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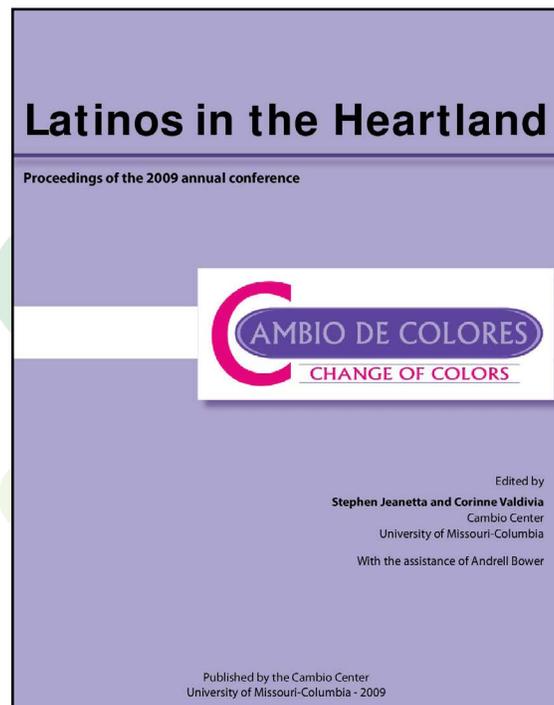
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**Networks and Context of Reception in Accumulation Strategies of
Latinos in Rural Communities of the Midwest - A Quantitative Analysis**

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Abstract

Migration patterns of Hispanics changed dramatically in the 1990s from large metropolis to rural towns (Lazos and Jeanetta 2002). Migration patterns have also changed, from temporary and male to permanent male and female settlement, in rural areas of the south and the Midwest (Hernandez 2005). The heartland of rural America is experiencing demographic changes that are unprecedented in both their fast pace and diversity they bring to otherwise uniform areas. According to the 2000 Census, Hispanic's earnings are low, and Hispanics live in homes in which multiple adults work full time and have low skills and limited English proficiency (Hernandez 2005; NCLR 2004; Gibbs, Kusmin and Cromartie 2005).

For change to be beneficial and sustainable for every community today and for future generations, the integration process must be based on sound research. Although the challenges faced by education, health care and other service delivery systems are well-documented (Gozdziak & Martin 2005), our attention turns to the assets or capital Latinos bring with them as they settle. Recent developments in the cultural identity literature view culture as a resource from which individuals draw to create strategies to function in various domains of society (Berry 2003). This new orientation shifts us away from a deficit model for thinking about how individuals of different cultures gain and lose in the process of integration to recognizing the multiple ways individuals can adapt in new and ever-changing environments without suffering loss of identity in the process. We focus on what the newcomers offer and how we can engage them in the future development and prosperity of the new settlement communities.

A model of capital, capabilities and strategies is developed informed by the sustainable livelihoods framework. The sustainable livelihood strategies model incorporates social and cultural capital into an examination of strategies newcomers employ to accumulate assets, minimize their vulnerability to risk exposure and become part of their new communities. The model accounts for the community climate as a proxy for context of reception in new settlement regions and identifies how it impacts strategies' outcome. Output from focus groups of men and women and photovoice, our qualitative research techniques, informs social and cultural capital constructs in three distinct regions of a Midwestern state. Income impacts of acculturation strategies, social capital, cultural capital and human capital are measured through their regression on income earnings of native and foreign born Latinos. Results provide lessons for policy.

Keywords: migration patterns, immigrant cultural capital, Latino income disparities

Introduction

The next four papers are derived from a study that began in 2006 of three rural Midwestern communities. The goals of the research are:

- To develop a better understanding of the newcomers' integration process with a focus on the assets and resources they bring with them
- To document factors that impede or facilitate integration
- To inform decision makers about policies that can contribute to positive community development that begins to recognize the opportunities and address the challenges of community integration

The project has focused primarily on the roles of identity, acculturation, social and human capital and the context of reception in the integration process. The theoretical framework for this study is the Sustainable Livelihood Strategies Model. SLSM recognizes the economic, human, cultural and social capitals individuals bring with them and incorporates the context of reception or community climate as a critical factor affecting the economic and social integration of newcomers (Valdivia, et al). An analysis of the integration process using SLSM will help identify factors that contribute to strategies conducive to newcomers' asset accumulation, reduce vulnerability to risks and explain how newcomers become part of their new communities.

Methodology

The research has two phases, a first qualitative phase to define the issues and the concepts critical to the framework, and a second quantitative phase to measure factors and outcomes of strategies. The qualitative data collection was conducted in 2006 and 2007 and included focus groups, individual case study interviews and a Photovoice project. The focus groups explored the economic and social factors that the newcomers contributed to the integration process. Seven focus groups were conducted, one for men and one for women in each of the three communities,

plus a second focus group for men in one community after low turnout due to inclement weather and a level of diversity less than what the research required. Individual interviews were a way to explore the life stories of the newcomers; 15 interviews were conducted with newcomers across the three communities. Photovoice sessions were conducted to explore the context of reception from the newcomers' perspective. Eight participants in each community took a series of photos to answer the following questions: What exists in the community that facilitates or contributes to your integration in the community? What are the barriers to your integration in the community?

Focus groups

The first two papers, "Perceptions of Community Climate among Latino Immigrants in Three Rural Communities in the Midwest" and "Developing Social Capitals: Latino Immigrants in Three Rural Communities in the Midwest," were developed from the focus group data. The purpose of the focus groups was to gain a better understanding of how newcomers were connecting to the resources they needed to survive and grow and to learn more about how newcomers gained access to health care, education, housing and employment resources. Doctoral students facilitated the focus groups and conducted them in Spanish. Each focus group was transcribed into Spanish and then translated into English.

Fifty-two Latino immigrants participated in the focus groups. Twenty-five were female and twenty-seven were male. The average age was 39.93 and the average length of stay 12.04 years. Sixty three percent were married with 2.79 children. The sample was considerably older with more time in the U.S. than the average migrant but the goal of the sampling was to examine the range of experiences. There were younger, single, newer immigrants included in the sample from each community, which better reflects the norm for newcomers.

The third paper, "Networks and Context of Reception in Accumulation Strategies of Latinos in Rural Communities of the Midwest - A Quantitative

Analysis,” develops the quantitative model, with variables constructed with the findings from the focus groups and Photovoice research. Specific variables constructed were the social and cultural capitals. They were tested with an external/community variable of context of reception, with the community climate represented by the racial profiling index. Social capital, cultural capital and human capital are measured through their regression on income earnings of native and foreign-born Latinos for three regions, tested with the Census data. Results will show how findings from the qualitative research inform the development of variables of acculturation, capitals and climate that make it possible to measure their impact on income earnings of Latinos in the Midwest.

Household survey

The development of a household survey began in 2008 and continued into 2009 using existing elements from SLSM and additional elements created for social capital, cultural capital and the context of reception developed from analysis of the qualitative data.

The fourth paper, “The Importance of Social Networks on Latino Immigrants’ Well-being in Rural Missouri,” is based on a preliminary analysis of the data currently being collected in a household survey and uses Structural Equation Model methods to assess the impact of social network use on well-being of Latinos and comparatively assess the differential impact of social networks on Latino immigrants’ wellbeing based on the type of work they have, irrespective of where they live.

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► Networks and Context of Reception in Accumulation Strategies of Latinos in Rural Communities of the Midwest - A Quantitative Analysis

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Our goal is to contribute to the understanding of the processes of integration and the economic and social contributions of Latino newcomers to the Midwest. Through an approach combining the sustainable livelihoods strategies model (Valdivia et al 2007) and our multiple fields of knowledge, this research focuses on the roles of identity or cultural capital, acculturation, social capital and context of reception on the economic and well-being outcomes of Latino livelihood. Findings from this specific research will inform the analysis of a large-scale household survey of Latino newcomers that examines settlement patterns and asset accumulation strategies.

We used 2000 Census data in testing this model. Findings from our qualitative research (See Jeanetta et al, and Flores et al in these proceedings) established the variables to explore the impact on income generation of acculturation, social capital and an aspect of context of reception, community climate.

Theoretical Framework

SLSM (Valdivia et al. 2007; Valdivia, 2004) frames the study of how capitals, human, social, financial and cultural, and human agency affect the strategies newcomers develop to make a living, reduce vulnerability and improve well-being. The resources and assets are deemed capitals when used in development of the economic activities of the livelihood strategies. In the particular case of immigration, the settlement community and the immigrant, or newcomer's, perception of self and the community interact to shape what we define here as the context of reception. This, and the acculturation process (Berry 2003), might affect differently the adjustment strategies and income-earning ability of native- and foreign-born Latinos. A detailed exploration of the capitals is developed in Valdivia et al 2008.

A model of assets and accumulation

As formulated in Valdivia et al 2008, a semi-log OLS model measures the effect of human, cultural and social capitals along with identity, acculturation and climate on income earnings of Latino newcomers, a proxy for economic accumulation, the dependent variable. Separate regressions were estimated for native-born (N) and foreign-born (F) (Dozi and Valdivia 2008).

The equation (1) reflects income earnings captured by the logarithm of wages of individual i and group j . This is regressed on a vector of observable and proxy capitals of individuals \mathbf{X}_{ij} and a vector of community characteristics \mathbf{Z}_t in three regions. The inverse Mill's ratio λ accounts for selection bias.

$$(1) \quad L(\text{Wage})_i = \mathbf{X}_{ij}\beta_j + \mathbf{Z}_t\delta + \sigma_{ij}\lambda_i + \eta_{ij} ; \quad i= 1,2,\dots,n_j \quad j = N, F \quad t = 1,2,3.$$

β and δ are vectors of parameters common across N and F; η is the error term. Individual characteristics (\mathbf{X}) include:

- Human capital — potential work experience, employment, educational attainment, the cross effect of education and English ability and mobility
- Cultural capital — ability to speak a language other than English
- Three acculturation measures — Integration, Assimilation and Separation
- Cultural identity
- Race, gender and age

Community characteristics (\mathbf{Z}) include networks, a social capital index of the community. A

community climate proxy is the disparity index, a measure of racial profiling reported by the Attorney General of Missouri. These variables are found in Table 1.

The community social capital index SK (equation 2) is hypothesized to have a positive effect on earnings (Rupasingha, Goetz, and Freshwater 2006).

$$(2) \quad SK = \sum_i K_i$$

K_i denotes the share of each individual weighted component.

The disparity index for Hispanics is hypothesized to be negative. Census data for three regions of Missouri, from Public Use Microdata Sample 5 (PUMS 5 percent)⁴, were used in this analysis.

Results

Results on which capitals, identity and climate affect income earnings for N and F are presented in Table 2 (only those variables that are significant are included). Both models are significant, and all significant coefficients had expected signs. The variables that capture race and ethnicity were not significant. Both are elements of cultural capital. On the other hand, how the newcomer interacts at work and at home, his or her process of acculturation did yield significant results. Four paths were analyzed, three were included directly in the estimation. Marginalization – outside of mainstream – was omitted to avoid singularity. Separation was not significant when compared to marginalization, but the other two paths were significant in terms of contributing to earnings. Of special interest is integration, which is significant for both N and F. Those who followed this acculturation path were able to speak English well, speak a second language and have single or multiple ancestry. The assimilation path of only speaking English and not speaking another language was only significant for foreign-born Latinos (F), and the coefficient was smaller. Integration, one of the acculturation paths, had a positive effect on earnings for both models. This was the only acculturation strategy that had an impact on income earnings of N. Integration has a stronger impact than assimilation on income for F, while segregation was not significant in either model. These results indicate that Berry's (2003) approach captures the positive effect on income earnings of integration for foreign-born as a cultural capital or asset (Valdivia et al 2008, p. 1324). This might ease relations of parents and first-generation native children and contribute to well-being.

Human capital variables, work experience, the cross effect of education and good English proficiency and educational attainment, had positive effects on income earnings for both N and F. The ability to speak another language also had a positive effect on the income earnings of F, and N, though in the latter the significance level was 10 percent. Being a woman has, in both cases, a negative impact on income earnings, which indicates they earn less than their male counterparts in the labor force. Age in this population has a positive effect on earnings.

Mobility is not significant for N and has a negative effect on income for F. Although studies in the U.S. find mobility to have a positive effect in earnings, this is not the case here, where it actually had a negative impact on earnings for foreign-born.

The SK index had a positive effect on both N and F, but larger for native-born. On the other hand, the community climate, in this case the disparity index, had a negative impact on earnings. This had a stronger effect on F.

Implications and Recommendations

There are significant lessons from this analysis, even though there are multiple constraints because the data was drawn from the Census and not developed with questions specifically aimed at understanding

⁴ Data, available at: <http://mcdc.missouri.edu/pub/data/pums2000/Datasets.html>, includes 17 counties in three regions, southwest, central and northern Missouri. Details available in Valdivia et al 2008. The disparity index, racial profiling data reported by the Missouri Attorney General's Office, is available at: <http://ago.mo.gov/racialprofiling/2005/racialprofiling2005.htm>.

the paths to settlement. On the one hand, social networks have a positive effect, which indicates these are important in obtaining information as well as support. Noted is the fact that N networks have a greater impact, which might be due to the types of social capital and might go beyond bonding. This is currently studied with the large sample of Latinos interviewed for the ongoing research project. Some insights are provided in the Dozi and Valdivia paper in these proceedings, as well as in the Jeanetta et al paper, from the qualitative research.

An asset that shows in two ways in this analysis is having more than one language. It appears to be positive in income earnings for both groups, directly as a human capital asset in earnings and in the integration path because it allows a Latino to straddle various cultures and thrive in all.

Integration had a consistent positive effect on both groups. This suggests that policies that value the multiple languages of newcomers and foster bilingualism have a contribution to earnings and, therefore, to the economy. Environments that sanction the use of other languages, rather than promote bilingualism, create an environment that might lack this asset. Our results show that assimilation also has a positive effect, but only for F. The arguments for bilingualism might also lie in the well-being of the family and the strength of intergenerational relations, which often are stressed because a path of assimilation might imply the negation of the culture and values of parents in a household.

Mobility has an opposite effect than expected in the labor force for F. This is of concern because it points to the vulnerability conditions of moving for work. Although all other human capital characteristics behave as mainstream, in this group mobility did not.

In terms of human capital, results point to the importance of English and education. Together, the impact on earnings is positive and significant. This highlights the importance of working with school programs from an early age, with parents and students, on the economic value of an education. It also should inform policy in the sense that policies that preclude children from going beyond high school due to immigration status also hurt the communities as a whole because the human capital of society decreases. The economic long-term impacts of limiting the development of human capital in our society through policies that limit access to higher education needs further study.

Mobility has a negative impact on earnings, and therefore on expenditures. It appears that it is a source of vulnerability for foreign-born Latinos. Understanding this is critical to formulating policies that can reverse this. The household survey focuses extensively on migration patterns and push forces and will be able to link consumption and investment patterns in receiving communities to the effect of mobility. Results are consistent with Dust, Orazem, and Wohlgemuth (2008), who find that immigrants move to the Midwest mostly to seek employment.

Finally, community climate, approximated by the disparity index, was significant and had a negative effect on earnings of both F and N. Further research on how newcomers see themselves in the community and how they see the communities in which they settle will allow us to explore in which ways this result, a proxy for the welcoming mat, is consistent. Racial profiling is one indicator of community climate, but there are many others, and it may be that other organizations and institutions in receiving communities are more significant to newcomers than enforcement. The survey focuses on a more complex set of organizations and perceptions to develop the context of reception. Profiling has a negative effect on earnings, which translates in losses not only to the individual but also to the new settlement community in less expenditures, lower quality of life and outmigration. On the other hand, Latino newcomers who perceive communities as being open and welcoming to their presence and accepting of their culture will likely have a different adjustment process (Valdivia, et al. 2008).

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Table 1. Definitions of variables in regression model and social capital index

Variable	Definition
<i>Employed</i>	Identified according to U.S. Census responses
<i>Experience</i>	Work potential calculated = age - years of education - 6 (Dozi 2004)
<i>Disparity Index</i>	Context of Reception proxy measures racial profiling in each region. See Footnote 1. 2000 Index.
<i>Race1-3</i>	Effect on earnings: Black, American Indian, Other Races included; White omitted.
<i>Acculturation Integration</i>	Measured by speaking English well, speaking a second language and multiple or single ancestry
<i>Acculturation Assimilation</i>	Measured by speaking English well, not speaking a second language, and multiple or single ancestry
<i>Acculturation Separation</i>	Measured by not speaking English well, speaking another language, and multiple or single ancestry
<i>Marginalization</i>	Does not speak English nor other well, and multiple or single ancestry. Omitted for singularity reasons.
<i>Identity 1-4</i>	Mexican, Puerto Rican, Cuban, and Other Hispanic or Latino (includes Spaniards). Omitted Mexican.
<i>Education*Language</i>	Interaction effect (Dozi 2004): a) Ed*Good English; b) Ed*BadEnglish; c) Ed*NoEnglish (omitted)
<i>Education Attained</i>	Number of years
<i>Able to Speak Other Lang.</i>	If can speak another language yes =1; no =0.
<i>Gender</i>	Female = 1; Male = 0
<i>Movement</i>	Moved in the last five years = 1; did not move = 0
<i>Age</i>	Number of years
<i>Social capital index region j SK</i>	$SK_j = Ed_j + Cat_j + PW_j + PM_j + A_j + CP_j + PN_j + PE_j + PU_j - Ineq_j - EH_j$
<i>Ethnic heterogeneity or fractionalization EH</i>	$EH = 1 - \sum (ShRace_i)^2$ Where: $ShRace_i = Race_i / Tot Pop$ $i =$ (White, Black, Asian and Pacific Islander, American Indian, Other), negative effect on SK (weight 30%)
<i>Income inequality Ineq</i>	is ratio of Average HH income/median HH income in PUMA, has a negative effect on SK (weight 25%)

Notes: $i \in \{Ed, Cat, PW, PM, A, CP, PE, PU, Ineq, EH\}$ and $EH < 0$, where : Ed is average education; Cat is community attachment; PW percent women in labor force; PM percent of married people; A average age; CP percent people carpooling; PU percent people living with unrelated people; PN percent people living with nuclear family; and PE percent people living with extended family (all have equal weight of 3.75 percent).

Source: Valdivia et al (2008, P. 1321).

Table 2. *Income earnings capitals and climate of native- and foreign-born hispanics in three nonmetro regions of Missouri, 2000.*

Model	Native Born			Foreign Born		
	Coef.	t-value	Pr> t	Coef.	t-value	Pr> t
Intercept	8.067	17.15	<.0001	7.199	7.91	<.0001
Potential work experience	0.293	25.32	<.0001	0.202	2.99	0.0031
Employed	0.433	4.62	<.0001	0.023	2.02	0.0540
Acculturation – Integration	0.280	2.57	0.0437	0.137	2.09	0.0487
Acculturation – Assimilation	0.024	0.30	0.7654	0.042	2.67	0.0325
Cross education and good English	0.061	2.32	0.0131	0.064	3.77	0.0032
Able to speak other language	0.264	1.76	0.0783	0.461	2.28	0.0233
Disparity Index	-0.046	-3.19	0.0014	-0.081	-3.24	0.0009
Gender - female	-0.174	-3.70	<.0001	-0.512	-5.09	<.0001
Movement	0.022	0.88	0.3773	-0.018	-3.08	<.0001
Age	0.031	2.70	0.0301	0.219	3.26	0.0013
Social Capital Index	0.174	7.09	0.0012	0.074	5.51	0.0042
Educational attainment	0.064	3.07	<.0001	0.052	3.11	<.0001
Inverse Mill's ratio	0.384	4.12	0.0014	0.403	2.07	0.499
	N = 7,466			N = 3,289		
	Adj.R ² = 0.19			Adj.R ² = 0.23		
	F = 93.87 P>F <.0001			F= 44.29 P>F <.0001		

Source: Valdivia et al (2008, p.1322) Only selected, significant variables reported.

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