Perpetual foreigners: A historical examination of the effects of racialized immigration and property laws on Asian American wealth

Introduction

Current wealth research has focused on Asian Americans as a whole, but while they may have come from the same continent, the history of each national origin group starts at a different point and has evolved much differently. It is imperative for scholars to understand their history and recognize the importance of disaggregated data so that their evaluation of Asian American asset building is comprehensive (De La Cruz-Viesca, 2011). As Asian Americans continue to constitute an increasing share of the American population, disaggregated data becomes increasingly important for policymakers in addressing the needs of the population (Weller & Thompson, 2016).

Nativist rhetoric delineated three early waves of Asian national origin groups immigrating to the U.S., a useful basis for comparison of groups under the blanket term “Asian”. The first, second, and third “Asiatic invasions” referred to the mass migration of the Chinese, Japanese, and Filipino populations, respectively. Though these three groups were aggregated as “Asiatic”, their immigration to the U.S. occurred at different times; consequently, the racialized legislation during those periods had varying impacts on those groups upon entering and once settled in the U.S. Further, immigrants within each national origin group came from different educational and socioeconomic backgrounds upon entering the U.S. This calls into question how immigration law allowed for hyper-selectivity as defined by Zhou and Lee (2017) and how discriminatory property law allowed for different treatment of each group once in the U.S. I argue that immigration law both positively and negatively affected the Chinese, Japanese, and Filipino populations in different ways through its varying restrictions on who was able to enter
the U.S.; property law has had a negative impact on all the three populations by obstructing their ability to own homes, farmland, and businesses; for the Japanese, this was to the point of seizure of their property. Investigation into the unique history of each group will illustrate the vast differences between individual national origin groups within the umbrella of Asian-American. In doing so, I hope to reinforce the notion of not regarding Asian-Americans as a singular group.

**Literature Review**

Previous scholars have evaluated the individual early histories of Chinese, Japanese, and Filipino immigrants with focus on legislation that affected their movement to the U.S. and their ability to own and retain property. Joyce Chen (2015) uses historical sources on legislation and economic models to examine the impact of skill-based immigration restrictions targeting Chinese immigrants on economic and human capital. Gaines and Cho (2004) explore the economic and psychological motivations behind California’s Alien Law of 1920 on Japanese immigrants. Jane Hong (2018) uses American and Filipino sources to explain the Filipino government’s impact on Filipino immigration legislation in the U.S. Some scholars have examined the overlap between the three groups’ early histories. Tim Hatton (2014) explores the effects of the Immigration and Nationality Act of 1965, disaggregating immigration data by familial admission and occupational admission across racial groups to compare the channels typically used by the different ethnic groups. Catherine Lee (2015) examines the familial channel of the Immigration and Nationality Act of 1965 and argues that legislators did not foresee the magnitude of the impact of chain migration on Asian immigration. However, this literature has one ethnic group as its focal point, explaining the history of the other two ethnic groups as the context for the ethnic group in question. Yet, there is a gap in the literature in combining the siloed past and current histories of Chinese, Japanese, and Filipino Americans for a thorough and comparative understanding of the
similar and differing impact of legislation on wealth across groups. There has also been considerable work on the effect of immigration law on the makeup of the contemporary immigrant population in the U.S. Zhou and Lee (2017) theorize the concept of hyper-selectivity, where an immigrant group possesses a higher percentage of college graduates compared with nonmigrants from their country of origin and native born Americans. This therefore gives rise to a highly educated middle class that imports selective advantageous resources and mindsets to the U.S. Darity (1989, as cited in De La Cruz-Viesca, 2016) hypothesizes that when considering the prior class background of certain immigrants, their economic success reflects “lateral rather than upward mobility”. Both concepts of hyper-selectivity and lateral mobility will serve as frameworks to analyze the success of each national origin group.

Data and Methodology

Data: To determine education profiles for Chinese and Filipino immigrants prior to entering the U.S., I will use the Immigration and Intergenerational Mobility in Metropolitan Los Angeles (IIMMLA) survey, a cross-section composed of 4,800 randomly selected 1.5 and second-generation Los Angeles residents from multiple ethnic groups ages twenty to thirty-nine (Rumbaut, et al., 2004, as cited in Zhou & Lee, 2017). The 2004 survey provides demographic information of the participants and their foreign-born parents, including their economic background and education.

To determine education profiles for Japanese immigrants and to examine the effect of internment on their economic outcomes, I will use Shoag and Carollo’s (2016) study of the causal impact of internment camp assignment on long-run location, as well as the causal impact of internment camp location on Japanese American economic outcomes 50 years later. They employ internee information (prior place of residence, educational attainment, occupations, etc.)
from the National Archives and Records Administration (NARA) and current information (current address) on internees from the records of the Japanese-American Redress Verification System (JARVIS) from the Department of Justice. Using different models of regression, they provide statistics on the effect of internment on long-run location (with variation based on education level), house price and quality, socioeconomic status, and educational attainment.

To determine occupation profiles for Filipino immigrants prior to entering the U.S., I will use data from the U.S. Immigration and Naturalization Service, a time-series from 1973 to 1985 documenting immigration by occupation from the Philippines. This dataset compares the occupations of immigrants moving to Hawaii and the New York/New Jersey area over time and disaggregates Filipino immigration into familial and occupational preference channels.

**Methodology:** By comparing the immigration profiles by education and occupation of Chinese, Japanese, and Filipino immigrants, these datasets will be used to assess the impact of immigration legislation and hyper-selectivity on the composition of the Chinese, Japanese, and Filipino populations in the U.S. This comprehensive profile of each national origin group allows for analysis of each group’s economic success through the lens of the lateral mobility hypothesis.

**Results**

*Legislative barriers to wealth up to Hart-Celler Act of 1965*

*Chinese:* Chinese discrimination began with the Chinese Exclusion Act of 1882, which barred all Chinese laborers but permitted officials, merchants, students, and teachers to enter (Chen, 2015). This law was the precedent to immigration restrictions based on skill in later US policy. Motivation for the law comes from American anxiety from the first “Asiatic invasion” in the early 19th century, where Chinese immigrants came to Hawaii and California to work on plantations, as miners during the Gold Rush, and as construction workers of the Transcontinental
Railroad (Gaines & Cho, 2004). This population of immigrants was illiterate and came from rural China; they planned to return home after earning money in the U.S. (Lee & Zhou, 2015). However, financing the trip required capital from family and friends, which differentiated the migrant population from the more impoverished non-migrant population (Clay & Jones, 2008). Exclusion was further regulated through the passing of the Scott Act of 1888, which banned legal residents from returning to the U.S. after traveling to China and through the indefinite extension of the Exclusion Act (Foreign Service Institute, 2000). The Exclusion Act was not repealed until 1943 when China and the U.S. were allies in World War II (Lowell, 1996).

Moreover, there were limited opportunities for the Chinese to build wealth, as they often worked longer hours for less, and since they were not eligible for citizenship, miners were subject to the Foreign Miners License Tax of $3 (or more) per month, a policy primarily targeting the Chinese population that was never recompensed (Kijakazi, 2019). The majority of immigrants were concentrated in the cities, particularly in the Bay Area (Gaines & Cho, 2004). There, they faced one of the earliest examples of restrictive covenants and were relegated to a select few communities, which formed the beginnings of the modern-day Chinatowns (Japanese American Citizens League, 2006). A few decades later the San Francisco Chinatown was redlined—66% of the housing was substandard and most lacked proper public services such as heat and running water (Szto, 2017).

*Japanese:* With the loss of Chinese immigrant workers, Japanese contract laborers swiftly immigrated to the U.S. (particularly Southern California) in the late 19th century to work in agriculture (Ngai, 1999). Many of these immigrants were literate and desired to have a Western and English education, quickly gaining proficiency in English (Ichihashi, 1969). Out of fears of a second Asiatic invasion, the U.S. initiated the Gentlemen’s Agreement of 1907 with
Japan, prohibiting Japanese laborers from entering the U.S. (Chen, 2015). Like the Exclusion Act of 1882, this legislation exempted nonlabor professions, and Japanese immigrants were also allowed to bring their parents, spouses, and children to the U.S. (Chen, 2015). Potentially as a consequence of family immigration, the number of immigrants without an occupation increased after 1907 (Chen, 2015). There was also a high rate of return migration; 26% of immigrants returned back to Japan; many of whom were in low occupational classes (Suzuki, 1994).

There was great congressional support for legislation preventing foreigners from entering the labor force, forcing many middle-class, educated immigrants to enter unskilled work (Suzuki, 2002). Though the Japanese made gains in their socioeconomic status once in the U.S., this was a reflection of lateral mobility rather than upward from their preimmigration status. Through the Haney-Webb Act of 1913, ownership of agricultural land was prohibited for “aliens ineligible for citizenship” in California, a policy later adopted by 10 other western states to target Japanese residents (The Alien Land Laws, 1947). However, the most impactful legislation on Japanese immigrants and Americans occurred after 1941; immediately following the Japanese attack on Pearl Harbor, Japanese immigration was prohibited. The U.S. implemented the Trading with the Enemy Act of 1917 to freeze all Japanese bank accounts, later seized by the government along with all Japanese assets (Kowalewski, 2017). In 1942, Executive Order 9066 gave authorization to the military to move Japanese immigrants and their families residing in the west to internment camps out of fear of espionage (Kowalewski, 2017). Consequently, Little Tokyo in Los Angeles, one of the largest and most prosperous Japanese residential and business communities, was shut down (but later revived in the 1970s) (U.S. National Park Service). It was not until 44 years after the end of the war in 1945 when reparations of $20,000 were paid to each surviving detaine through passage of the Civil Liberties Act of 1988 (Kowalewski, 2017).
Filipinos: With the loss of Japanese immigrant workers, Filipino laborers began coming to Hawaii and California in the late 1920s (Baldoz, 2015). The Philippines’ status as a colony of the U.S. allowed for easy immigration between the two countries. Filipino workers were not educated and primarily low-income, but they were supported by American recruitment offices in the Philippines and policies that allowed for facilitated migration into the U.S. (Maca, 2017). The U.S. also reformed the Filipino education system, including an all-English curriculum and an Americanized university hospital training system (Maca, 2017). This led to another wave of English-educated Filipino immigrants, many of whom were nurses (Maca, 2017). American anxiety of a third Asiatic invasion led to the passing of the 1934 Tydings-McDuffie Act, which rendered Philippines-born immigrants “aliens ineligible for citizenship” and limited the migration of Filipinos to only 50 people per year (Hong, 2018). Upon the arrival of World War II and the need for soldiers, Filipinos were reclassified as “non-citizen nationals’ who were eligible to enlist in the US military in exchange for full citizenship (Pido, 2015). The Educational Exchange Program further supported Filipino immigration in 1948, where nurses and other medical professionals were sent to the U.S. and “exchanged” for American specialists sent to the Philippines (Masselink & Jones, 2014).

Filipino immigrants were also subject to the property laws restricting Asian ownership of residential, agricultural, and commercial property (Liu & Ong, 1991). Post World War II, Filipinos were permitted to purchase farmland and other property previously owned by the Japanese in the Los Angeles area (Pido, 2015).

Hart-Celler Act of 1965
The predecessor of the Hart-Celler Act of 1965 was the National Origins Act of 1924, a quota-based system encouraging the immigration of northwestern Europeans and restricting other racial
groups, with Filipinos as an exception (Ngai, 1999). The Hart-Celler Act of 1965 intended to replace this discriminatory legislation, extending the quota to include all racial groups with preference for seven types of immigrants: 1. Unmarried sons and daughters of US citizens (20%), 2. Spouse and unmarried sons and daughters of permanent residents (20%), 3. People of exceptional ability (10%), 4. Married sons and daughters of US citizens (10%), 5. Brothers and sisters of US citizens (24%), 6. Skilled and unskilled workers of in-demand occupations (10%), and 7. Refugees (6%) (Hatton, 2014).

While liberal on paper, Lee argues that legislators did not intend for immigration from Latin America, Africa, and Asia to increase remarkably quickly; they believed that immigrants from those regions would not qualify to use the occupational channel and would not have sufficient representation in the U.S. to use the familial channel (Lee, 2015). However, only 20% of immigration as a result of this act came from Europe, and Asians in particular took advantage of the familial channel.

Lee makes the claim that family unity was the “centerpiece” of the act, and I argue that this unprecedented goal shaped the public perception of Asian American families as consistent with the traditional American ideal of the nuclear family. The Hart-Celler Act and its relaxed restrictions contrast with the state-sanctioned racism and violence experienced by African Americans, whose marriages were declared illegitimate and whose families were separated during the time of slavery (Perrone, 2019).

Rather than a reflection of model versus deficient culture, family unification and separation is a consequence of racialized policy. Furthermore, there are ties between marriage and wealth as a result of higher savings rates and increased ability to weather economic shocks,
leading to additional wealth gains for immigrants who benefited under this policy (Wilmoth & Koso, 2002).

**Contemporary legislation and wealth differences post-Hart-Celler Act of 1965**

In 1968, the Housing Rights Act prohibited discrimination on the basis of race or ethnicity in the sale and rental of housing, rendering restrictive covenants illegal (The Seattle Civil Rights & Labor History Project). Restrictive covenants against Asian Americans were common in the west; the three groups were identified as “Orientals”, more specifically Chinese, Japanese, and Malays (a misnomer of Filipinos) (The Seattle Civil Rights & Labor History Project).

**Chinese:** As a result of the Tiananmen Square protests in 1989, the U.S. government passed the 1992 Chinese Student Protection Act, which established permanent residence for native Chinese students attending school in the U.S. This facilitated the process for them to find employment in high-skilled occupations and subsequently resulted in positive earnings outcomes (Orrenius. P, et al., 2012, as cited in Keister, et al., 2016). In addition, with the growth of China and increased immigration to the U.S., immigrants came from more elite backgrounds and arrived in well-developed Chinese communities once in the U.S. (Keister, et al., 2016).

Compared to their Gold Rush counterparts, today’s Chinese immigrants are highly-educated and live in wealthy suburbs. 61.3% of children of immigrants had a father and 42.3% had a mother with a bachelor’s degree or higher (Rumbaut, et al., 2004, as cited in Zhou & Lee, 2017). They are a hyper-selected population compared to 4% of native Chinese, and 28% of the general U.S. population (Lee & Zhou, 2015). Yet, there is great inequality within the Chinese ethnicity between residential communities. As of 2010, less than 45% of Chinese Americans live in the suburbs, and Chinese Americans live in more affluent suburbs than other racial and ethnic groups (Szto, 2017). These suburbs are located in California, Houston, and New York and have
high rates of homeownership (Szto, 2017). In contrast, urban Chinese Americans live in areas where less than 48% of the residents own their home (Szto, 2017).

Japanese: Shoag and Carollo (2016) explore the causal effects of internment placement on the wealth outcomes of Japanese Americans 50 years later. The U.S. relocated communities first based on high military priority and second to reduce the internees’ distance from their original residences. The researchers find that conditional on the county of residence and generation, the quality of the region (measured by the log of median income in the camp county) is uncorrelated with final economic outcomes. In contrast with a longitudinal study, they use regressions, internee addresses after release from the NARA, and current internee addresses 50 years after from the JARVIS. The researchers found that after the Japanese were released from the camps, they were 16% more likely to live near to their initial camp assignment; this pattern stayed virtually constant 50 years after. This likelihood decreased for higher-educated and younger individuals. Using regressions and internee addresses from the JARVIS, they also found that being assigned to a one standard deviation higher income camp results in a 15-20% increase in housing price and quality and neighborhood quality (operationalized by their dollar value).

The economic outcomes of Japanese Americans varied depending on camp location; the researchers matched internee addresses from the 1980 Census to the addresses in the JARVIS to find income, education, and socioeconomic outcomes data. Using regressions on these data, they found that being assigned to a one standard deviation higher income camp results in a 22% increase in individual income and a 13-15% increase in household income. Grandchildren of internees assigned to a one standard deviation richer camp were 4% more likely to attend college. Children of internees assigned to a one standard deviation more mobile camp were also 10% more economically mobile. Because of Executive Order 9066, the wealth outcomes of
Japanese Americans were blatantly dependent on random location assignment. Income level and quality of education at the camps were severely substandard compared to Japanese Americans’ initial standard of living (Shoag & Carollo, 2016).

Filipino: Upon the enactment of the Hart-Celler Act of 1965, Filipinos took different channels of immigration that varied by place, with Hawaii and the New Jersey/New York area as extremes. The majority (62.9%) of immigrants moving to the New Jersey/New York area were admitted under the third preference (professionals of exceptional ability) while half of immigrants moving to Hawaii were admitted under the second preference (children of US citizens) (U.S. Immigration and Naturalization Service, as cited in Liu, et al., 1991). For those moving to Hawaii, they tended to work in the service and agricultural industries while those moving to New Jersey/New York worked primarily in the health and other professional industries. This implies disparate socioeconomic statuses between Filipino immigrants in these areas, a pattern that has persisted until today. As a whole, Filipino immigrants are hyper-selected, with 51.7% holding a bachelor’s degree or higher, compared to 5% of the native Filipino population and 28% of Americans (Rumbaut, et al., 2004, as cited in Rumbaut, R. G., 2008).

Interestingly, despite Filipino immigrants’ high socioeconomic status, second-generation Filipinos achieve lower levels of educational and occupational achievement than their parents (Zhou, et al., 2008). While they fare better than the general American population, there is limited lateral mobility for the Filipino population.

Conclusion

While there are similarities between the experiences of Asian Americans, their history and outcomes are unquestionably different. Filipinos have suffered the least from racist legislation due to the Philippines’ historic status as a colony of the U.S. Japanese Americans encountered
some of the most severe policies and have continuously been the target of immigration and property laws despite their efforts to assimilate to American society.

Intra-ethnic inequality is present amongst Chinese, Japanese, and Filipino groups geographically whether salient in the urban-suburban divide for Chinese Americans, as a result of internment location for Japanese Americans, or stemming from occupation or familial channels for Filipino Americans.

All three national origin groups were hyper-selected, whether through familial resources that allowed migrants to finance their trip to the U.S. or through legislation favoring educated, high-skilled workers. Though the three groups have had socioeconomic success, due to hyper-selection and through examination of their preimmigration backgrounds, much of their gains reflect lateral mobility more than upward mobility.

More research can be done to explore the effects of immigration and property law on other national origins groups under the umbrella of Asian American, especially investigating the history of groups of lower socioeconomic statuses in the U.S., such as the refugee population from Southeast Asia.
References


