work with the MZ and LINDA on site in these countries at secure facilities.⁷

The BLFS is a quarterly survey of 0.2% of the population of Great Britain and 0.3% of Northern Ireland (Office for National Statistics 2003). Addresses are randomly selected from the Postcode Address File in Great Britain and the Valuation List in Northern Ireland. The BLFS has a rotating structure; households remain in the sample for five consecutive quarters. I select each respondent's first quarter of participation, and pool data over the period from Fall 1996 to Fall 2004 to obtain a sufficiently large sample size. For the first quarter of participation, interviews are face-to-face with at least one adult, who may provide information on other household members. Although interviewers speak only English, they carry written documents explaining the survey in nine other languages, and arrange for interpreters as necessary. Response rates have ranged from 80 to 85% in recent years.

The MZ is an annual household survey; coverage is approximately 1% of all households (Lechert & Schmidt 2000; Lehnert et al. 2003). The scientific use files used in this research are the anonymized 70% sub-samples of the 1996 and 2000 MZ (ZUMA-Files), and some key information

⁷I thank Statistiska centralbyrån (SCB) in Örebro, Sweden and the Zentrum für Umfragen, Methoden und Analysen (ZUMA) in Mannheim, Germany for allowing me to work with LINDA and the MZ, respectively, on site. British Labour Force Surveys are available for download and use, with a valid contract, so it was not necessary to work on site in the UK.

is collected only from a 45% random sub-sample of the original, so final coverage is just over 0.3% for each year. The MZ is a single-stage cluster sample (a cluster is approximately nine residences) using two sampling frames: the census of the population for Western Germany and the population register for Eastern Germany, both updated for new housing construction each year. Interviews are generally face-to-face; in a minority of randomly selected cases, interviewers administer written surveys. The survey instrument is only in German. One adult may provide information on all household members. Each year, 75% of households from the previous year remain in the sample, but it is impossible to track which households carry over in the scientific use file. To attain a larger sample size, I pool data from two independent samples (1996 and 2000). Response is legally mandatory for most questions. Unit non-response is 3%; item non-response on voluntary questions reaches 10%.

LINDA combines data from population, tax, and employment registers, which are linked by individual identity numbers (Edin & Fredriksson 2000). It is based on a simple random sample of identity numbers. Everyone in the household of each sampled individual is also included. LINDA includes a large over-sample of immigrants (20% of the total foreign-born population versus 3.3% of the native-born). Because LINDA is based on registers rather than a survey, everyone sampled is in the data set. Information on how to file tax forms, a primary source of LINDA data, is available in 14 major immigrant languages (Skatteverket 2005). LINDA is longitudinal, but I use only 2002 data, because there is no comparable longitudinal data for the other two countries.

While I am fairly confident in being able to define immigrant groups and family-level demographic characteristics in a standard way, I have had to make some compromises on the comparability of income data. Ideally, I would look at both pre- and post-tax/transfer income (and poverty) in all three countries. Given data limitations, I have only post-tax/transfer income for Germany, and pre-tax/transfer income for the UK; only for Sweden do I have good information on both.

There is a single income question in the German survey: It asks respondents to report individual net income, from all sources, for each family member. I have aggregated these individual-level variables to the family level. Income responses are categorical, but detailed enough to make appropriate estimates. Before aggregating family income, I recoded the responses to each category's midpoint.

Swedish data are drawn from income and tax registers and are quite detailed. Included in the data set are summary variables of individual-level pre- and post-tax/transfer income, as well as

family-level post-tax/transfer income. I use the family variable as is, and aggregate the individual-level variable for pre-tax/transfer income to the family level.

In the British case, I only have information on wage and salary income from first and second jobs. Using LIS, I find that the primary effect of market income other than earnings on working-aged families is to increase the incomes of already high-end earners – something which has essentially no effect on calculations of the poverty threshold or poverty rates. Thus, I am fairly comfortable using earnings as a proxy for market income among working-aged families. Another limitation is that self-employed workers are not asked to report on their earnings, so I must also exclude all families with any self-employed workers. Given what we know from secondary sources about self-employed immigrants in the UK (Modood & Berthoud 1997), this is likely to produce *overestimates* of family income, because self-employed immigrants earn, on average, *less* than their employee counterparts.

In any analysis of household- or family-level income, it is important to consider the role of family size.⁸ Here, I divide disposable family income by the square root of family size, in order to attain an adjusted family income. This procedure is a common way to handle the issue of economies of scale. Other alternatives would be *not* to adjust for family size, to divide family income by actual family size, or to assign heads, spouses, and children different weights. As Gottschalk and Smeeding (1997:639-639) have demonstrated, the choice of equivalence scale affects absolute levels of inequality much more than cross-national differences or trends over time.

I use a definition of (relative) poverty that is now quite common in cross-national studies: less than half of the median adjusted family income for the country as a whole. Although income is measured at the family level in this definition, the unit of analysis for the calculation is the individual. That is, large families “count” more than small ones in calculating the median. As is also standard, I calculate pre- and post-tax/transfer distributions separately for Sweden, the only country for which I have data on both kinds of income. The analysis in the paper is limited to families in

⁸By “family,” I mean non-extended family, even if the family lives within an extended-family household. An individual can have three possible positions within a non-extended family in this definition: male head/spouse, female head/spouse, or child (minor or adult) of at least one of the family heads. Once a “child” marries and/or has children, he or she belongs to a separate “family.” Note that partnerships in my analyses are defined by marriage *or* cohabitation.

Although I would like to look not only at *families*, but also at *households*, this is not possible for reasons of comparability. (The Swedish data do not allow me to identify extended-family households.) This is obviously a major shortcoming in some cases, but perhaps not as major as one might think. Using the German and British data to estimate the magnitude of the bias, I found that fewer than 5% of the families I include in the analysis belong to extended-family households, and even in the most extreme cases of a few immigrant groups, the figure is less than 10 percent.

which the head of the family and his/her spouse (if present) are aged 25 to 59. This sub-sample is used to calculate the poverty line as well. Issues of poverty are quite different in older pensioner and younger student households. Retired adults are very likely to be in poverty before taxes and transfers, and students' current income is often a poor reflection of living standards and especially of longer-term income. The use of this working-aged population to analyze poverty is therefore not uncommon (Moller et al. 2003).

Interested readers can find the sample size for the multivariate analyses of poverty in appendix Table A2. Even though the relevant unit in the analyses below is the individual, all variables are measured at the family level, because poverty is a family-level concept. Therefore, I show in this table the number of families, rather than the number of individuals. (Essentially, family size is used as a sample weight below, so as to take intra-family correlations into account.) The origins variable is defined at the family level by whether either the head or spouse is of the given national origin (see variable descriptions below).

Models and Explanatory Variables

I rely on one basic model in this paper, which I run separately for country and type of poverty outcome (market-generated or state-mediated).⁹ This model is formally expressed:

$$\ln[\pi_i/(1-\pi_i)] = \alpha + \beta\mathbf{X}$$

where π_i is the probability of poverty for the i^{th} family, \mathbf{X} is a vector of explanatory variables, and β is a vector of parameters to be estimated. There are several sets of explanatory variables in the analysis.

Age. I control for the age of the head of the family, if he or she is single, or the average age of the two partners, if two partners head the family. This variable is centered at 40, the approximate mean across countries. I also include a term for age squared.

Education. I include two education variables: the education of the head of the family, and if a spouse or partner is present, his or her education also. I have coded these variables so that the first reflects women's education, and the second reflects men's education, regardless of family structure. I use UNESCO's (United Nations Educational, Scientific, and Cultural Organization) ISCED-97 (International Standard Classification of Education) (UNESCO 1997) schema. The categories, in their generic formulation, are:

⁹Because I had to work with German and Swedish data in secure facilities, I was never able to work with all data sets at one time. This is why I had no choice but to run models separately by country.

1. Primary education (or first stage of basic education)
2. Lower secondary (or second stage of basic education)
3. (Upper) secondary education
4. Post-secondary, non-tertiary education
5. Tertiary education (not leading directly to an advanced research qualification)
6. Tertiary education (leading to an advanced research qualification)

Category 6 is very small, so it is combined with category 5 for the analysis. ISCED codes are directly available in LINDA (Statistika centralbyrån 2000); coding procedures for BLFS and MZ are based on external documentation (OECD 1999). The excluded category for both variables is ISCED 1 (primary education only).

Family structure. I distinguish six basic family structures throughout the analysis: couples with and without children, single men with and without children, and single women with and without children. Couples without children are the baseline category.

Immigrant origins. I take the specific origins of immigrants into account, so I include an origins variable that shows how an immigrant family with the specific national origin (i.e., in which either the head or spouse or both is or are of the given national origin) deviates from the baseline native-born family in terms of poverty.¹⁰ For the purposes of this variable, an immigrant family is a family in which either the head or spouse (if present) is foreign-born, or in which both partners are foreign-born. This origins variable distinguishes among 33 specific immigrant groups. Each of the 33 origins groups can be uniquely identified in at least two of the three receiving countries. The origin countries include some within the pre-2004 “EU-15” (Austria, the UK, France, Germany, Greece, Italy, the Netherlands, Portugal, and Spain); other highly developed countries (Australia, Canada, Japan, and the US); countries in Eastern Europe (Poland, Romania, the former Yugoslavia, and the former Soviet Union); and countries outside of Europe or on Europe’s periphery (Algeria, Bangladesh, China, Columbia, Egypt, India, Iran, Iraq, Morocco, Pakistan, the Philippines, Somalia, Sri Lanka, Turkey, Uganda, and Vietnam). I also include a heterogeneous category of all other immigrants.

Immigrant family type. There is obviously still much variety that must be accounted for within the group of “immigrant” families. In families headed by a couple, I take into account

¹⁰When two partners are both foreign-born, but not from the same country of origin, I code the couple according to the woman’s country of origin. This greatly simplifies the analysis, and does not greatly alter the findings, because the vast majority of immigrant/immigrant couples *are* both from the same country.

the combination of the male partner's and the female partner's nativity.¹¹ In single-headed families, I consider the head's gender and nativity. I distinguish not only between immigrant and native-born individuals, but also between members of the "true" first generation of immigrants (which I define as those persons arriving after their 18th birthday) and the "1.5 generation," those immigrants arriving as minors.¹² Given that I already include a family structure variable to distinguish among native-born family types, and an origins variable to distinguish between native-born and immigrant families of various origins, "immigrant family type" includes the following 11 dummy variables: (1) immigrant husband, native-born wife; (2) immigrant wife, native-born husband; (3) 1.5 generation husband, native-born wife; (4) 1.5 generation wife, native-born husband; (5) 1.5 generation husband, immigrant wife; (6) 1.5 generation wife, immigrant husband; (7) both partners 1.5 generation; (8) single immigrant man; (9) single immigrant woman; (10) single 1.5 generation man; and (11) single 1.5 generation woman. The baseline comparison for these variables is the sum of the constant effect, the relevant family structure indicator, and the relevant immigrant origins indicator. Note that these immigrant family type variables are constrained to be the same across origins groups to keep the number of comparisons manageable.

Years since migration. For any foreign-born head or spouse, I include variables for years since migration, centered at 14, which is the approximate mean across countries. The variables are coded 0 for any native-born heads or spouses. I have also coded them so that one reflects women's years since migration, and the other reflects men's years since migration, regardless of family structure. I also include a squared term for each. These variables tap the extent to which there is assimilation out of poverty for immigrant families. Because this variable is centered at 14, immigrant origins and immigrant family type variables refer to families in which any foreign-born individuals have been in the host country for 14 years.

Labor force attachment. Although data constraints prevent me from exploring in detail the effects of all labor market outcomes on poverty, I can use a rough measure of family-level labor force attachment in all three countries: whether the family is jobless, has a single

¹¹Because of their very small numbers and the already high level of complexity in defining family types, I have excluded same-sex couples from the analyses.

¹²In most cases, the 1.5 generation consists of the *children* of immigrants, with sometimes considerable contact to host-country educational institutions. This is why I distinguish them from "true" first generation immigrants.

earner, or has two working adults. I use this variable in selected results below, as indicated, to illustrate this mechanism of cross-national variation in poverty rates.

Results

Results are organized as follows. I begin with some descriptive statistics of rates of immigrant poverty in the three host countries and of the independent variables in the analysis. I then approach the multivariate results in two sections. The first focuses on immigrant-specific risks of poverty. That is, how do immigrant families of various origins and of various family types differ from native-born families in their risks of poverty? The second explores general patterns of poverty and how these patterns affect immigrant disadvantage in cross-national perspective. In the conclusion, I reflect on how the analysis of immigrant families and poverty challenges studies of immigrant socioeconomic incorporation that focus exclusively on the labor market.

Descriptive statistics

[Table 3]

Table 3 presents descriptive statistics for the key independent variables in the analysis and the poverty outcomes. The unit of analysis here is the individual, and these should be interpreted as family characteristics that will be used to predict an individual's chances of poverty. To simplify the presentation, I use the dichotomy of native-born family versus immigrant family for this table. I focus here on several key variables that are likely to be important predictors of poverty: education, family structure, labor force attachment, immigrant family type, and years in the host country.

Nativity-based differences in education have a unique profile in each country. In Germany, members of immigrant families are considerably less likely than members of native-born families to benefit from educational resources, a major determinant of labor market outcomes. (For this table, the level of education is that of the more highly educated spouse, if a couple is present.) Members of immigrant families are likely to have family heads or spouses with very low levels of education (ISCED 1 and 2) and very unlikely to have family heads or spouses with very high levels of education (ISCED 4 or 5).

In Sweden, we see a similar picture, except that there is more inequality among members of immigrant families, with under-representation in the middle of the educational spectrum. In the UK, there is similar under-representation in the middle of the educational spectrum for members of immigrant families, with more marked over-representation at the *top* of the educational spectrum than in Sweden. In short, only in Germany do immigrant families have unambiguously lower levels

of education. In Sweden and the UK, immigrant families are polarized in their educational profiles, over-represented among the most and least educated families. But in any case, immigrant families do not have the same educational profiles as native-born families, and this could help explain some differences in poverty.

Turning to the next set of variables in this table, we see that membership in an immigrant family also has family structure correlates in all three countries, in particular a greater likelihood of having a couple present, and a greater likelihood of having children present. We also see a lower proportion of immigrant family members in single mother families than is true among native-born families in Germany and the UK, but the opposite is true in Sweden. These differences again provide a potential explanation for some of the gaps in poverty between immigrant and native-born families. For example, if being in a couple-headed household means relatively low levels of poverty, this will disproportionately benefit immigrant families. On the other hand, if children are associated with higher rates of poverty, this will disproportionately harm immigrant families.

There are also several interesting patterns with respect to labor force attachment. First, within each of the three countries, and for all three family structures, immigrant families are more likely to be jobless than native-born families. However, the relative difference is larger in Sweden than in the other two countries, with members of immigrant families nearly three times as likely as members of native-born families to experience family joblessness; the respective figures in Germany and the UK are 1.3 times and 1.5 times. Another important cross-national difference, however, is that members of immigrant *and* native-born families in Sweden are much more likely (around 20 percentage points more likely) to benefit from having a dual-earner couple. The difference is (as I demonstrate later in the paper) in women's employment rates across the three countries.

The final set of independent variables in this table are those that indicate immigrant family type. Much more than the other variables in this table, intermarriage rates vary across specific immigrant groups, and specific groups vary in relative size across countries, so I do not wish to focus too much attention here on cross-national differences. My focus in this paper is not on causes of or even cross-national variations in rates of intermarriage, but on intermarriage as a buffer for immigrant poverty. With that in mind, nearly a quarter of those in "immigrant" families in Germany reap potential benefits of a native-born head or spouse. The figures for Sweden and the UK are even higher: 34% and 39%. Note also the higher proportion of immigrant families in the UK that involve a member of the 1.5 generation. This is a result of the UK's longer history of immigration relative to the other two countries – something that is probably also the cause of cross-national differences in the figures for years since migration at the bottom of the table.

Immigrant-specific risks of poverty

One of the primary aims of this paper is to show whether and to what extent market inequalities translate into inequalities in poverty. Why would market inequalities *not* translate into inequalities in poverty? Precisely because families and states can exacerbate or ameliorate market inequalities. Given data limitations, I am not able to disentangle all of the potential mediating mechanisms between market outcomes and poverty in all three states. I compare pre-tax/transfer poverty rates in Sweden and the UK, which are generated by market inequalities and their mediation by families. I also compare state-mediated poverty rates in Sweden and Germany, which are shaped by combined influences of market, family, and state redistribution. And finally, I can compare market-generated and state-mediated poverty within Sweden.

[Figures 1 & 2]

Figures 1 and 2 illustrate origin effects on poverty for the three countries, controlling for differences in family composition and head and spouse characteristics, with the exception of labor force attachment.¹³ Given the baseline category for the immigrant family type variable and the centering of the years since migration variables at 14, the effects in these figures refer to a couple in which both partners are foreign-born and came to the host country 14 years ago, versus a couple in which both partners are native-born. Positive bars indicate higher poverty risks for immigrant families. We see a very wide range of poverty outcomes across different immigrant groups, but for nearly all groups, we see higher poverty rates than for native-born families. *All* immigrant groups in Sweden and the UK have higher market-generated and state-mediated poverty rates than the native-born, and most (but not quite all) immigrant groups in Germany do also. There is some variation across groups in terms of whether poverty rates are lower in one country versus another, but in general, poverty gaps between immigrants and the native-born baseline appear larger in Sweden. For market-generated poverty in Sweden and the UK, for example, six groups (below the dotted horizontal line) have relative advantages in Sweden, but most groups (above the dotted horizontal line) fare relatively better in the UK; the logic behind whether a group does better in Sweden or the UK is not immediately obvious. For state-mediated poverty, there is also a systematic cross-national pattern: With the exception of immigrant families with origins in the former Yugoslavia and Iran, immigrant families fare relatively better (i.e., face smaller gaps relative to the

¹³Detailed tables of the all of the findings presented graphically in the figures, as well as rates of poverty by country of origin, before controlling for individual-level variables, are in the appendix, as is a table of the country-of-origin codes used in all tables and figures.

native-born poverty baseline) in Germany. Note that even immigrants from Turkey, well-known to be quite disadvantaged in Germany, actually face smaller poverty gaps in Germany than in Sweden.

[Figure 3]

Figures 3 and 4 illustrate differences in differences (the difference in the effect of being from a given immigrant group on poverty between the two countries in the comparison), based on the same coefficients as in the previous figures. Thus, each bar represents the cross-national difference in the effect of belonging to a family of the given origins group (versus belonging to a native-born family) on the log odds of poverty. Dark bars indicate statistically significant cross-national differences. So, for example (looking at the first panel in Figure 3), an immigrant/immigrant couple from Australia has lower chances of poverty (relative to the native-born) in the UK than in Sweden, and this difference is statistically significant. This is true for foreign-born couples from many other countries also. On the other hand, two groups at the bottom of this panel, immigrant/immigrant couples from Bangladesh (a numerically important sending country to the UK) and the former Yugoslavia (an important sending region to Sweden), have better poverty outcomes relative to the native-born in Sweden, and the differences are statistically significant. So the cross-national pattern here is somewhat mixed, but most immigrant groups have somewhat better relative outcomes in the UK than in Sweden. In other words, nativity-based *inequality* in poverty rates is generally larger in Sweden than in the UK.

The second, right-hand panel of Figure 3 displays differences in origin effects in Germany versus Sweden. Here, the predicted outcome is state-mediated poverty. The cross-national pattern in the figure is quite clear: Immigrants do significantly better in terms of poverty in Germany, relative to the native-born in each country. As in the Sweden/UK comparison, there are two statistically significant exceptions; families with origins in Yugoslavia and Iran have lower relative poverty rates in Sweden. But on the whole, origins-based inequality in poverty is higher in Sweden than in Germany.

[Figure 4]

Given that poverty gaps between immigrants and the native-born population are still quite high in Sweden even after income redistribution, another interesting question is whether redistribution in Sweden decreases immigrant-specific risks of poverty. Figure 4 shows that, indeed, most immigrant groups face significantly smaller risks of poverty after taxation and transfers, relative to native-born families. That is, the state lowers nativity-based inequality in poverty, but the still large gaps in state-mediated poverty visible in Figure 2 above suggest that even this sizable redistribution effort is not enough to eliminate the effects of immigrant disadvantages in the labor market.

[Table 4]

As we saw above in the descriptive statistics, at least a quarter of people in immigrant families have access to the potentially poverty-reducing effects of a native-born head or spouse, or a head or spouse who arrive in the host country as a child and may have advantages in the labor market. I consider here whether such variation in immigrant family type has effects on poverty, and how any cross-national differences in these effects modify our conclusions about immigrant poverty in cross-national context. The effects in Table 4 represent the difference between various immigrant family types and the baseline, a family in which the head and spouse are foreign-born and arrived in the host country as adults. The first thing to note is that all four immigrant family types in which one partner is native-born have lower poverty rates in all three countries than baseline immigrant families (i.e. partnerships of two first generation immigrants). The magnitude of these effects is in many cases large enough that there is no net difference between such mixed immigrant/native-born families and families with a native-born couple. In other words, having a native-born partner is a very good buffer against poverty for immigrants.

The family types involving a member of the 1.5 generation but not a native-born head or spouse present a more mixed picture. In the UK and Germany, these family types have lower poverty rates than families in which both head and spouse are true first generation immigrants, but in Sweden, 1.5 generation families appear to have *higher* rates of state-mediated poverty. This somewhat counterintuitive finding deserves further scrutiny in future work, but could be due to the negative selectivity of origins groups who comprise these 1.5 generation partnerships.

At the bottom of the table are the four types of single immigrant householders: men and women of the true first generation and of the 1.5 generation. These effects are significantly negative across the board. This means that immigrant/native-born poverty gaps are larger among couple-headed families than among single householders. This supports the idea that immigrant disadvantage is concentrated when immigrants partner with each other. That is, family-level outcomes such as poverty deserve special attention and are not a direct outgrowth of individual-level outcomes in the labor market.

The cross-national patterns that we observed above in Figure 3 are generally not altered when we look at these other immigrant family types. Note that family type effects in the UK and Sweden are mostly statistically indistinguishable, and most significant differences between Germany and Sweden are negative. This means that the relative advantage (i.e., lower relative poverty rates) of immigrant groups in Germany versus Sweden is even more extreme for these other family types. So the conclusion above, that gaps in poverty rates between immigrant and native-born families are

larger in Sweden than in the other two countries, holds even when we take immigrant family type into account. It is especially interesting that this pattern is so marked in the comparison between Germany and Sweden, because here, the strong Swedish welfare state has already lessened poverty gaps.

The comparison of immigrant family type effects in Sweden before and after redistribution shows that inequalities *among* immigrant family types decrease in the process of income redistribution. The more advantaged immigrant family types (e.g., those with a native-born head or spouse) lose ground relative to their counterparts in less advantaged immigrant family types. This is consistent with the earlier finding that redistribution reduces the poverty gaps between immigrant and native-born families more generally. This is a special case of that more general conclusion: Immigrant families who are more like native-born families (by having some native-born members or some members of the 1.5 generation) are less likely to fall into poverty.

[Figure 5]

In all findings thus far, all foreign-born heads of family and their spouses were assumed to have been in the host country for 14 years. As Figure 5 shows, immigrants who have been in the host country longer assimilate out of poverty, so immigrant/native-born poverty gaps are more extreme than previously presented among very recent newcomers, and less extreme among the longer-settled.

But the more important question for this analysis is whether rates of assimilation out of poverty affect cross-national patterns. Immigrants do seem to assimilate more quickly out of market-generated poverty in Sweden than in the UK. Note, however, that the cross-national differences in rates of assimilation are really quite small compared to the magnitude of cross-national differences in Figure 3, so the cross-national trend still holds, even among very long-settled immigrant families. Among recent arrivals, the relative advantages of immigrants in the UK are even larger than in Figure 3. In the comparison between Germany and Sweden, we also see somewhat more muted cross-national trends among long-settled immigrants than we did in Figure 3, and patterns among recent arrivals depend on family structure and immigrant family type: The effects of women's years since migration increases the relative advantage of immigrant families in Germany, while the opposite is true for the effects of men's years since migration.

Overall, the story of immigrant-specific risks of poverty in cross-national perspective is one of larger gaps in poverty between immigrant and native-born families in Sweden than in Germany or the UK. Although immigrant families' poverty rates vary considerably, depending on country of

origin, immigrant family type, and years since migration, these cross-national patterns are quite robust.

General risks of poverty

Differences in poverty rates across groups within a country are clearly important: They are an indicator of material *inequalities* within a given country. But differences between groups, such as between immigrant and native-born families, must be considered in combination with the question of whether this inequality exists in a context of high or low native-born poverty. In this section, I address this question by looking at patterns of poverty among native-born families in these three countries. Immigrants have higher poverty, but it is important to ask – compared to what? This matters for the interpretation of both within-country group differences and cross-national patterns.

[Tables 5 & 6]

As I have already established in the literature review and in the descriptive statistics above, Sweden clearly has the lowest poverty rate of the three countries. But clearly, some sub-groups are more responsible than others for this trend, and given immigrant families' unique characteristics, such as their greater likelihood to have children, etc., discussed above, some cross-national differences have a disparate impact on immigrant families. I focus here on variables that have the largest but also most cross-nationally variant effects on poverty: education and family structure. Table 5 displays selected coefficients for models predicting poverty in the three countries, and Table 6 shows several illustrative predicted probabilities of poverty from these same models. The models control for the age of heads and spouses (set here at 40), and the constant effect refers to native-born couples with no children and low levels of education. Effects of independent variables are fixed effects for the entire population (immigrant and native-born) within each country.

I begin by looking at those families least at risk of poverty: those with no children and headed by the highly educated. The most important thing to note for families with this profile is that cross-national differences are quite minimal. In fact, among couple-headed families we see that poverty figures are, if anything, somewhat higher in Sweden than in the other two countries – but poverty risks among families with these advantageous characteristics are uniformly very low. Among single women with higher education and no children, poverty is also lower in the UK than in Sweden, but somewhat higher in Germany than in Sweden. The point is that poverty is quite low for these human-capital-rich families, similarly so in Sweden and elsewhere.

But when we turn to figures for families headed by adults with low levels of education, we see a considerably different picture. Not surprisingly, poverty rates are substantially higher in all

three countries than they were for highly-educated families, but more importantly, extreme cross-national differences emerge. Poverty gaps by education are much larger in Germany and the UK than they are in Sweden, so for families with low levels of education, Sweden is an unambiguously more advantageous country of residence in terms of poverty risk. We see particularly high rates of poverty among single women in the UK and Germany. Over 50% of single women with low education are in market-generated poverty in the UK, and a quarter of single women with low education are in poverty in Germany, *even after* taxation and transfers.

Cross-national patterns in the effects of children on probabilities of poverty are also unambiguous. Children increase the probability of poverty everywhere and regardless of family structure, but this is significantly less so in Sweden than in Germany or the UK. We see in Table 6 that among families with children and with low levels of education, poverty figures are considerably higher than any of those previously discussed in all three countries, but cross-national gaps also widen. This finding about the effect of children has a disparate impact on immigrant families, since they are more likely to have children than native-born families. Note that children have a smaller effect on poverty before *and* after taxes/transfers, so this is not only a function of child-friendly redistribution policies, but also of women's higher chances of being in the labor market in Sweden, even with young children at home (Casper et al. 1994).

These findings show that families with children and/or headed by adults with low levels of education are better off in Sweden than elsewhere, while advantaged families (those with no children and/or headed by adults with high levels of education) face similarly low risks of poverty in all three countries. So Sweden is the best of the three countries of residence for families at potential risk of poverty. Families headed by adults with low levels of formal education and families with children fare much better in Sweden. Immigrants disproportionately fall into these categories, and in this way, they benefit from Sweden's poverty-reducing institutions, even though immigrant/native-born gaps in poverty are larger in Sweden.

These cross-national differences in the patterns of native-born inequality also affect the interpretation of cross-national differences in origin effects on poverty, discussed above. For immigrant families with relatively advantageous "general" characteristics, such as higher education, immigrant-specific disadvantages in Sweden translate into higher absolute poverty rates in Sweden, albeit at a very low level of poverty. But for immigrant families with less advantageous characteristics, immigrant-specific disadvantage is more than made up for by lower native-born poverty rates in Sweden.

[Figures 6 through 8]

Figures 6 through 8 illustrate these patterns vividly. We can contrast “advantaged” families in these three figures (couples with higher education and no children) with “disadvantaged” families (couples with low education and children). Looking at the advantaged families, note that cross-national differences are consistent in direction, but small in magnitude. For most immigrant groups, differences are less than 10 percentage points for market-generated poverty and less than three percentage points for state-mediated poverty. So for families with this advantaged profile, poverty rates are cross-nationally quite similar, with slightly lower rates in the UK and in Germany. Cross-national differences for disadvantaged families are also consistent in direction, but considerably larger in magnitude, up to over 30 percentage points for state-mediated poverty, and between 10 and 40 percentage points for market-generated poverty for most groups of immigrant families. We can see from these figures that the larger differences in poverty between immigrant and native-born families in Sweden are in many ways overshadowed by these very large differences in the native-born baseline of poverty. Sweden might have more inequality in poverty, but a low overall poverty rate makes that inequality materially less important.

In Figure 6, the comparison of Sweden and the UK, I have included a third panel that illustrates the counterfactual of exclusively single-earner families in both countries (the figures still refer to “disadvantaged” couples, but in these figures, only one partner works). What we see is that Sweden again looks not particularly favorable; the majority of groups here, as with the “advantaged” profile, do slightly better in the UK. But this is a direct result of the fact that more women work in Sweden. If the proportion of single-earner families were the same in Sweden as in the UK, immigrant families’ rates of market-generated poverty would look, if anything, slightly lower in the UK. However, because many more women in Sweden work, the figures for families as a whole are those in the second panel of this figure, and Sweden looks like the more beneficial context for immigrants.

Summary and Conclusion

This paper analyzes immigrant poverty in cross-national perspective. Findings suggest that immigrant and native-born families have more divergent poverty risks in Sweden than is the case in Germany or the UK. This is true before taxation and transfers, a not surprising result of immigrants’ apparently overall greater labor market disadvantages in Sweden. More surprising is that it is still true after the state redistributes income. Even the very effective Swedish welfare state cannot totally make up for the severe disadvantages that immigrants face in the Swedish labor market.

There is an important caveat, however. Poverty rates are similarly low in all countries for relatively advantaged native-born families, such as those with high human capital. But relatively disadvantaged native-born families, such as those with low human capital or many children, fare much better in Sweden, before and after income redistribution. This means that immigrant families with disadvantageous characteristics are better off in Sweden, despite higher immigrant-specific risks of poverty.

The perhaps most significant long-term effects of immigrant poverty involve the coming of age of the immigrant second generation. First generation immigrants face disadvantages in the labor markets of all three of these host societies. They are more likely to face joblessness, undesirable occupations, and low wages than are native-born adults, as has been shown in a wide range of previous studies of immigrant socioeconomic incorporation. On the whole, the labor market situation for immigrants in Sweden is worse than that in the other two countries, relative to the opportunities that native-born individuals have, and this is largely reflected in immigrant poverty rates in Sweden: They are higher than native-born poverty rates and this gap is larger than in the UK or Germany. And yet, the children of immigrants are *much* less likely to grow up in poverty in Sweden than they are in the other two countries. While large inequalities in poverty risks may exist in Sweden, the ceiling on poverty is very low for all families after the strong Swedish welfare state redistributes income and mediates market inequalities. So we see a reflection of market inequalities in poverty *inequalities*, but poverty inequalities are rendered materially less significant by the low poverty ceiling. Exactly how the various economic disadvantages of the immigrant first generation translate into disadvantages in the second generation is a process worthy of future research, but a generous and redistributive welfare state certainly has the potential to alter the extent to which the children of immigrants bear the material burden of their parents' labor market challenges.

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Table 1. Market-generated poverty in 16 rich democracies

Total population		Working-aged adults		Children	
Switzerland	17.4%	Switzerland	7.8%	Switzerland	12.6%
Finland	21.2%	Austria	12.2%	Italy	13.9%
Luxembourg	22.9%	Norway	13.3%	Spain	14.7%
Netherlands	23.6%	Luxembourg	13.6%	Austria	15.1%
Canada	24.6%	Italy	13.9%	Netherlands	15.4%
Italy	25.5%	Spain	14.0%	Norway	15.6%
U.S.	25.7%	Germany	14.4%	France	18.0%
Austria	25.7%	Netherlands	14.9%	Luxembourg	18.2%
Norway	25.7%	France	15.1%	Germany	18.8%
Spain	27.0%	Finland	15.4%	Denmark	19.7%
Australia	29.1%	U.S.	16.1%	Sweden	19.8%
Denmark	29.5%	Sweden	16.5%	Finland	20.0%
France	30.1%	Canada	17.3%	Canada	24.2%
Germany	30.1%	Denmark	17.8%	U.S.	27.3%
Sweden	30.1%	Australia	19.6%	Australia	28.5%
U.K.	32.4%	U.K.	19.6%	U.K.	34.8%

Source: Luxembourg Income Study

Table 2. State-mediated poverty rates in 19 rich democracies

Total population		Working-aged adults		Children	
Finland	5.4%	Norway	4.1%	Finland	2.8%
Luxembourg	6.0%	Finland	4.2%	Norway	3.4%
Norway	6.4%	Denmark	4.6%	Sweden	4.2%
Sweden	6.5%	Sweden	4.8%	Denmark	5.0%
Denmark	7.2%	Belgium	5.2%	Belgium	6.7%
Netherlands	7.3%	Luxembourg	5.4%	Austria	7.8%
Austria	7.7%	Switzerland	5.7%	France	7.9%
Switzerland	7.7%	Austria	6.0%	Switzerland	8.9%
France	8.0%	Germany	6.3%	Germany	9.0%
Belgium	8.0%	France	6.4%	Luxembourg	9.1%
Germany	8.3%	Netherlands	7.6%	Netherlands	9.8%
Canada	11.4%	U.K.	8.5%	Greece	12.9%
U.K.	12.4%	Greece	9.8%	Canada	14.9%
Italy	12.7%	Spain	9.9%	U.K.	15.3%
Australia	14.3%	Australia	10.0%	Australia	15.8%
Spain	14.3%	Canada	10.5%	Spain	16.1%
Greece	14.4%	Italy	10.9%	Italy	16.6%
Ireland	16.5%	U.S.	12.2%	Ireland	17.2%
U.S.	17.0%	Ireland	12.7%	U.S.	21.9%

Source: Luxembourg Income Study

Table 3. Descriptive statistics by family's immigrant status and family structure

	Sweden	Germany	UK
Native-born families			
Age of head/average age of head & spouse	41.8	41.4	40.0
Highest of head or spouse's education			
% ISCED 1	1.9	4.0	12.8
% ISCED 2	6.4	6.3	22.7
% ISCED 3	48.9	48.7	32.6
% ISCED 4	7.3	20.9	12.1
% ISCED 5	35.6	20.1	19.8
Family structure			
% with couple	63.5	77.9	67.4
% in families with children	58.5	56.5	64.8
% in single mother families	9.0	5.6	16.3
Labor force attachment			
% in jobless families	3.3	15.9	17.6
% in single-earner families	36.5	34.6	33.9
% in dual-earner families	60.2	49.5	48.5
% in market-generated poverty	16.17%		29.51%
% in state-mediated poverty	3.90%	6.83%	
Immigrant families			
Age of head/average age of head & spouse	41.7	40.3	39.6
Highest of head or spouse's education			
% ISCED 1	6.1	11.8	17.6
% ISCED 2	8.5	21.2	9.5
% ISCED 3	44.1	40.0	37.1
% ISCED 4	5.4	12.1	9.3
% ISCED 5	35.9	14.9	26.5
Family structure			
% with couple	70.9	85.7	71.4
% in families with children	67.7	68.2	70.1
% in single mother families	10.7	4.2	14.1
Labor force attachment			
% in jobless families	9.4	19.9	25.9
% in single-earner families	34.2	42.3	35.5
% in dual-earner families	56.4	37.9	38.7
Immigrant family type			
% no NB adult in family	65.8	76.6	60.9
single head	29.2	14.3	28.6
partnership	36.6	62.3	32.3
% NB adult in family	34.2	23.5	39.1
% head and/or spouse 1.5 gen.	26.9	30.6	42.2
Avg. years since migration, FB women	16.9	15.2	18.3
Avg. years since migration, FB men	17.8	17.1	20.4
% in market-generated poverty	35.80%		39.85%
% in state-mediated poverty	10.29%	14.67%	

Table 4. Effects of immigrant family type on log odds of poverty, by country

	Market-generated		State-mediated		UK vs. Sweden	Germany vs. Sweden	SM vs. MG, Sweden
	Sweden	UK	Sweden	Germany			
Immigrant husband, native-born wife	-.530	-.546	.029	-.484	-.016	-.513	.559
Immigrant wife, native-born husband	-1.143	-.945	-.638	-.661	.198	-.023	.505
1.5 gen. husband, native-born wife	-1.062	-.984	-.862	-.661	.077	.200	.200
1.5 gen. wife, native-born husband	-.948	-.783	-.747	-.604	.165	.143	.201
1.5 gen. husband, immigrant wife	.069	-.049	.563	-.383	-.118	-.946	.494
1.5 gen. wife, immigrant husband	-.356	-.339	.017	-.536	.016	-.553	.372
Both 1.5 gen.	-.124	-.553	.301	-.644	-.429	-.945	.425
Single foreign-born man	-.712	-.871	-.299	-.886	-.159	-.587	.413
Single foreign-born woman	-1.003	-.893	-.914	-.630	.109	.283	.089
Single 1.5 gen. man	-1.029	-.769	-.682	-1.097	.259	-.415	.347
Single 1.5 gen. woman	-.980	-.994	-.615	-.568	-.014	.047	.365

Notes: Bold indicates a coefficient or cross-national difference that is statistically different than zero, based on t-tests for coefficients (critical value=1.96, p=.05, two-tailed test) and Wald chi-square tests for cross-national differences (critical value=3.84, p < .05, 1 degree of freedom).

Table 5. Effects of education and family structure on poverty, by country

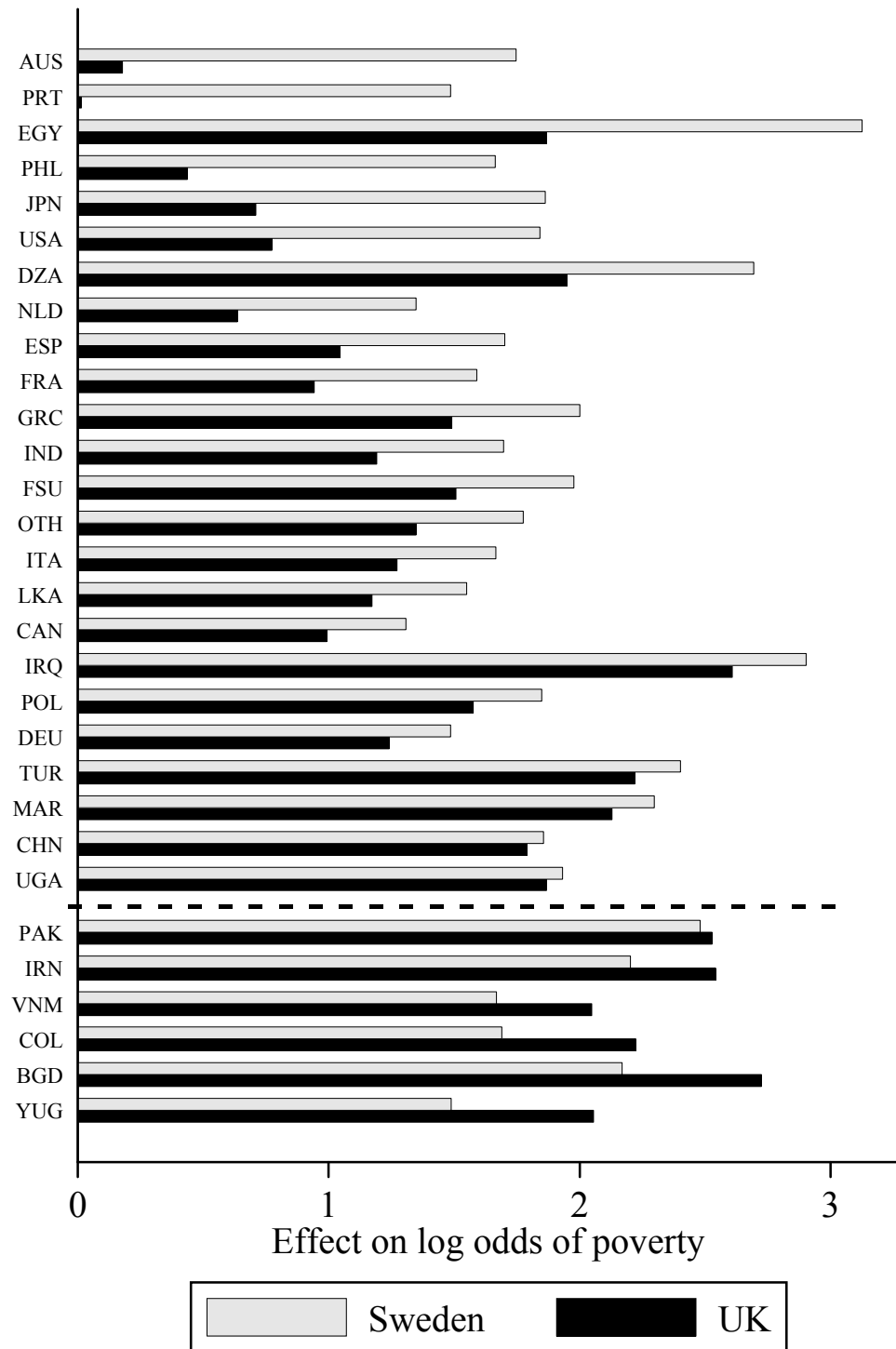
	Market-generated		State-mediated		UK vs.	Germany	SM vs.
	Sweden	UK	Sweden	Germany	Sweden	vs. Sweden	MG, Sweden
Woman, ISCED 2	-132	-1.131	.168	-.230	-.999	-.398	.300
Woman, ISCED 3	-.701	-1.253	-.228	-.703	-.552	-.475	.473
Woman, ISCED 4	-.589	-2.166	.106	-1.211	-1.577	-1.317	.696
Woman, ISCED 5	-1.315	-2.539	-.458	-1.374	-1.224	-.916	.858
Man, ISCED 2	-.039	-1.072	.121	.037	-1.033	-.085	.161
Man, ISCED 3	-.386	-1.187	-.341	-.383	-.801	-.042	.045
Man, ISCED 4	-.619	-1.905	-.438	-.841	-1.287	-.403	.181
Man, ISCED 5	-.792	-2.077	-.484	-1.478	-1.285	-.994	.308
Couple w/ children	.611	.894	.311	.727	.283	.416	-.300
Single man, no children	.978	.678	1.730	1.919	-.300	.189	.752
Single man w/ children	1.188	1.753	2.240	2.138	.565	-.102	1.052
Single woman, no children	1.567	.759	1.514	2.050	-.808	.536	-.053
Single woman w/ children	2.616	2.902	2.004	2.872	.286	.867	-.612
Constant	-1.954	-.553	-4.125	-3.127	1.402	.998	-2.170

Notes: Bold indicates a coefficient or cross-national difference that is statistically different than zero, based on t-tests for coefficients (critical value=1.96, p=.05, two-tailed test) and Wald chi-square tests for cross-national differences (critical value=3.84, p < .05, 1 degree of freedom).

Table 6. Predicted probabilities of poverty for families with various profiles

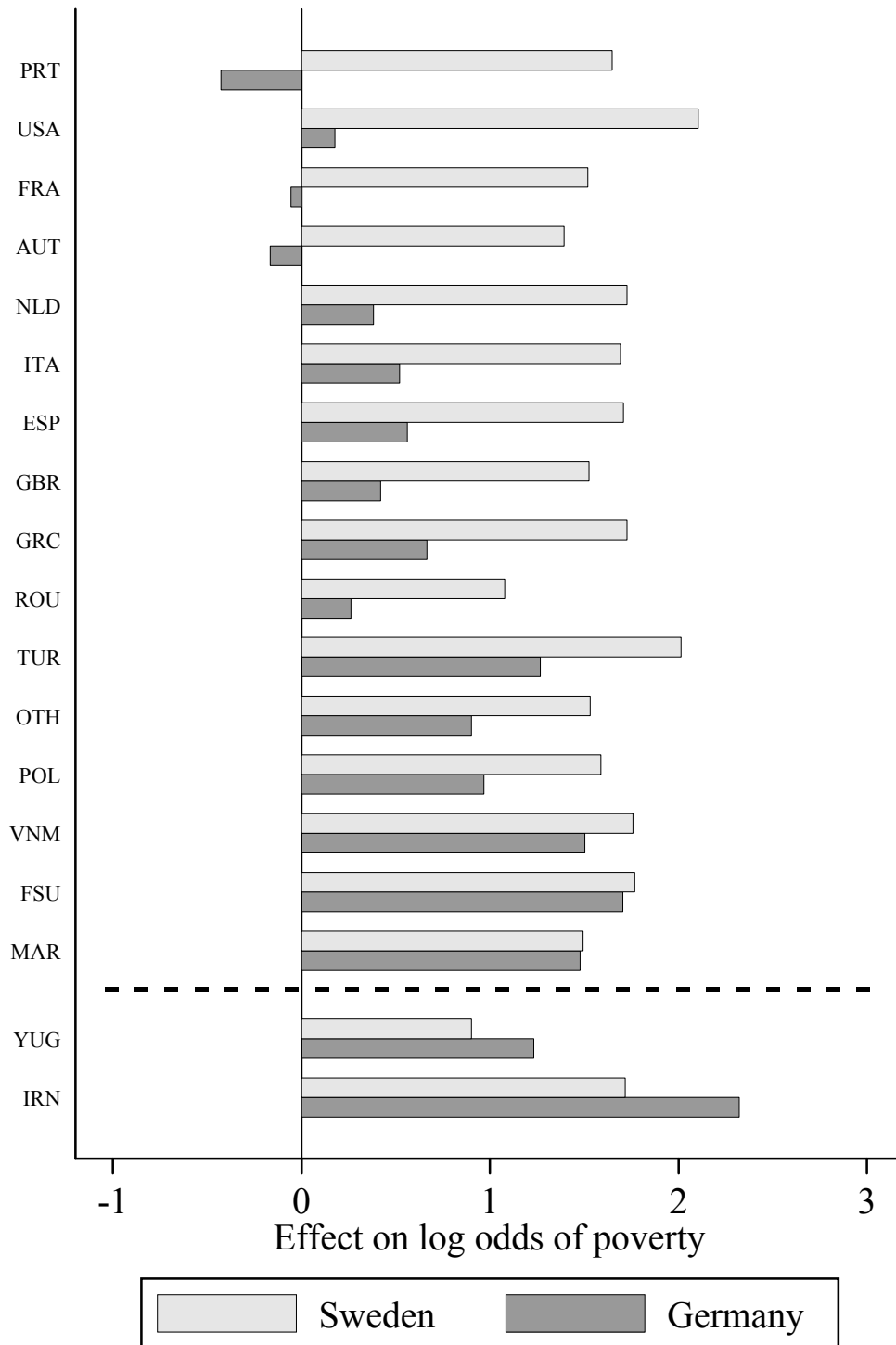
	Market-generated		State-mediated	
	Sweden	UK	Sweden	Germany
<i>Couples</i>				
Both ISCED 5, no kids	.017	.006	.006	.003
Both ISCED 1, no kids	.124	.365	.016	.042
Both ISCED 1, kids	.207	.585	.022	.083
<i>Single women</i>				
ISCED 5, no kids	.154	.088	.044	.079
ISCED 5, no kids	.404	.551	.068	.254
ISCED 1, kids	.660	.913	.107	.437

Figure 1. Effects of immigrant origin on log odds of market-generated poverty



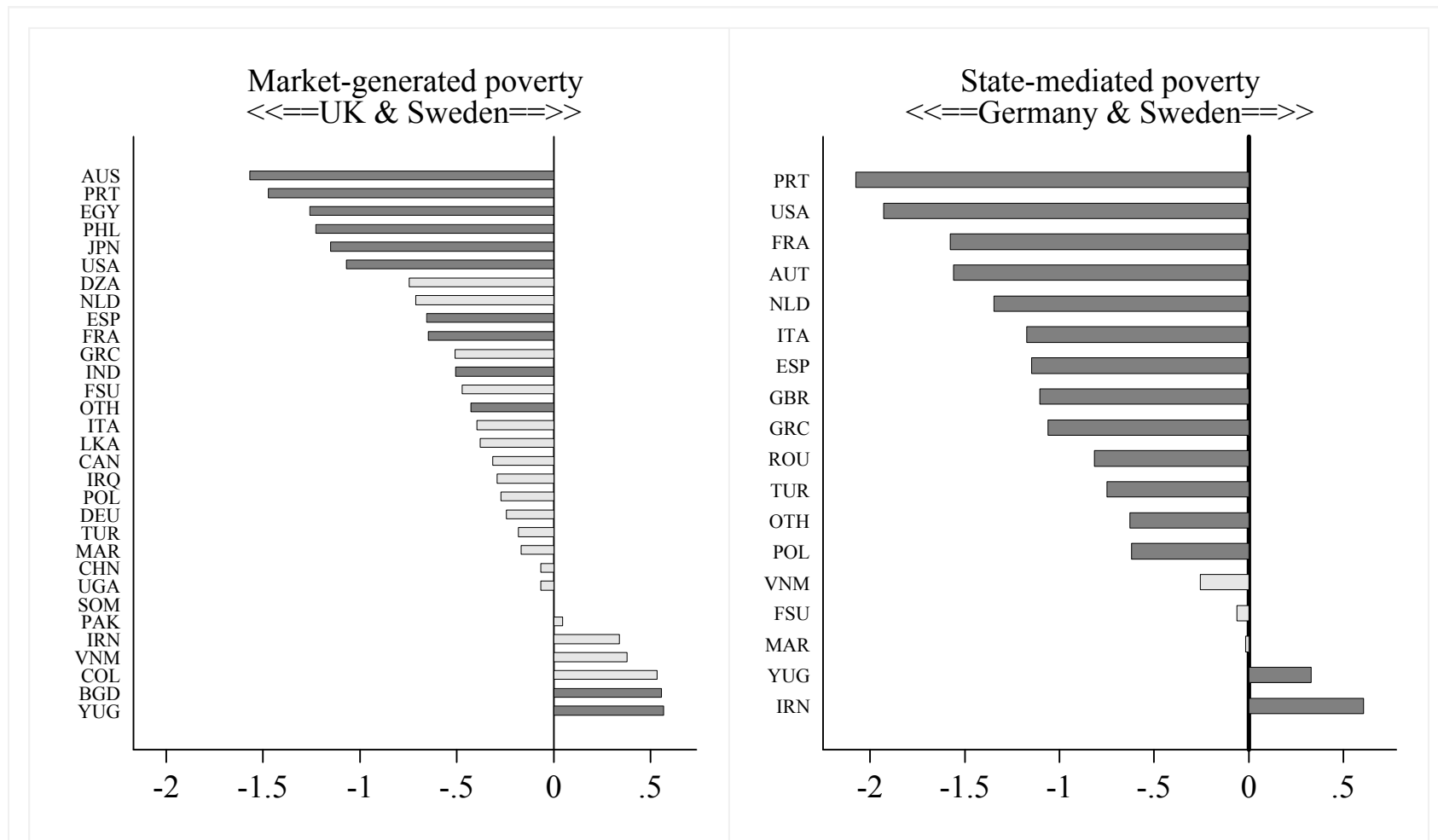
Note: Groups above the dotted horizontal line have higher poverty chances in Sweden

Figure 2. Effects of immigrant origin on log odds of state-mediated poverty



Note: Groups above the dotted horizontal line have higher poverty chances in Sweden

Figure 3. Cross-national differences in effects of immigrant origin on log odds of poverty



Notes: Dark bars indicate statistically significant cross-national differences, $p < .05$. Bars in the direction of an arrow indicate better relative outcomes for immigrants in the given host country.

Figure 4. Origin effects on log odds of state-mediated vs. market-generated poverty

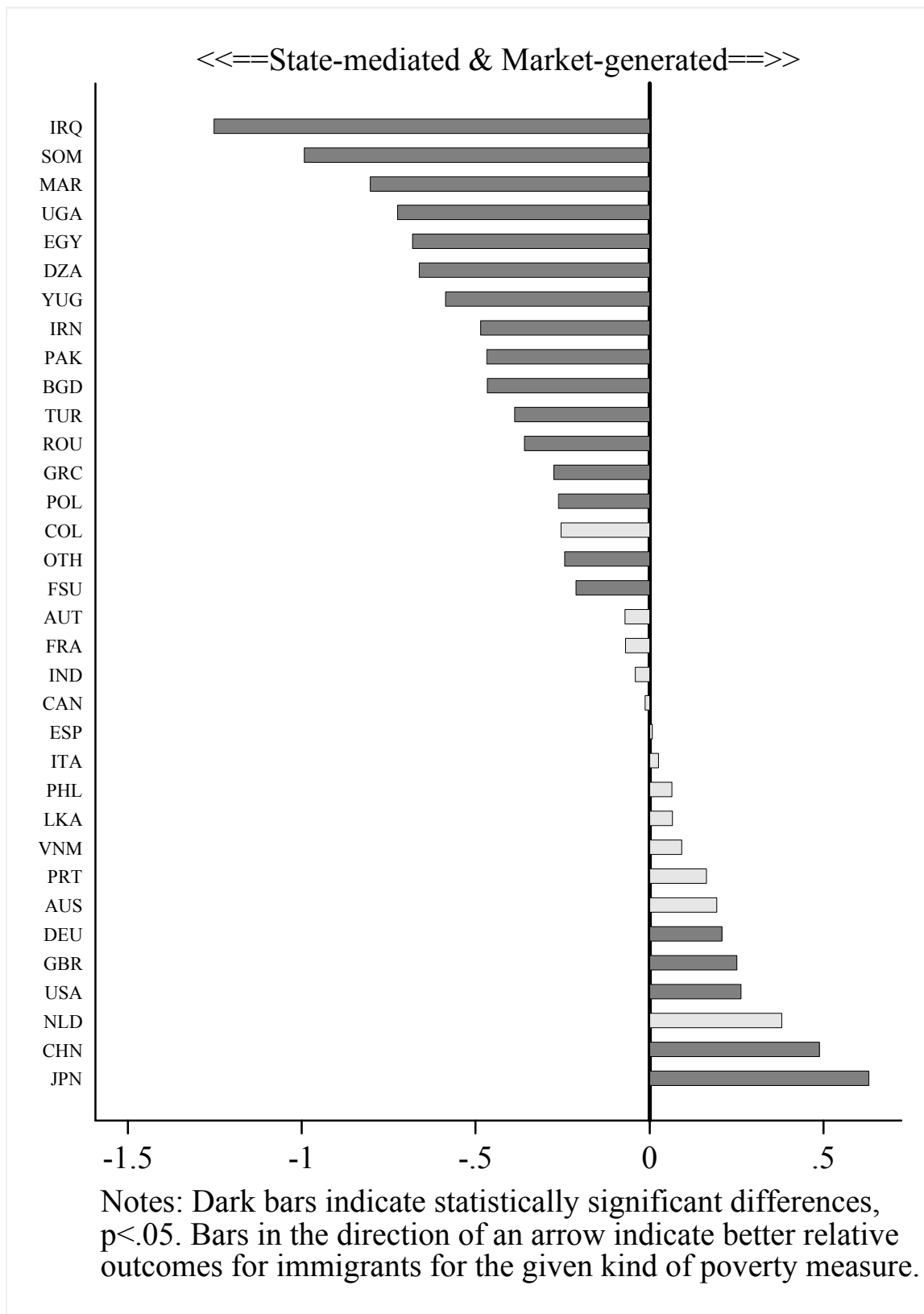
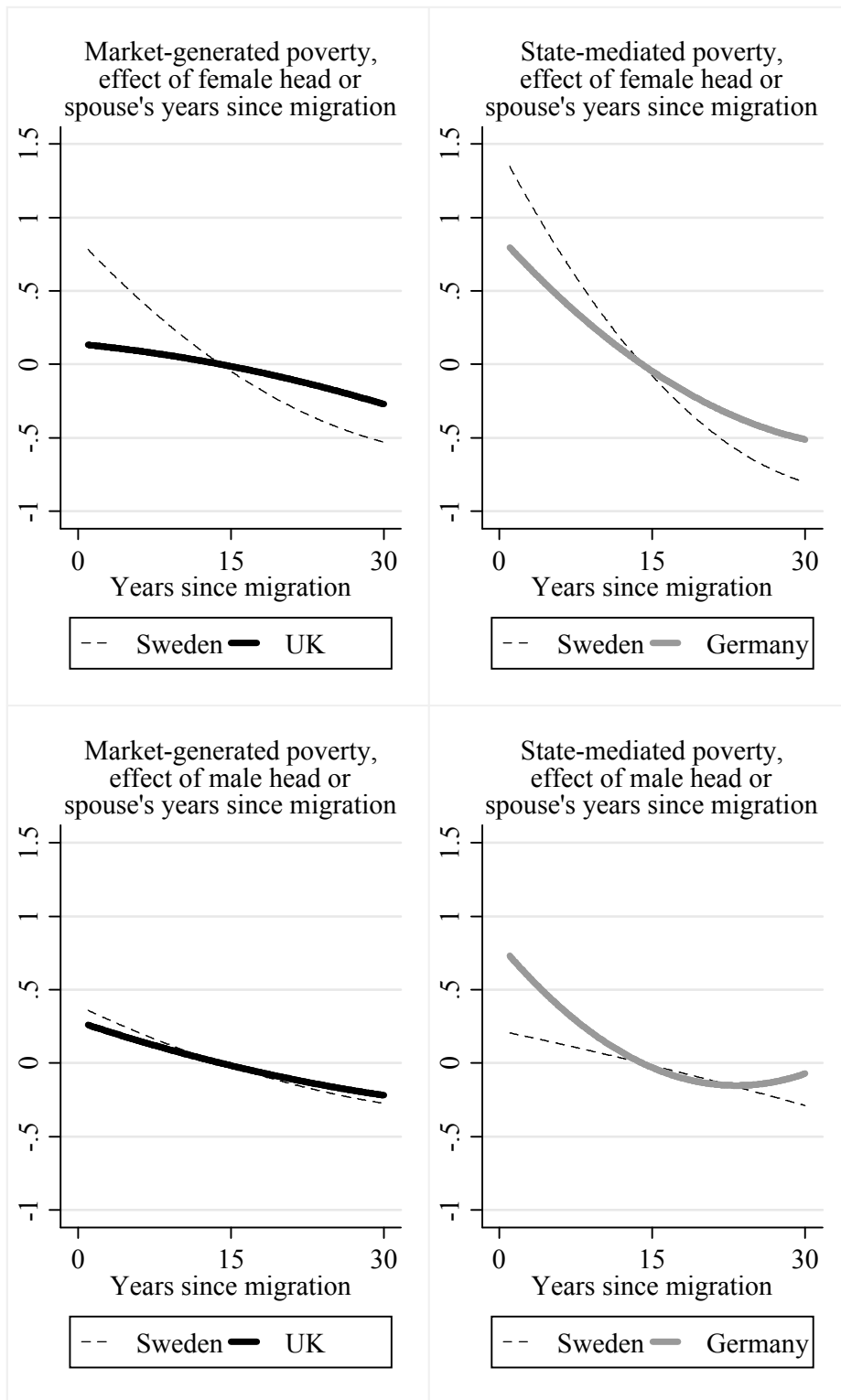
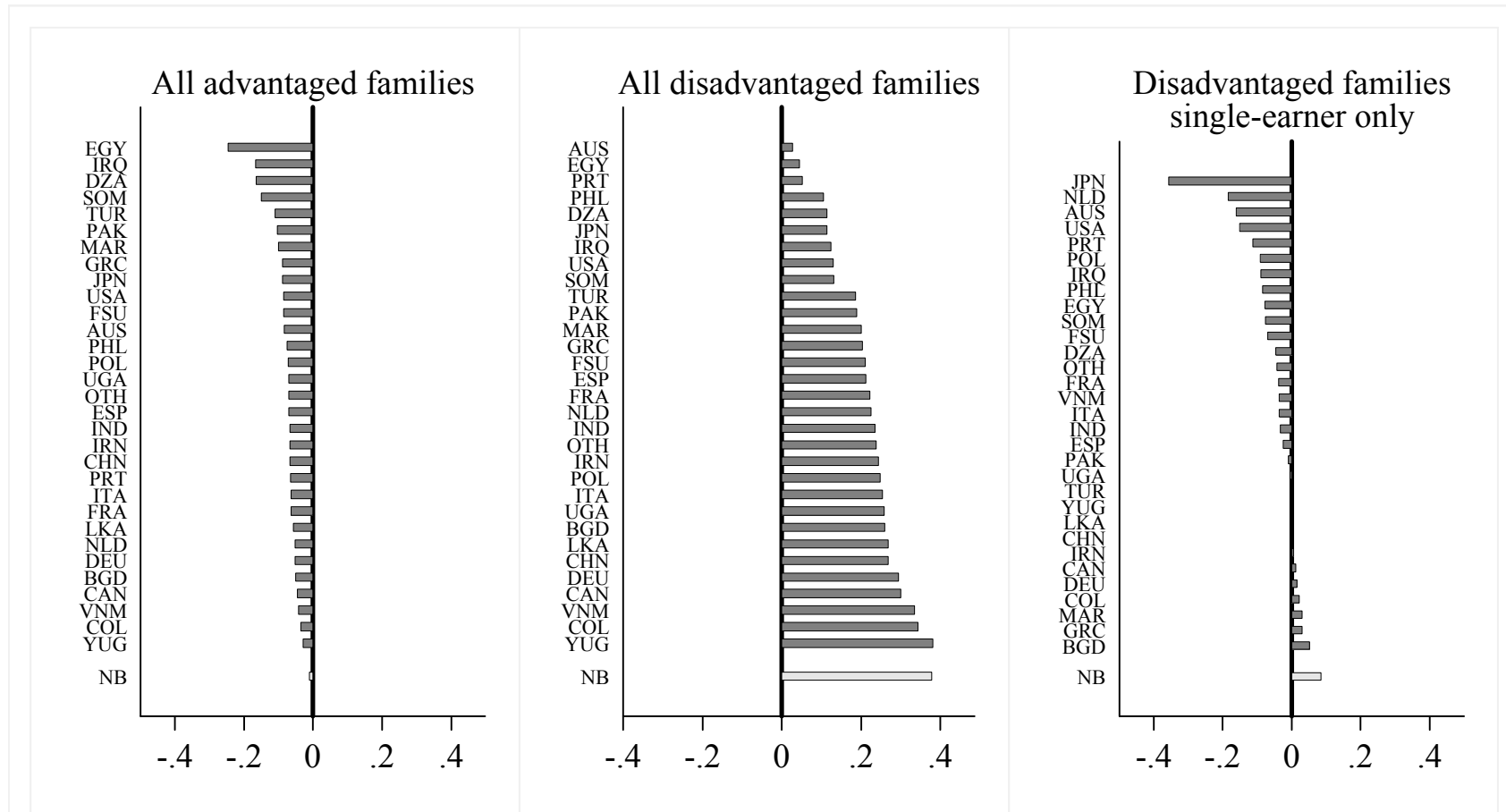


Figure 5. Poverty among immigrant families by years since migration



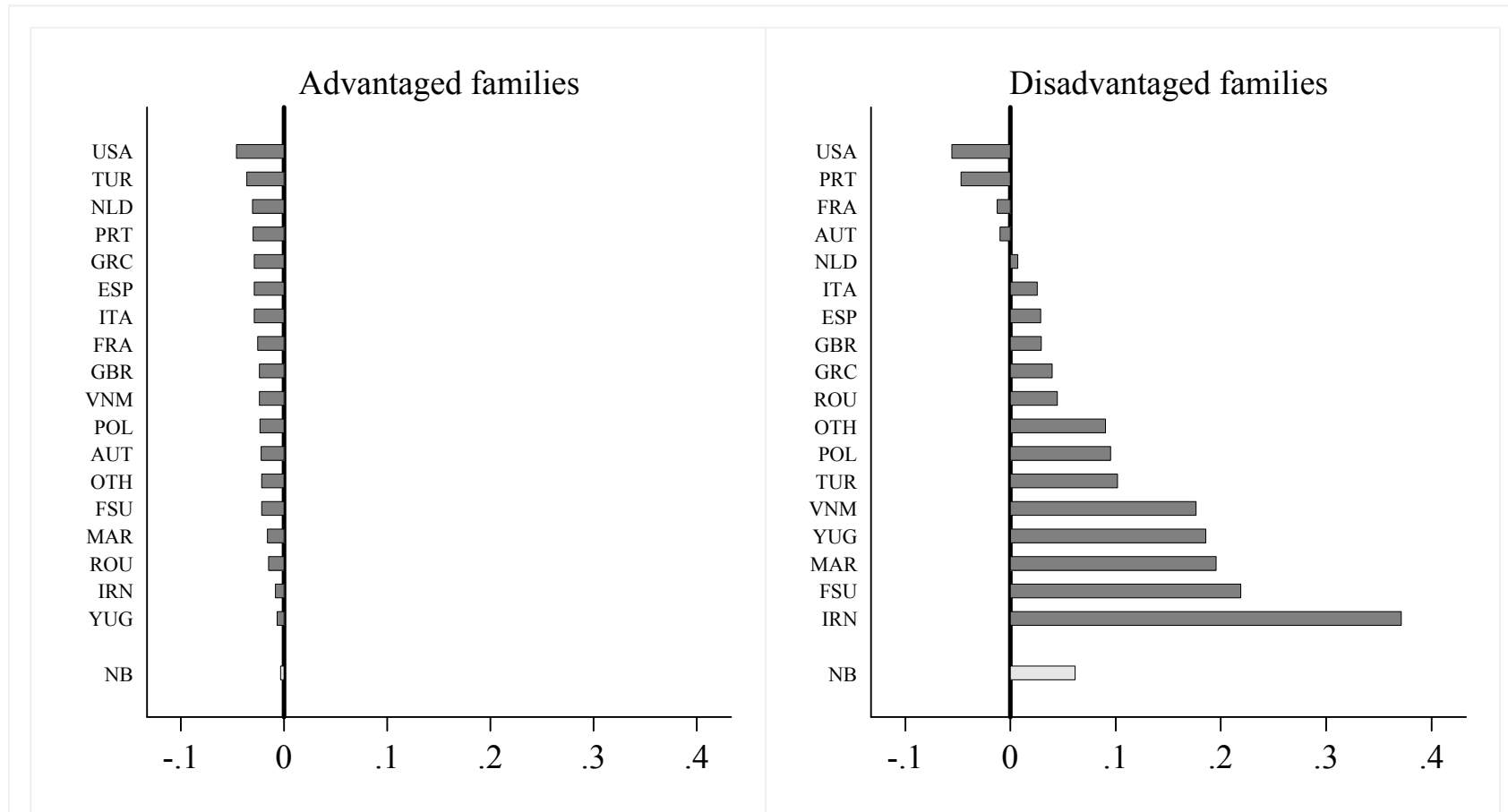
Note: Effects are fixed at 0 for years=14.

Figure 6. Cross-national differences in probabilities of market-generated poverty



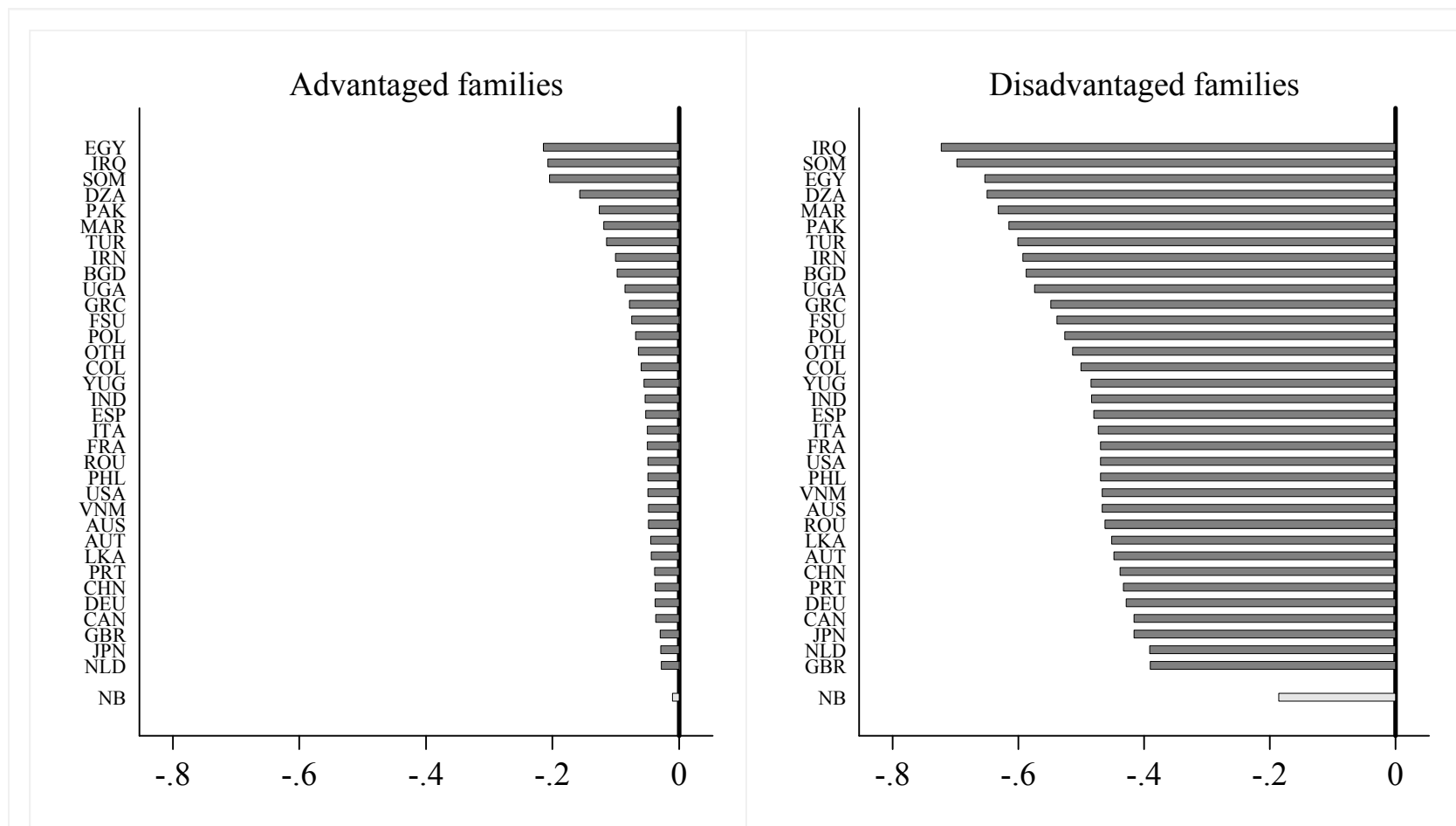
Notes: Negative values indicate a lower probability of poverty in the UK. Figures control for age (40), immigrant family type (foreign-born head and spouse), and years since migration (14). Advantaged families are couples with no children and high education (ISCED 5/6). Disadvantaged families are couples with children and low education (ISCED 1).

Figure 7. Cross-national differences in probabilities of state-mediated poverty



Notes: Negative values indicate a lower probability of poverty in Germany. Figures control for age (40), immigrant family type (foreign-born head and spouse), and years since migration (14). Advantaged families are couples with no children and high education (ISCED 5/6). Disadvantaged families are couples with children and low education (ISCED 1).

Figure 8. Differences in predicted probabilities of state-mediated vs. market-generated poverty



Notes: Figures control for age (40), immigrant family type (foreign-born head and spouse), and years since migration (14). Advantaged families are couples with no children and high education (ISCED 5/6). Disadvantaged families are couples with children and low education (ISCED 1).

Table A1. ISO country codes used in all tables and figures

<u>ISO code</u>	<u>Country name</u>
AUS	Australia
AUT	Austria
BGD	Bangladesh
CAN	Canada
CHN	China
COL	Colombia
DEU	Germany
DZA	Algeria
EGY	Egypt
ESP	Spain
FRA	France
FSU	Former Soviet Union
GBR	United Kingdom
GRC	Greece
IND	India
IRN	Iran
IRQ	Iraq
ITA	Italy
JPN	Japan
LKA	Sri Lanka
MAR	Morocco
NLD	Netherlands
PAK	Pakistan
PHL	Philippines
POL	Poland
PRT	Portugal
ROU	Romania
SOM	Somalia
TUR	Turkey
UGA	Uganda
USA	United States
VNM	Vietnam
YUG	Former Yugoslavia
OTH	Other foreign-born
NB	Native-born

Table A2. Sample size for analysis of poverty

	Sweden	Germany	UK
AUS	317		401
AUT	557	368	
BGD	500		529
CAN	273		297
CHN	1,070		151
COL	585		65
DEU	3,210		1,046
DZA	279		54
EGY	298		69
ESP	688	281	227
FRA	745	224	341
FSU	3,122	505	149
GBR	2,229	257	
GRC	1,367	715	93
IND	8,016	243	186
IRN	1,132		1,422
IRQ	6,904		119
ITA	741	1,300	311
JPN	280		123
LKA	560		253
MAR	811	116	68
NLD	558	129	134
PAK	524		950
PHL	1,071		245
POL	6,298	506	130
PRT	373	268	166
ROU	1,754	162	
SOM	1,659		228
TUR	4,752	3,903	210
UGA	377		219
USA	1,660	180	479
VNM	1,563	181	74
YUG	18,809	2,370	159
OTH	63,226	5,056	8,408
NB	166,829	52,295	128,160
Total	303,137	69,059	145,466

Table A3. Poverty rates by country of origin

	Market-generated		State-mediated	
	Sweden	UK	Sweden	Germany
AUS	25.7%	12.1%	16.1%	
AUT	21.9%		7.3%	3.6%
BGD	49.0%	81.6%	16.9%	
CAN	20.1%	15.1%	10.9%	
CHN	41.1%	49.1%	28.1%	
COL	34.9%	56.4%	14.8%	
DEU	22.6%	24.4%	11.5%	
DZA	56.7%	50.2%	19.2%	
EGY	58.3%	32.6%	20.6%	
ESP	29.6%	27.0%	13.8%	9.5%
FRA	24.9%	17.9%	13.0%	6.1%
FSU	39.0%	47.4%	18.8%	30.8%
GBR	19.8%		11.0%	6.4%
GRC	39.3%	32.7%	11.5%	10.5%
IND	47.5%	55.4%	15.7%	35.0%
IRN	30.5%	34.5%	13.0%	
IRQ	73.7%	61.7%	26.9%	
ITA	28.8%	28.9%	13.6%	9.7%
JPN	26.8%	26.6%	19.5%	
LKA	36.6%	31.1%	16.2%	
MAR	51.0%	59.6%	16.8%	25.5%
NLD	18.3%	14.4%	10.6%	4.6%
PAK	52.1%	72.3%	19.4%	
PHL	27.7%	17.8%	12.5%	
POL	34.1%	44.1%	10.6%	13.4%
PRT	25.3%	36.8%	8.8%	6.1%
ROU	28.7%		8.5%	11.7%
SOM	75.2%	90.6%	32.8%	
TUR	57.6%	74.6%	19.4%	18.2%
UGA	41.0%	39.9%	12.8%	
USA	24.3%	16.8%	14.3%	5.5%
VNM	47.7%	70.2%	20.0%	32.8%
YUG	38.7%	70.4%	9.0%	19.2%
OTH	33.5%	35.1%	10.9%	13.2%
NB	16.3%	24.7%	4.2%	6.9%

Table A4. Origin effects on log odds of poverty

	Market-generated				State-mediated				UK vs. Sweden	Germany vs. Sweden	SM vs. MG, Sweden
	Sweden		UK		Sweden		Germany				
	b	s.e.	b	s.e.	b	s.e.	b	s.e.			
AUS	1.748	.168	.179	.214	1.941	.208			-1.570		.192
AUT	1.463	.141			1.392	.201	-.167	.343		-1.559	-.071
BGD	2.169	.113	2.725	.173	1.703	.166			.556		-465
CAN	1.307	.187	.993	.245	1.294	.249			-.313		-.013
CHN	1.855	.080	1.789	.236	2.343	.091			-.066		.488
COL	1.689	.110	2.224	.404	1.434	.145			.535		-.255
DEU	1.485	.060	1.241	.129	1.693	.082			-.244		.208
DZA	2.693	.145	1.948	.423	2.031	.191			-.746		-662
EGY	3.126	.148	1.867	.410	2.444	.189			-1.258		-682
ESP	1.701	.109	1.045	.216	1.708	.141	.561	.333	-656	-1.147	.007
FRA	1.590	.118	.942	.214	1.520	.153	-.056	.274	-647	-1.576	-.069
FSU	1.978	.053	1.507	.248	1.767	.072	1.705	.177	-.471	-.062	-212
GBR	1.273	.072			1.524	.100	.419	.315		-1.105	.251
GRC	2.001	.074	1.491	.258	1.726	.114	.666	.192	-.509	-1.059	-275
IND	2.202	.032	2.542	.226	1.716	.053	2.322	.220	.340	.606	-486
IRN	1.698	.087	1.191	.099	1.657	.124			-507		-.040
IRQ	2.902	.038	2.609	.267	1.650	.056			-.293		-1.251
ITA	1.667	.113	1.272	.219	1.692	.144	.519	.147	-.395	-1.173	.025
JPN	1.862	.177	.711	.266	2.492	.202			-1.151		.630
LKA	1.550	.114	1.172	.183	1.616	.153			-.378		.066
MAR	2.298	.091	2.130	.375	1.495	.125	1.479	.472	-.169	-.016	-803
NLD	1.348	.144	.637	.356	1.727	.182	.381	.496	-.712	-1.346	.379
PAK	2.481	.111	2.527	.124	2.013	.151			.046		-468
PHL	1.664	.098	.436	.249	1.728	.124			-1.229		.064
POL	1.849	.039	1.577	.233	1.587	.065	.967	.249	-.272	-620	-262
PRT	1.486	.160	.014	.276	1.649	.243	-.428	.309	-1.472	-2.077	.163
ROU	1.437	.068			1.077	.107	.261	.351		-816	-360
SOM	2.949	.075	2.949	.343	1.956	.080			.000		-993
TUR	2.403	.042	2.220	.184	2.015	.062	1.267	.092	-.184	-748	-388
UGA	1.933	.138	1.867	.217	1.208	.199			-.067		-726
USA	1.843	.078	.773	.186	2.105	.103	.177	.351	-1.071	-1.928	.262
VNM	1.668	.064	2.048	.343	1.760	.087	1.503	.258	.380	-.257	.092
YUG	1.488	.027	2.055	.240	.902	.050	1.232	.103	.567	.330	-585
OTH	1.775	.023	1.348	.079	1.531	.045	.902	.093	-427	-630	-244

Notes: Bold indicates a coefficient or cross-national difference that is statistically different than zero, based on t-tests for coefficients (critical value=1.96, p=.05, two-tailed test) and Wald chi-square tests for cross-national differences (critical value=3.84, p < .05, 1 degree of freedom).