THE EARNINGS OF ASIAN ENGINEERS IN THE UNITED STATES: RACE, NATIVITY, DEGREE ORIGIN, AND INFLUENCES OF INSTITUTIONAL FACTORS ON HUMAN CAPITAL AND EARNINGS

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ABSTRACT
This paper examines the effects of race, nativity (birthplace), and degree origin on the earnings of college-educated, full-time Asian engineers in the United States when compared with whites and with each other. When personal, educational, and employment characteristics are controlled for, ordinary least-squares and quantile regressions at the 10th, 25th, 50th, and 75th percentiles show that being Asian did not have a disadvantage in 1993 or 2003. The second factor, Asian nativity, had a negative effect at one percentile in each year. The most striking finding is that having the highest degree from an Asian institution, compared with that received in the United States, led to earning disadvantages at all percentiles in 1993 (from 8.7% to 22.6%) and in 2003 (from 6.1% to 11.7%). The degree origin effect can be explained by queuing and devaluation theories but better by the region-specific human capital (and social capital) theory. The decline of the degree origin effect over time can be explained by changes in institutional factors, including improvements in Asian education, closer US-Asian connections, and changes in human resource needs for the science and engineering workforce in the United States.

KEY WORDS: Asians, engineers, region-specific human capital, queuing theory, devaluation theory, Asian education, quantile regression
In the United States, despite the efforts of equality proponents, income inequality persists among races. Asian Americans have the highest average income, followed by white Americans, Latino Americans, African Americans, and Native Americans. Studies of the wage gap for various minority races in the United States have revealed a number of factors that contribute to the differences in wages observed between white Americans and Americans of other races. The factors contributing to the wage gaps for various races and the degree to which they affect each race varies, but many factors are common to most or all races.