Moving Out and Moving Up: New Immigrant Destinations and Wage Outcomes for Recent Low-skilled Chinese Immigrants in the U.S.*

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ABSTRACT

The increased diversification of immigrant settlement in the U.S. is by now well established. However, there have not been sufficient efforts to examine socio-economic and health consequences of this new settlement. Using two surveys done in NYC's Chinese community and combing other data sources, we explore the extent to which moving away from traditional settlement location of NYC to other parts of the country brings significant improvement in salary. Drawing on literature on migration networks, ethnic enclaves, and compensating wage differentials, we develop testable hypotheses. Our results show that for this group of low-skilled Chinese immigrants, moving away from NYC Chinese community has led to significant financial gains. However, it is not the case for Chinese business owners. We also find that low-skilled Chinese immigrants who work in locations with higher crime rates receive higher pay as well. Implications for immigrant adaptation and future research are explored.

Introduction

For a long time, waves of immigration to the United States shared two major characteristics in terms of settlement patterns: they had a tendency to settle in traditional destinations along the east coast or big cities such as New York, Chicago, San Francisco, and they were more likely to settle in neighborhoods with earlier waves of immigrants (Waldinger, 1989). In fact, some of the well-known studies reflect this immigration pattern; the Polish peasants in Chicago (Thomas and Znaniccki, 1984), Irish immigrants in Boston (Handlin, 1972), Italians in New York and Chicago (Suttles, 1983), Cubans in Miami (Portes, 1989), Koreans in LA, Chinese in San Francisco and NYC (Chen, 1992; Guest, 2002; Lin, 2000; Min, 1995; Nee and Nee, 1973; Zhou, 1990). This concentration of immigrants in these gateway destinations certainly facilitated immigrant adaptation in the United States, at least in the initial stages. In these immigrants-concentrated neighborhoods and communities, information on jobs and housing can be shared quickly and for much of their day to day living, they can communicate in their native languages. From immigrant assimilation perspective, the concentration of immigrants in one location or neighborhood raises concerns. For example, Massey (1995) revealed that compared to earlier waves of European immigrants, today's immigrants from Asian and Latin American countries are more concentrated. This causes concern for future prospects of learning English and adaptation to the American society.

However, since the 1990s, the geographical concentration of immigrants took a different turn, with growing numbers of immigrants settle in non-gateway destinations. For example, in 1990, 35% of recent immigrants resided in California and the percentage declined in 20% by 2000. Likewise, 13.4% of immigrants resided in New York in 1990 and it dropped to 5.9% by 2000.[1] This dramatic shift in the settlement patterns has stimulated increasing research in this area. Massey and Capoferro (2008) suggested four explanations for this diversification of settlement patterns. The first factor focuses on the effect of Legalization Program from IRCA of 1986 that resulted in the saturation of labor market, especially in California. The pass of Proportion 187 further makes California a less welcome environment for immigrants. The third factor is "selective hardening of the border" that deflect immigrants to other destinations. However, immigrants also have a choice to move to other states (the gateway destinations as they had been doing for a long time), once they cross the border. But they seem to settle in new destinations at least for a while. The last factor is the changing geography of labor demand, as a result of restructuring of production. The restructuring of production often means deuninization of the workforce, subcontracting of labor, and relocation of plants to non-metropolitan areas to avoid unions. As a result of this restructuring, jobs become less attractive to native workers and immigrants become more reliable and flexible workforce. Several recent studies have provided evidence that is consistent with this perception (Parrado and Kandel, 2008; Leach and Bean, 2008). In the case of California, Light's (2006) recent work points to the role of local government in creating an unwelcome context that encourages relocation of immigrants in non-gateway destinations.

[1] This shift towards non-traditional immigrant destinations is also taking place in Canada (Fong, et al., 2005; Fong et al., 2007).

In the last decade or so, a growing body of research has examined this new pattern of geographic diversification (Fisher, 2011; Licther, 2011; Konick, 2012; Muller, 2012, see Fong et al. (2005) for the case of Chinese in Canada). However, most studies focus on Latino immigrants. In addition, much of this line of research examines settlement patterns and race-ethnic relations with local longtime residents. It is not always clear what the mechanisms of non-gateway settlement are. Is that driven by some immigrant networks or by recruiting agencies? This paper contributes to this line of research by directing our attention to socio-economic consequences for immigrants who work in these non-gateway destinations and the role of employment agencies in NYC's Chinatown in non-gateway destination settlement.

Combining data sets collected in NYC and data from US Census Bureau, we aim to examine the extent to which immigrants will receive income gains by moving away from NYC. We will begin with discussion of relevant literature that motivates our work. This is followed by discussion of our data collection efforts in New York City and methodology. The paper ends with discussion of future challenges for Chinese immigrants in these non-gateway destinations.

Background and Hypotheses

Employment Agencies, Immigrant Networks, and Wages

Given most low skilled Chinese immigrants work for Chinese employers, we need to first understand how Chinese entrepreneurs start businesses in non—gateway destinations. We find current perspectives on location choices of business face challenges to explain the case of Chinese restaurants in these remote locations. First, for any ethnic business, there is a major issue of recruitment of workers. This is not an issue if the ethnic business operates in traditional gateway destination, where abundant supply of immigrant workers is available. In non-gateway and often faraway places, how do immigrant entrepreneurs recruit workers? In some sense, there is a spatial mismatch between these Chinese restaurants in faraway places and the supply of immigrant workers often located in gateway locations (i.e. New York City). The emergence of employment agencies in Chinatown in Manhattan precisely fills this gap.

An important player that is rarely discussed in the current literature on non-gateway destinations is the recruitment process for immigrants.[2] In the Chinese immigrant case, this is the story of employment agency (EA). In the three or four blocks around East Broadway and Eldridge in Manhattan's Chinatown, there are 30-40 EAs. These ESAs are important players in facilitating this process of settlement in new destinations. Like any recruitment agencies, EAs in Chinatown reduce transactions costs for employers (Williamson, 1975). More importantly, staff members in EAs provide much needed information about non-gateway destinations and even work with bus companies to provide bus service for immigrants to travel to these new restaurants. Since they have the most up to date information on the restaurant job market, they can also relay information to bus companies and suggest new bus routes to new locations.

[2] Massey (2008) mentioned in passing on p. 345 for the case of Mexican immigrants but did not elaborate.

To the extent that employment agency in Chinatown provides information to potential immigrant workers, there is still another challenge, namely spatial mismatch. This is because most of the newly established Chinese restaurants are located in remote places far from Chinatown in NYC and potential immigrants workers tend to concentrate in the NYC area. The mismatch between jobs and workers has been a central focus of many recent studies on minority groups. This spatial mismatch mechanism was proposed as one of the leading causes of unemployment for minority and some immigrant groups (Kasinitz and Rosenberg, 1996; Wilson, 1987, Mourw, 2000). For example, in spatial mismatch hypothesis, Wilson (1987) argues that the unemployment rate for blacks is high because of the spatial mismatch between inner city blacks and job growth in suburban areas. In the case of Chinese restaurant jobs, one way to solve the spatial mismatch of jobs and employees is the creation of Chinatown bus that we mentioned at the beginning of this article (Newman, 2005). Chinatown bus began as a way to provide convenient transformation for restraint workers who venture into different parts of the country. In the end, Chinese immigrant entrepreneurs not only created all the restaurants but also created a transformation network in the U.S. (citation on Chinatown bus study from NYC Department of City Planning.).

Another important feature of EAs, perhaps most interesting sociologically, is that it introduces market mechanisms in the settlement for immigrants. The traditional way of employment/settlement is more kinship/relatives-based, i.e. immigrants work for relatives or relatives' friends and thus they may be exploited and cannot complain or relocate (Sanders and Nee, 1987).[3] The introduction of EAs has fundamentally changed the employment opportunity structure for immigrants. They now have more choices in terms of job locations, types of jobs, and salary scales (all job related information is posted on the bulletin board of ESs). Jobs in non-gateway destinations may also look attractive because most employers there provide room and board whereas jobs in NYC restaurants provide only free food. With market mechanisms, immigrant salary is likely to be more reflecting market prices. A recent report suggests this is indeed the case in that chefs in Chinese restaurants in non-gateway locations are paid about $2,300-$2,700 as compared to chefs in NYC who are paid about $2,000-$2,300/month (Zeng, 2009). Employers who offer below market wages are not likely to receive many job applicants who know salary level of other job listings. Furthermore, job mobility is increasingly possible and facilitated because immigrants can leave the current jobs for other higher paying jobs without constraints imposed by jobs through kinship/relatives. The opportunity for business formation may be enhanced as well. Most employers will stay close to their employees and provide shuttle service for going to work and some business tips may be exchanged on the way to work. Thus the training system for entrepreneurship may work more effectively in new destinations than in New York City where employer's main concern is that workers get job done (Bailey and Waldinger, 1991).

Crime and Immigrant Wages.

Human capital theory would typically predict that immigrants' salary is determined by education, English proficiency, and experience in the labor market. In addition, we need to consider how the local context may also determine immigrant salary. Following the tradition of

[3] We note other researchers hold a different view for the enclave economy (Wilson and Portes, 1980; Zhou, 1992).

Chicago school of sociology, Fong et al. (2005) suggested that the human ecology perspective predicts that immigrants businesses are likely to be located in "transition zones" in a city that are often characterized by high level of poverty and social disorganization. In our fieldwork conducted in 6 states in the United States (Texas, Pennsylvania, Florida, Ohio, Virginia, and North Carolina) during 2012-2013, we find a good variation of locations for Chinese entrepreneurs, perhaps most are located in middle class neighborhoods. But we also find in Philadelphia, a very larger portion of Chinese businesses are located in communities with high level of poverty and unemployment. Some of the neighborhoods we studied have 54% of blacks and 45% unemployment rates in Philadelphia. Yet, there are a large number of Chinese restaurants in these neighborhoods. In one neighborhood in Philadelphia, the density of these Chinese restaurants is so high that that we observe two Chinese restaurants operate opposite to each other on the same street! Given this substantial variation in the quality of neighborhoods for businesses, we want to explore the extent to which immigrant workers' salary is affected by the quality of these neighborhoods. In particular, we focus on a community's crime rate, as this has been the focus of much of earlier research.

The fundamental idea behind the link between crime rate and wages can be traced as early as the work of Adam Smith (Duncan, 1980; Shoren, 1986). As Braakmann argued (2009), "workers that have to work in regions that are characterized by a high crime rate area compensated for the high risk of harm and theft (p.218)." In addition, high crime areas also mean that it is likely immigrant workers prefer not to work in these areas or employers may experience a high rate of turn over. Thus the linkage between crime and wages sounds quite convincing. However, there is a small piece of puzzle that we need to unpack. To the extent that employers have to make a reasonable profit to pay higher wages for immigrant workers in these high crime neighborhoods, why these Chinese business owners (often restaurant owners) can make a good profit in these neighborhoods? Our fieldwork in Philadelphia shows further that this is a combination of the nature of the Chinese restaurant business and the characteristics of people and families who live in these neighborhoods. First, the Chinese restaurants in these neighborhoods serve mostly take-out Chinese food, with a very reasonable price $5-6 a meal for the most part. Thus low-income households can afford it without much difficulty. Second, for a typical family in middle class neighborhood, we can expect the family may go to a Chinese restaurant or order Chinese take-out for a family meal during weekend or on a given day during work week. However, in these communities with high unemployment rates and high rate of single parenthood, the life style is quite different. We learned from interviews with Chinese restaurant owners that it is very often that local residents come to order take-out food every day, and some residents even order twice a day. In addition, these Chinese restaurants tend to open very late into the night some open until 2 am, which suggests business volume is good. Clearly, these are not the kinds of neighborhoods where 9-5 work hours are the norm.

Economists have done most of this line of research linking wages with neighborhood quality such as crime rates. Rodack (1982) showed a positive impact of crime on wages.

Bloomquisat et al (1998) also found a positive relationship between crime rates and wages. The most big effect of crime on wages is offered by Smith (2005). There are also other studies that find effects of crime rate on wages in US and other countries are not statistically significant (Braakman, 2009). In addition to crime rate, we will also consider other characteristics of community such as: population size, distance of business from NYC (another major interest of our study), percent Asian American in the community, cost of living among other variables.

Data and Methods

Data Sources

(1) Job listings from ESAs

On September 2010, we carried out a survey of employment agencies in Chinatown in Manhattan. They mainly are located on Eldridge Street, Division Street, and East Broadway. Some call East Broadway "Fuzhou Street," implying that there are a large number of immigrants from Fujian province. The geographic locations of employment agencies concentrate in these streets precisely because they want to serve the need of employment for Fujianese immigrants. For each employment agency, we copied job related information: location of the job (by phone area code), salary level, type of job (chef or food delivery) or any other information about the job (how tips are distributed, any preference for immigrants who came from different parts of China). We surveyed 10 employment agencies out of total of 32 located in Chinatown in Manhattan. We obtained information on 2,147 jobs from this survey.

(2) Phone Area Code data and County Level Data.

When analyzing business location choices, we use area code level as our unit because job listings are classified by area code. The idea is to examine how area code level characteristics are related to salary level for immigrants. We use county level data to generate area code level data for analysis (procedure discussed below). Other county level data will be used: county level labor force participation rate, unemployment rate, population size, and percent Asian American population, and crime rate. We also control for cost of living by location. We used two data sets, the first two data set was downloaded from US Census Bureau and County level crime data set is are downloaded from US Department of Justice.[4]

(3) Survey of Chinese Immigrant Workers in NYC

In addition to survey of Employment Agencies, we carried out another survey of immigrants in 2004 (for details on the survey, see Liang et al (2008)). The most important information in this survey is information on job history (duration on the job, type of job, and salary for each job), and location of each job. Thus we can identify if the job was in NYC or another location. Location of a job and salary are key variables for our subsequent data analysis.

[4] See website (http://www.fbi.gov/ucr/cius2007/data/table_10.html).

Analytic Strategy

(1) Mapping of Business Locations and Construction of Area Code level Data

Survey of 10 ESAs has resulted in a list of jobs identified by phone area codes. Using counts of jobs in Chinese restaurants located in specific area code, we map the distribution of business locations by area code zone using area code boundary file. In addition, we also map patterns of job distribution by other characteristics (i.e. median household income, poverty level, and crime rate) of the area code zone. To do this, we need to use county level data information and "convert" it to information at the area code level. Both telephone area code boundary and county level boundary files are available from ESRI Data and Maps.[5] With these two sets of files, we can generate approximate attributes for each relevant telephone area code zone. Basically, by overlaying the telephone area code boundaries with the county boundaries we can visually identify the composition of each telephone area code zone (or polygon in GIS terms) by the counties involved (also polygons). Thus, we can roughly aggregate the county level data into telephone area level attributes. For example, if telephone area code 555 (hypothetical) roughly corresponds to the combination of two adjoining counties A and B, then we can sum up the attributes for county A and B, such as population size and number of businesses, and the totals will become the attributes for telephone area code 555. However, this procedure can be complicated by the fact that sometimes a county polygon is not entirely contained within a single telephone area code, but instead being split between more than one telephone area code zones. For example, county C may cross over telephone area code 555 and 666. In that case, we will have to split the attributes (such as population size, etc.) of county C proportionally according to the area distribution of county C polygon between telephone area code 555 and 666 (it is possible that there is GIS application to compute the precise allocation of county C spatial size between telephone area code 555 and 666, but the proportional allocation of the polygon attributes such as population has to be done manually). Whether it is combining or splitting the county attributes, this process is largely a manual process that ultimately aims to create telephone area code level data. Using this method, we can "convert" all county level data into telephone area code data file.

(2) Regression models

A. Using wages at the area code level as dependent variable

Given the nature of our dependent variable at the area code level and potential spatial dependency among variables, we performed some spatial diagnostic test using Moran's I and other spatial test statistics. The results are presented in Appendix. Essentially our diagnostic test of spatial dependency in the OLS regression shows that Moran's I is1.421 and it is not statistically significant (see Appendix). In fact none of the other test statistics are statistically significant. It appears that the independent variables we have also appropriately taken into account any spatial dependency in the data. Therefore it is not necessary to estimate spatial models in our case.

We should also note that a key methodological advantage of using wage level at the area code level is that this is the wage offered by employers and is NOT subject to typical selection

[5] The website location is http://downloads2.esri.com/support/whitepapers/ao_/J9509_ESRI_DataandMaps2006.pdf.

bias. In other words, if we compare salary difference between immigrant workers who work in non-gateway destinations vs. NYC, we have to consider potential selection effect that is the possibility that immigrant workers who moved to non-gateway destinations are more able or highly selected on some unmeasured characteristics (such as ambition).

There are two key variables for this part, distance from NYC to non-gateway destination. This distance is measured by distance between centroid of 212 area code (Manhattan) to centroid of any other area code where job is located. The second important variable is crime rate which is obtained from FBI website.

B. Using Survey of Chinese Immigrant Workers

In this part of our analysis, we use data on wages (logged) for the most recent job as our dependent variable. Independent variables include: age, education, gender, legal status, owner status, job search method (market based, social networks, other), English language, duration of stay in the US, and working hours per week. One variable of interest is if the job is located in NYC or not. We realize this is not an ideal measure of employment location. This is one limitation of this measure. From survey of employment agencies we know that most of these Non-NYC jobs tend to be located in other states, thus a Non-NYC job location is a good indicator that immigrants have moved away from the Chinese community in NYC.

Another important variable is how immigrant workers obtained current jobs. We combine employment agency and newspaper (as a way to get job) into one single category: by market mechanism (in contrast to getting job information from friends or migrant networks).

Compared to models using salary at the area code level, the main advantage of using data from survey of immigrants is that we can include workers who got jobs from a variety of channel (employment agency, immigrant networks, and other). In addition, we are also able to consider other individual level characteristics mentioned earlier.

Results

Table 1 shows the distribution of jobs at the phone area code level from our Chinatown survey. About 23% of area codes contain 1-4 jobs and 20% of area codes contain 5-14 jobs. We also note that 35% of the area codes do not contain jobs. For the most part, area codes with no jobs tend to be located along the West coast and rocky mountain regions. This suggests employment agencies in NYC do not serve these parts of the country. Map 1 shows a broad picture of how salary is distributed spatially across the country. It seems that the faraway places in mid-west and south tend to have significantly higher salary. This broad pattern is consistent with our hypothesis.

Table 2 shows the results from OLC regression of monthly salary (logged) using survey of immigrant workers. One of the variable of interest is distance from Manhattan to another are

code where job is located. The result shows that the further away a job from NYC, the higher the salary. In Figure 1, we carried out a simulation exercise of predicted salary by distance based on the assumption that other variables all take on their respective mean values. In general, for every 500 miles away from NYC, immigrant workers would receive addition $80/month. That will translate into about $960 per year in salary gain. In addition, as we expected, immigrant workers who work in areas with higher crime rate get paid more than workers who work in lower crime areas. Thus immigrant workers are compensated for working in dangerous areas and neighborhoods.

It should be noted that results from Table 2 are concerned only with immigrant workers who got jobs through the channel of employment agency. A natural question is whether this finding is true for other immigrants who got jobs from other channels such as migrant networks. For this we rely on a survey of 410 Chinese immigrants done in NYC. Table 3 provides basic portrait of the sample. 62% of the sample is men with mean age of 37. The sample immigrants have a mean duration of U.S. residence about 12 years. Thus our sample represents a group of Chinese immigrants with substantial labor market experiences (jobs in different locations). The mean work hours are about 61 hours/week. This is roughly about 10 hours per day given most of these immigrants take one day off per week. Most workers are not highly educated, only 20% of immigrants have education of senior high school and above. Most of them (54%) were still undocumented at the time of the survey. For the two variables of major interests: 63% of them work in NYC and 46% found jobs through employment agencies. Therefore, this survey of immigrants clearly complements our survey of employment agencies. We have about 6% of the sample own their own business. This gives us the opportunity to test if employers receive higher reward if they move out of NYC.

Table 4 shows the results from OLS regression model of logged wages. As we expected, immigrants who work in NYC make less money than outside of NYC. We also entered an interaction term between location and employer status. The results show that employers who work in NYC actually make more than employers who work outside of NYC. This finding echoes earlier work by Sanders and Nee (1989) who suggested that ethnic enclaves benefit employers but not employees. Our fieldwork in NYC suggests that immigrant workers have a strong preference to stay in NYC for several reasons. One is to stay close to family and friend networks. Second, major services (e.g. accountants, health care etc.) can be done in Chinese. Third factor, as our survey of immigrants data show there is a substantial proportion of immigrants are still undocumented. The perception among many low skilled Chinese immigrants is that in non-gateway destinations, immigration customs enforcement (ICE) officials often inspect documents and arrest undocumented immigrants. This issue is becoming a major concern among immigrants-rights advocates in recent years (New York Times, editorial, 2013). Thus immigrants are willing to receive a lower wage to stay in NYC which leads to higher profits for employers.

Other variables are all in expected directions. Following human capital model, to the extent that age indicates more experience in the labor market, it does show a positive effect on wages. It is somewhat surprising that education does not have any impact on wages. It is understandable given the fact that restaurant workers in general do not need high education. As expected, immigrant workers who speak English well receive wage premium.

We should note that unlike in a true experimental study design where the assignment of treatment is random, in observational studies like the current one, we do not have control over who get the treatment (in this case, job location in NYC) and who do not. This will introduce "selection bias" into the study. Propensity score analysis can help reduce the bias (Kurth et al., 2009).

Propensity score is estimated by fitting a multivariate logistic regression model predicting whether a job location is in New York City. The independent variables are age, gender, education, legal status, job search methods and English ability. Test statistics suggest that the balancing property of propensity score is satisfied. Then, the estimated propensity scores are used in regression (covariate) adjustment. That is, we re-ran the original OLS regression models of logged monthly wage with a newly added control variable--the estimated propensity score. Results suggest that the effect of the major independent variables of interest (e.g. job location and its interaction term with business owner status) remains the same after entering propensity scores in the model. This result is presented in Table 5.

Summary and Conclusion

The major aim of this paper has been to examine the extent to which recent diversification of immigrant destinations has any socioeconomic consequences for immigrant workers. using low skilled Chinese workers as the case study. One important story that we are telling is the story of employment agencies. The growth of employment agencies and their dominance in job search is a significant departure from traditional job search method of relying on kinship and migrant networks. For much of Chinese immigration experience in the U.S., a strong kinship and immigrant networks have dominated the employment patterns of these workers. The rise of employment agencies reflects the larger demand for Chinese immigrant workers in these new destinations. The key implication of the role of employment agencies is that they operate by market mechanism. Thus salary for any particular job must reflect market conditions. Given the fact most Chinese immigrants prefer to stay close to the Chinese community in NYC, thus jobs in faraway places must pay market rate to attract workers. Our results indeed show that distance from NYC to other places has a statistically significant impact on salary level, namely the further away from NYC, the higher the salary for Chinese immigrant workers.

One limitation with our use of data from employment agencies is that this is only limited to jobs through employment agencies in Chinatown. There are immigrant workers who got jobs from other channels such as newspapers, kin and relatives networks. We supplement our analysis with a survey of Chinese immigrants conducted in NYC. Taking advantage of rich information on individual level characteristics such as migration experience, English language proficiency, we are able to take additional individual level characteristics into account when considering job location and salary. Again, this part of our analysis shows very consistent results of salary premium of working in locations other than NYC. Taken together, we have strong evidence that moving out means moving up for these immigrant workers. Knowing that employers in non-gateway destinations always provide housing for workers, the financial gains of working in non-gateway destinations is even higher!

Our paper also speaks to the debate on ethnic enclave that dominated the literature on immigration in the late 1980s (Wilson and Portes, 1980; Sanders and Nee, 1989; Zhou and Logan, 1989; Portes, 2006). The debate hinges on the role of ethnic enclave on the well-being of immigrant workers and employers. One side of the debate stresses the positive role of enclave in terms of returns to human capital and benefits for immigrants to become business owners whereas the other side argues ethnic enclave mainly benefits employers. Our paper enters this literature in a unique position. In our case, if we define enclave as workers who work in NYC, then the results do support the assertion that enclave economy benefit employers more than employers in non-gateway destinations. We should hasten to add that despite this unfavorable outcome for business owners in non-gateway destinations, becoming an entrepreneur is by itself a major accomplishment for many immigrants. Given the high commercial rent and saturated Chinese restaurant market in NYC, perhaps the best chance to realize this American dream of owning one's business is to do it in these new destinations.

Let's extend the discussion of spatial location of jobs and implications a little more. Either in NYC or non-gateway destinations, immigrant workers in our sample work for Chinese employers. Clients of these businesses (restaurants) in NYC are more likely to be mixture of Chinese and other customers who speak English only. But clients of businesses in non-gateway destinations are for the most part local non-Chinese residents. Thus immigrant workers in these non-gateway destinations are likely to interact with local residents which raises the prospects of learning and improving English. Another potential benefits of working in non-gateway destinations is that immigrant workers will have more time to interact with Chinese employers during and after work. Most Chinese employers will provide housing for Chinese immigrant workers and often provide transportation to and from work. This would also enhance the opportunity to learn about immigrant business operations. If we think about one of the benefit of working in the enclave economy as a training system (Zhou, 1990 and Baily and Waldinger, 1992), working in non-gateway destination would seem to promote this kind of training opportunity than working in NYC. As we know, none of the Chinese employers in NYC would provide housing for employees.

In some sense, our paper provides a quite rosy story about working in non-gateway destinations. However, there are certainly challenges for these workers. Our paper shows financial reward for these workers to work in high crime and distressed neighborhoods. Of course, money is not everything. Some neighborhoods can indeed be dangerous at times. In fact, according to Fujianese Immigrant Association of Philadelphia, from 2000 to 2005, in northern Philadelphia where we are carrying out fieldwork right now, there were 10 Chinese restaurant workers and in some cases owners were murdered. This does not include many sad stories of violence and crime (i.e. beating Chinese delivery boys on the street, robbing cash under the gun point). For some restaurant owners in low income neighborhoods, there is also constant struggle with customers who are not always honest and minority school-age children who make trouble in and around Chinese restaurants during business hours. There has been a rich tradition of sociological research on this topic that deals with interactions between Jewish business owners, Korean business owners with minority customers in poor areas (Min, 1995, Lee, 2002). This is clearly a major topic for further sociological research to examine how Chinese business owners navigate immigrant and minority group relations in these neighborhoods.

Looking from immigrant perspective, working in non-gateway destinations also presents many challenges. One is difficulty of practicing religion. In NYC, immigrants can often participate in religious service offered in Cantonese, Mandarin, or Fuzhou dialects. None of this is available in a faraway places. In some places with a relatively large number of Chinese immigrants (such as Virginia and North Carolina), immigrants work closely with local church leaders to rent local church for service in Chinese language. Second, many immigrants workers work in these non-gateway locations and leave other family members in NYC. This may create psychological stress for immigrants and their children. Third, access to health care is another big challenge because immigrant workers in these non-gateway destinations navigate the new health care environment. These issues are certainly not unique to Chinese immigrants but real challenges for all immigrants who decide to make a living in these communities.

Finally, given the significant departure of low skill immigrants from NYC's Chinese community, what is the future of Chinatown in NYC? [6] The role of Chinatown as a major employer of Chinese immigrant workers has clearly declined, but it will maintain its importance for Chinese immigrant lives in a different way. If NYC is a global city, Chinatown is becoming a center of employment services, center of restaurant services (restaurant menus, restaurant equipment, kitchenware), center of celebration for Chinese holidays, ceremonies, and special occasions (wedding, funeral, and anniversaries), and center of immigrant organizations in the United States. These connections can be maintained by smart phones, faxes, e-mails, Skype or personal visits on special occasions.

[6] Data from 2010 census show there has been a decrease in Chinese American population in NYC's Chinatown.

Table 1. Descriptive Statistics of Variables and Distribution of Jobs at the Phone Area Code Level (N=273)

Number of jobs in the area code	Frequency	Percent
0	98	35.77
1-4	64	23.36
5-14	55	20.07
15-24	31	11.31
25-34	16	5.84
35+	10	3.65
Variables Used in Regression Analysis	**Mean**	**Std. Dev**
Monthly Wage	1695.96	1298.68
Proportion of Asian (%, 2005)	4.35	4.73
Distance from Area Code 212 (Mile)	1005.97	747.66
Population (in 100,000s, 2005)	14.69	10.65
Proportion of Unemployment Population (%, 2005)	4.75	0.93
Crime Rate (2010)	0.03	0.008
Proportion in Labor Force (%, 2005)	50.25	35.21
Cost of Living (2010)	906.64	282.00

Sources: New York City Chinatown Employment Agency Survey 2010; ICPSR 20660: County Characteristics, 2000-2007 [United States]; Uniform Crime Reporting Program Data 2010.

Table 2. Coefficient from OLS Regression Model of Monthly Wage (logged) in Each Area Code

Independent Variables	Coefficient		SE
Distance From NYC	0.0000664	***	0.0000123
Total Crime Rate	1.656031	*	0.7386938
Percent Asian	-0.0032857		0.0029096
Labor Force Participation Rate	-0.1459285		0.1706737
Cost of Living	-0.0000103		0.0000358
Unemployment Rate	-0.0005796		0.0068435
Population Size	0.0002043		0.0006262
Constant	7.904098		0.1010966
N			192

Note：*p<.05; **p<.01; ***p<.001

Table 3. Descriptive Statistics of Variables Used in the Analysis of Chinatown Data

Categorical Variables	**Frequency (%)**
Gender	
Male	234 (62.4%)
Female	141(37.6%)
Education	
Primary School or less	154 (41.1%)
Junior High School	143 (38.1%)
Senior High School or above	78 (20.8%)
Legal Status	
Legal	171 (45.6%)
Illegal	204 (54.4%)
English Ability	
Poor	232 (61.9%)
Good	143 (38.1%)
Job Search Method	
Social Network Based	173 (46.1%)
Market Based	175 (46.7%)
Others	27 (7.2%)
Location	
NYC	235 (62.7%)
Non-NYC	140 (37.3%)
Business Owner Status	
Yes	23 (6.1%)
No	352 (93.9%)
Continuous Variables	**Mean (S.D.)**
Age	37.79 (10.3)
Duration of Stay	12.1 (4.6)
Working Hours Per Week	61.5 (14.9)
Monthly Wage	1780.3 (928.2)
N	375

Table 4. Regression Analysis of Monthly Wage

Independent Variables	Coefficient		SE
Age	0.0318125	***	0.0096002
Age2	-0.0004582	***	0.0001145
Gender			
Male	0.39857	***	0.0390262
Female (Reference)	--		--
Education			
Junior High School	0.0536343		0.0375248
Senior High School and Above	0.0181141		0.0476983
Primary School and Below (Reference)	--		--
Legal Status			
Legal	-0.0502321		0.0360266
Illegal (Reference)	--		--
Job Location			
NYC	-0.0928637	*	0.0375216
Non-NYC(Reference)	--		--
Owner Status			
Yes	0.1985291		0.14926
No (Reference)	--		--
Location*Owner Status			
Owner*NYC	0.336651	*	0.1603515
Job Search Method			
Market Based	-0.0296901		0.0349456
Others	0.0223524		0.077818
Social Network Based (Reference)	--		--
English Language Ability			
Good	0.1486955	***	0.0404358
Poor (Reference)	--		--
Duration of Stay	0.0106013	*	0.004623
Working Hours per Week	0.0103261	***	0.0012766

Constant	5.844446	***	0.2120397
N			375

Note: *p<.05; **p<.01; ***p<.001

Table 5. Regression Analysis of Monthly Wage with Propensity Score Adjustment

Independent Variables	Coefficient		SE
Age	0.0104752		0.0148608
Age2	-0.0002839		0.0001471
Gender			
Male	0.5364288	***	0.0831309
Female (Reference)	--		--
Education			
Junior High School	0.0778114	*	0.0395519
Senior High School and Above	0.0379049		0.0486885
Primary School and Below (Reference)	--		--
Legal Status			
Legal	-0.0442303		0.0360434
Illegal (Reference)	--		--
Location			
NYC	-0.0961065	*	0.0374308
Non-NYC(Reference)	--		--
Owner Status			
Yes	0.0878178		0.1600163
No (Reference)	--		--
Location*Owner Status			
Owner*NYC	0.3608822	*	0.1603141
Job Search Method			
Market Based	-0.073169		0.0360688
Others	-0.0386939		0.0840957
Social Network Based (Reference)	--		--
English Language Ability			
Good	0.243322	***	0.0645529
Poor (Reference)	--		--
Propensity Score	0.8970283		0.4780794
Duration of Stay	-0.0027945		0.0084967

Working Hours Per Week	0.0147037	***	0.0026574
Constant	5.595532	***	0.2494937
N			375

Note: *p<.05; **p<.01; ***p<.001

Map 1. Mean Salary offered by Phone Area Code

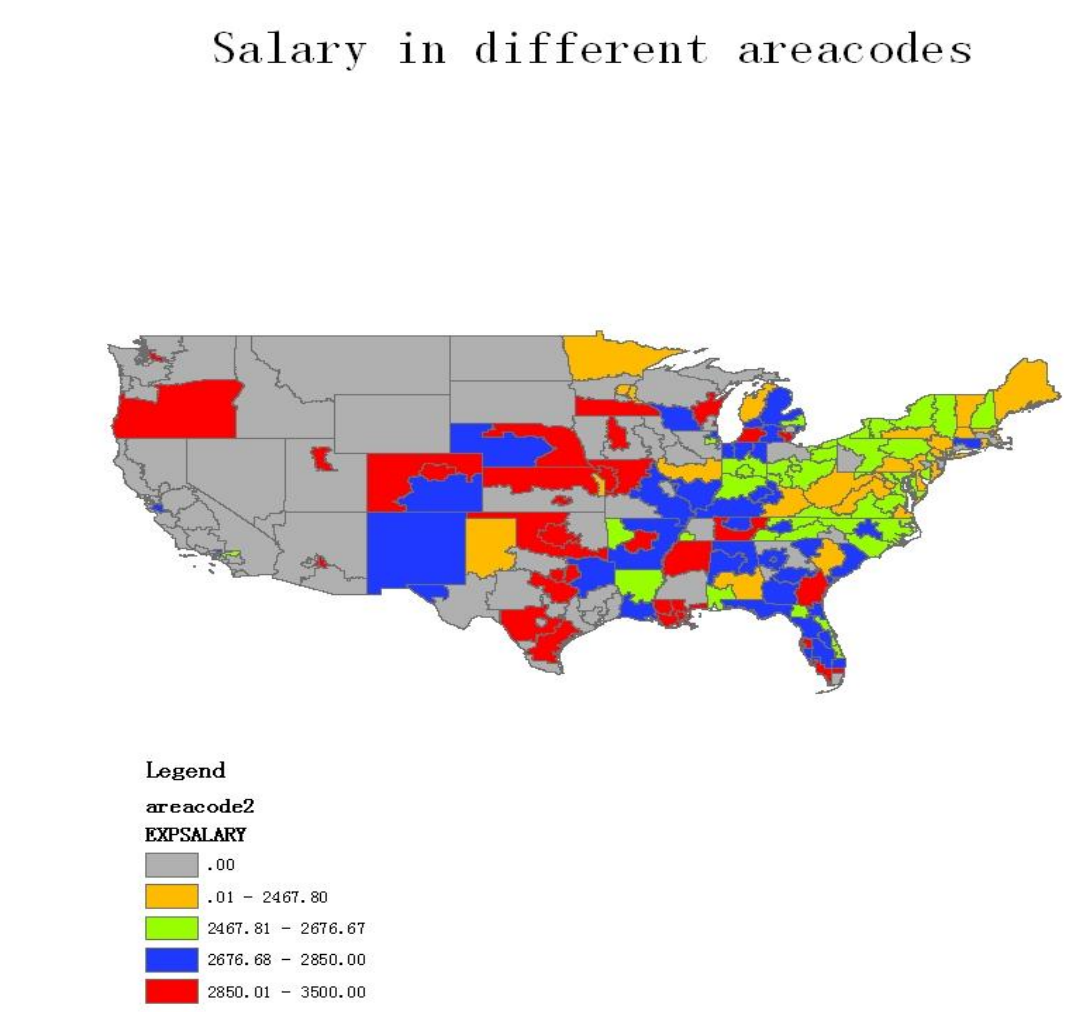
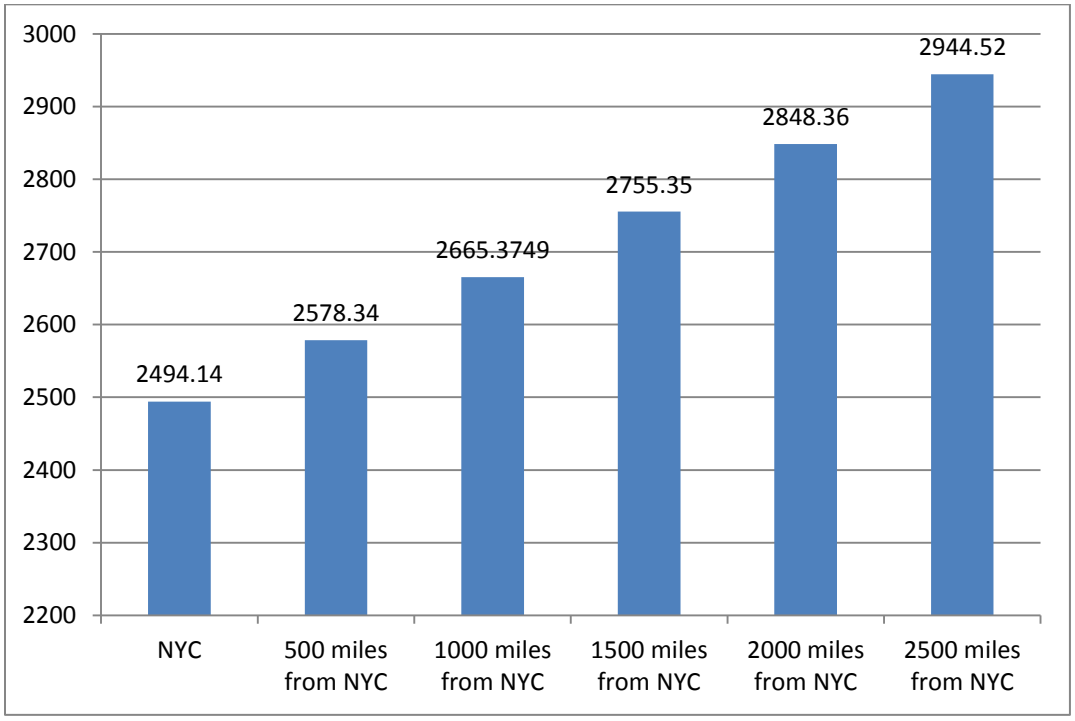


Figure 1. Predicted Monthly Salaries by Distance Increment of 500 Miles



Note: all other independent variables are set to the mean.

Appendix: Spatial Diagnostics

Table A1. Global Measure of Spatial Autocorrelation

Variables	Moran's I	E(I)	S.D.(I)	Z	P-Value
Salary (logged)	0.289	-0.005	0.013	23.068	0.000
Distance From NYC	0.580	-0.005	0.013	45.912	0.000
Total Crime Rate	0.246	-0.005	0.013	19.639	0.000
Percent Asian	0.163	-0.005	0.013	13.337	0.000
Labor Force Participation Rate	0.225	-0.005	0.013	18.033	0.000
Cost of Living	0.406	-0.005	0.013	32.248	0.000
Unemployment Rate	0.215	-0.005	0.013	17.219	0.000
Population Size	0.032	-0.005	0.012	2.982	0.003

Table A2. Test of Spatial Dependency in OLS Regression

Test	Statistic	Degree of Freedom	P-value
Spatial Error			
Moran's I	1.421	1	0.155
Lagrange Multiplier	0.025	1	0.875
Robust Lagrange Multiplier	0.024	1	0.877
Spatial Lag:			
Lagrange Multiplier	0.070	1	0.792
Robust Lagrange Multiplier	0.069	1	0.793

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