Table 1: Characteristics of Natives and Immigrants in the MSA Sample, 1996 – 2000 SIPP Panel

	All	Natives	Immigrants
Age	45.98	46.18	44.70
	(17.34)	(17.47)	(16.41)
Number of Children < 18	0.78	0.72	1.13
	(1.14)	(1.09)	(1.36)
Monthly Per Capita Household Income	2116.31	2195.18	1619.47
	(2764.29)	(2810.94)	(2391.05)
% Male	45.81%	45.70%	46.46%
% Married	58.45%	57.31%	65.65%
% unemployed or out of the labor force	33.95%	33.48%	36.94%
Race (%)			
White	70.08%	77.15%	25.53%
Black	13.06%	14.20%	5.83%
Hispanic	11.98%	6.97%	43.52%
Asian	4.42%	1.16%	24.93%
Other	0.47%	0.51%	0.20%
Education (%)			
High School dropout	17.86%	15.03%	35.73%
High School Graduate	29.67%	30.48%	24.59%
Some College	29.12%	30.58%	19.95%
College Graduate	15.40%	15.87%	12.42%
Advanced Degree	7.94%	8.04%	7.31%
<u>Immigrant Characteristics</u>			
Years In U.S. (%)			
Less Than 10 Years			37.74%
10 < Duration < 14			17.28%
15 < Duration < 30			16.96%
More Than 30 Years			15.20%
Immigrant Region of Origin (%)			
Central America			32.51%
Asia			20.63%
European			15.11%
Caribbean			7.73%
South America			4.53%
North America			1.62%
Middle East			1.14%
Other			16.73%
Number of Observations	356769	307894	48875

Note: The sample consists of all MSA residents greater than or equal to the age of 18.
           Standard deviations are shown in parentheses ONLY for continuous variables.

Table 2: Financial Market Participation and Transitions, MSA Sample

	All	Natives	Immigrants	I/N
A: Savings Account Ownership				
Own %	52.66%	54.72%	39.72%	0.73
Never Owned %	31.91%	30.18%	42.80%	1.42
Ever Owned %	31.10%	30.77%	33.24%	1.08
Entry %	5.82%	5.92%	5.32%	0.90
Exit %	5.15%	4.86%	7.66%	1.58
Always Owned %	36.99%	39.06%	23.96%	0.61
Observations	356,769	307,894	48,875	
B: Interest-bearing Checking Account Ownership				
Own %	34.11%	36.08%	21.74%	0.60
Never Owned %	53.28%	51.33%	65.60%	1.28
Ever Owned %	23.60%	23.93%	21.58%	0.90
Entry %	3.05%	3.15%	2.53%	0.80
Exit %	5.25%	4.98%	8.07%	1.62
Always Owned %	23.11%	24.75%	12.82%	0.52
Observations	356,769	307,894	48,875	

Note: The sample consists of all MSA residents greater than or equal to the age of 18.
"Own" means that the respondent had a saving account or checking account (interest bearing) during the interview period. "Never Owned" means that the respondent had no saving account or checking account (interest bearing) in all the interview periods."Ever Owned" means that the respondent had a saving account or checking account (interest bearing) in some of the interview periods, but not all. "Always Owned" means that the respondent had a saving account or checking account (interest bearing) in all the interview periods.
The sum of the percentage of Never Owned, Ever Owned and Always Owned is equal to 1.
Entry is defined as the individual switches from non-ownership to ownership.
Exit is defined as the individual switches from ownership to non-ownership.

Table 3: Logit Estimates of Financial Market Participation

	Savings Account		Interest-Bearing Checking Account	
	(1)		**(2)**	
	Coef.	M.E.	Coef.	M.E.
Immigrant	-0.296 ***	-0.074	-0.303 ***	-0.061
	(0.031)		(0.037)	
Age	-0.004	-0.001	0.015 ***	0.003
	(0.003)		(0.004)	
Age Squared	0.014 ***	0.004	0.009 **	0.002
(x100)	(0.003)		(0.004)	
Unemployed/Out	-0.293 ***	-0.073	0.080 ***	0.017
of Labor Force	(0.025)		(0.028)	
Per Capita HH	0.021 ***	0.005	0.021 ***	0.004
Income (x100)	(0.001)		(0.001)	
Per Capita HH	-0.006 **	-0.002	-0.005 ***	-0.001
Income Squared (x10^6)	(0.0004)		(0.0003)	
Married	0.873 ***	0.215	0.837 ***	0.170
	(0.022)		(0.025)	
Male	-0.299 ***	-0.074	-0.268 ***	-0.056
	(0.021)		(0.023)	
Non-White	-0.432 ***	-0.108	-0.629 ***	-0.121
	(0.026)		(0.032)	
No of children < 18	-0.082 ***	-0.020	-0.080 ***	-0.017
	(0.009)		(0.011)	
High School	0.543 ***	0.133	0.776 ***	0.172
	(0.030)		(0.039)	
Some College	0.861 ***	0.208	1.177 ***	0.264
	(0.031)		(0.040)	
College	1.037 ***	0.241	1.489 ***	0.348
	(0.038)		(0.045)	
Advanced Degree	0.940 ***	0.217	1.581 ***	0.373
	(0.048)		(0.053)	
No of Obs	356769		356769	
Log-likelihood	-215936.94		-193291	
Pseudo R-squared	0.125		0.156	

Note: The sample consists of all MSA residents greater than or equal to the age of 18.
The dependent variable is equal to one if the respondent had a saving account or checking account (interest bearing) during the interview period in question and is zero otherwise.
Logit model with fixed effects at MSAs level is used and standard errors are corrected for clustering at the individual level.
All regressions include a constant term, age as linear and square terms, per capita income as linear and square terms, marital status, male, non-white, labor force status, number of kids, schooling dummies and wave dummies.
The omitted education category is less than a high school education.
*** indicates significance at at least the 1% level, ** at at least the 5% level, * at at least the 10% level.

Table 4: Logit Estimates of Financial Market Participation (with duration of stay controls)

	Savings Accounts				Interest-Bearing Checking			
	(1)		**(2)**		**(3)**		**(4)**	
	Coef.	M.E.	Coef.	M.E.	Coef.	M.E.	Coef.	M.E.
Immigrant	-0.212 ***	-0.053	-0.186 ***	-0.047	-0.250 ***	-0.051	-0.217 ***	-0.044 ***
	(0.034)		(0.059)		(0.040)		(0.067)	
Recent (after 1990)	-0.501 ***	-0.124			-0.354 ***	-0.069		
	(0.068)				(0.089)			
1990-1996			-0.531 ***	-0.131			-0.383 ***	-0.074
			(0.085)				(0.106)	
1985-1989			-0.172 *	-0.043			-0.186 *	-0.038
			(0.090)				(0.111)	
1980-1984			-0.062	-0.016			-0.142	-0.029
			(0.089)				(0.110)	
1975-1979			0.192 **	0.048			0.188	0.041
			(0.098)				(0.119)	
1970-1974			-0.048	-0.012			0.089	0.019
			(0.110)				(0.126)	
1964-1969			-0.008	-0.002			-0.042	-0.009
			(0.122)				(0.139)	
1960-1964			-0.036	-0.009			-0.186	-0.038
			(0.148)				(0.166)	
(Omitted Category: Before 1960)								
No of Obs	356769		356769		356769		356769	
Log-likelihood	-215760.57		-215718		-193235.03		-193228.2	
Pseudo R-squared	0.156		0.126		0.156		0.156	

Note: The sample consists of all MSA residents greater than or equal to the age of 18.

The dependent variable is equal to one if the respondent had a saving account or checking account (interest bearing) during the interview period in question and is zero otherwise.

Logit model with fixed effects at MSAs level is used and standard errors are corrected for clustering at the individual level.

All regressions include a constant term, age as linear and square terms, per capita income as linear and square terms, marital status, male, non-white, labor force status, number of kids, schooling dummies and wave dummies. The omitted education category is less than high school graduate.

*** indicates significance at at least the 1% level, ** at at least the 5% level, * at at least the 10% level.

Table 5: Decomposition of Immigrant-Native Differences in Financial Market Participation

			Participation			
			Saving Acct		**Checking Acct**	
			Immigrant	Native	Immigrant	Native
		Mean:	0.397	0.547	0.217	0.361
		Gap:		0.150		0.143
			(1)	(2)	(3)	(4)
		Overall Difference: From (X^N-X^I)	0.076	0.084	0.083	0.103
			50.70%	55.92%	57.76%	71.61%
		From $(\beta^N-\beta^I)$	0.074	0.066	0.061	0.041
			49.30%	44.08%	42.24%	28.39%
		Contribution to the gap from the following variables:				
		Age and Age Square	0.003	0.004	0.005	0.008
			1.69%	2.63%	3.74%	5.92%
		Per Capita HH Income	0.021	0.019	0.021	0.019
			14.32%	12.66%	14.96%	13.08%
		Education	0.028	0.036	0.024	0.032
			18.63%	23.81%	16.88%	22.41%
		Male	0.0007	0.0008	-0.0003	0.0002
			0.46%	0.51%	-0.23%	0.11%
		Marital status	-0.009	-0.017	-0.001	-0.008
			-6.23%	-11.26%	-0.68%	-5.55%
		Non-white	-0.003	0.022	0.007	0.037
			-2.14%	15.00%	4.62%	25.72%
		No of children < 18	0.008	0.006	0.004	0.004
			5.24%	4.12%	2.87%	2.64%
		Unemploy	0.002	0.002	-0.0002	0.000
			1.47%	1.52%	-0.16%	-0.33%
		MSA Effects	0.026	0.010	0.023	0.011
			17.26%	6.92%	15.76%	7.62%
		All variables	0.076	0.084	0.083	0.103
			50.70%	55.92%	57.76%	71.61%

(Left margin vertical labels: FULL SAMPLE, RANDOM SAMPLE)

Note: The full sample consists of All MSA residents greater than or equal to the age of 18. To keep the native and immigrant samples comparable, some of the MSAs are dropped where MSA fixed effects cannot be estimated separately for the immigrant sample due to a lack of observations.

The random sample includes 10,000 native and 10, 000 immigrants randomly drawn from the full sample with replacement.

Column (1) and (3) use the coefficients from the immigrant sample, and Column (2) and (4) use the coefficients from the native sample. See Appendix II for the detailed coefficients.

Logit models with the fixed effects at MSAs level are used and the standard errors are corrected for clustering at the individual level.

The dependent variable is equal to one if the respondent had a saving account or checking account (interest bearing) during the interview period in question, and is zero otherwise.

All regressions include a constant term, age as linear and square terms, per capita income as linear and square terms, marital status, male, non-white, labor force status, number of kids, and schooling dummies.

The omitted education category is less than high school.

Table 6: Immigrant Heterogeneity and Financial Market Participation
(Marginal Effects Only)

		Ownership				
	(1)Baseline	(2) Race	(3) Legal Status	(4) Greater than high school	(5) Exclude Mexican Immigrants	(6) Hispanics only
A: Savings Acct						
Immigrant	-0.07 ***	-0.13 ***	-0.09 ***	-0.10 ***	-0.05 ***	-0.06 ***
Immi*Non-white		0.16 ***				
Non-white		-0.14 ***				
Immi*Permanent Resident			0.02 *			
Greater Than High School				0.13 ***		
Immi * Greater Than High School				0.03 **		
Number of obs		356769	356769	356769	343464	42667
Log-likelihood		-215531	-215926	-217133	-208910	-22683
Pseudo R-squared		0.13	0.13	0.12	0.12	0.16
B: Checking Acct (Interest Bearing)						
Immigrant	-0.06 ***	-0.10 ***	-0.08 ***	-0.11 ***	-0.05 ***	-0.06 ***
Immi*Non-white		0.17 ***				
Non-white		-0.15 ***				
Immi*Permanent Resident			0.03 **			
Greater Than High School				0.15 ***		
Immi * Greater Than High School				0.10 ***		
Number of obs		356769	356769	356769	343464	42667
Log-likelihood		-192971	-193276	-195226	-208910	-22683
Pseudo R-squared		0.16	0.16	0.15	0.12	0.16

Note: The sample consists of all MSA residents greater than or equal to the age of 18. The young sample only includes the MSA residents between the age of 18 and 25.

The dependent variable is equal to one if the respondent had a saving account or checking account (interest bearing) during the interview period in question and is zero otherwise.

Logit model is used and standard errors are clustered at the individual level.

All regressions include a constant term, age as linear and square terms, per capita income as linear and square terms, marital status, male, non-white, labor force status, number of kids, schooling dummies and wave dummies. The omitted education category is less than high school graduate.

*** indicates significance at at least the 1% level, ** at at least the 5% level, * at at least the 10% level.

Table 7: Logit Estimates of Financial Market Transitions

I. ENTRY INTO ACCOUNT OWNERSHIP

	(1)			(2)	
	Coef.	M.E.		Coef.	M.E.
A: Savings Acct					
Immigrant	-0.08 **	-0.004		-0.03	-0.001
	(0.04)			(0.04)	
Recent (>1990)				-0.25 ***	-0.011
				(0.08)	
No of Obs	145849			145849	
Log-likelihood	-31188.53			-31182.33	
Pseudo R-squared	0.041			0.042	
B: Checking Acct					
Immigrant	-0.10 **	-0.002		-0.043	-0.001
	(0.05)			(0.049)	
Recent (>1990)				-0.309 ***	-0.007
				(0.108)	
No of Obs	204275			204275	
Log-likelihood	-26728.60			-26723.14	
Pseudo R-squared	0.048			0.049	

II. EXITS OUT OF ACCOUNT OWNERSHIP

	(1)			(2)	
	Coef.	M.E.		Coef.	M.E.
C: Savings Acct					
Immigrant	0.281 ***	0.014		0.276 ***	0.014
	(0.040)			(0.043)	
Recent (>1990)				0.031	0.001
				(0.096)	
No of Obs	165725			165725	
Log-likelihood	-32734.35			-32734.28	
Pseudo R-squared	0.032			0.032	
D: Checking Acct					
Immigrant	0.275 ***	0.014		0.276 ***	0.014
	(0.052)			(0.055)	
Recent (>1990)				-0.008	-0.0004
				(0.127)	
No of Obs	107299			107299	
Log-likelihood	-21375.79			-21375.79	
Pseudo R-squared	0.035			0.035	

Note: The sample is restricted to individuals over 18 living in MSAs

The dependent variable is equal to one if the individual switches from non-ownership to ownership (Entry) or from ownership to non-ownership (Exit) for savings account or checking account (interest bearing), respectively.

Logit model is used and standard errors are corrected for clustering at the individual level.

All regressions include a constant term, age as linear and square terms, per capita income as linear and square terms, marital status, male, non-white, labor force status, number of kids, schooling dummies and wave dummies. The omitted education category is less than high school graduate.

*** indicates significance at at least the 1% level, ** at at least the 5% level, * at at least the 10% level.

Table 8: The Impact of Location on Financial Market Participation
(Marginal Effects Only)

	Ownership		
	(1)	(2)	(3)
A: Savings Acct			
Immigrant	-0.06 ***	-0.03 ***	-0.04 ***
Immi * Ethnic Concentration in MSA	-0.60 ***	-0.66 ***	-0.58 ***
Recent (after 1990)		-0.13 ***	-0.11 ***
Recent * Ethnic Concentration in MSA			-0.90 *
Number of obs	353300	353300	353300
Log-likelihood	-213725	-213548	-213537
Pseudo R-squared	0.13	0.13	0.13
B: Checking Acct (Interest Bearing)			
Immigrant	-0.03 ***	-0.02 *	-0.02 **
Immi * Ethnic Concentration in MSA	-1.57 ***	-1.62 ***	-1.56 ***
Recent (after 1990)		-0.08 ***	-0.07 ***
Recent * Ethnic Concentration in MSA			-0.89
Number of obs	353300	353300	353300
Log-likelihood	-191318	-191249	-191244
Pseudo R-squared	0.16	0.16	0.16

Note: The sample consists of all MSA residents greater than or equal to the age of 18.

The dependent variable is equal to one if the respondent had a saving account or checking account (interest bearing) during the interview period in question and is zero otherwise.

Logit model is used and standard errors are corrected for clustering at the individual level.

All regressions include a constant term, age as linear and square terms, per capita income as linear and square terms, marital status, male, non-white, labor force status, number of kids, schooling dummies and wave dummies. The omitted education category is less than high school graduate. *** indicates significance at at least the 1% level, ** at at least the 5% level, * at at least the 10% level.

Appendix I: Logit Estimates of Financial Market Participation, 1996 – 2000 SIPP Panel
 Native and Immigrant Samples

	Participation			
	Saving Acct		Checking Acct	
	Native	Immigrant	Native	Immigrant
	(1)	(2)	(3)	(4)
Age	-0.007 *	0.016	0.014 ***	0.050 ***
	(0.004)	(0.010)	(0.004)	(0.013)
Age Squared	0.017 ***	-0.006	0.010 **	-0.031 **
(x100)	(0.004)	(0.010)	(0.004)	(0.013)
Unemployed/Out	-0.287 ***	-0.319 ***	0.075 **	0.117
of Labor Force	(0.027)	(0.069)	(0.030)	(0.081)
Per Capita HH	0.000 ***	0.000 ***	0.000 ***	0.000 ***
Income (x100)	(0.000)	(0.000)	(0.000)	(0.000)
Per Capita HH	0.000 ***	0.000 ***	0.000 ***	0.000 ***
Income Squared (x10^6)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
Married	0.879 ***	0.792 ***	0.852 ***	0.646 ***
	(0.024)	(0.062)	(0.027)	(0.079)
Male	-0.298 ***	-0.301 ***	-0.253 ***	-0.409 ***
	(0.023)	(0.057)	(0.025)	(0.069)
Non-White	-0.574 ***	0.069	-0.784 ***	-0.166 **
	(0.030)	(0.059)	(0.037)	(0.072)
# of children < 18	-0.072 ***	-0.113 ***	-0.0666 ***	-0.1186 ***
	(0.011)	(0.023)	(0.012)	(0.029)
High School	0.522 ***	0.464 ***	0.710 ***	0.847 ***
	(0.034)	(0.071)	(0.044)	(0.101)
Some College	0.843 ***	0.763 ***	1.115 ***	1.266 ***
	(0.036)	(0.078)	(0.044)	(0.104)
College	1.046 ***	0.688 ***	1.436 ***	1.397 ***
	(0.042)	(0.093)	(0.050)	(0.115)
Advanced Degree	0.910 ***	0.848 ***	1.500 ***	1.706 ***
	(0.054)	(0.122)	(0.059)	(0.136)
MSA Fixed Effects	YES	YES	YES	YES
No of Obs	302247	48822	298532	48256
Pseudo R-squared	0.121	0.131	0.148	0.182

Note: The full sample consists of All MSA residents greater than or equal to the age of 18. To keep the native
and immigrant samples comparable, some of the MSAs are dropped where MSA fixed effects
cannot be estimated separately for the immigrant sample due to a lack of observations.
Logit models with the fixed effects at MSAs level are used and the standard errors are corrected for
 clustering at the individual level.
The dependent variable is equal to one if the respondent had a saving account or checking account (interest
bearing) during the interview period in question and is zero otherwise.
All regressions include a constant term, age as linear and square terms, per capita income as linear and square
terms, marital status, male, non-white, labor force status, number of kids, and schooling dummies.
The omitted education category is less than high school.
*** indicates significance at at least the 1% level, ** at at least the 5% level, * at at least the 10% level.

Appendix II: Top-25 MSAs (Based on Population)

Metropolitan Statistical Area	% Foreign Born (1990 U.S. census)	Imm Pop 90	% Foreign Born (SIPP 1996 Sample)	Largest Ethnic Concentration Country 1	Ethnic Conc1	Country 2	Ethnic Conc2
New York-Northern New Jersey-Long Island, NY	22.65%	3260551	18.84%	Italy	1.62%	Dominican Republic	1.57%
Los Angeles-Riverside-Orange County, CA	32.98%	2905552	39.03%	Mexico	13.46%	El Salvador	2.00%
Chicago-Gary-Kenosha, IL-IN-WI	15.01%	753332	15.48%	Mexico	4.22%	Poland	1.35%
San Francisco-Oakland-San Jose, CA	23.62%	1164254	29.97%	Mexico	4.37%	Philippines	3.32%
Washington-Baltimore, DC-MD-VA-WV	10.95%	500004	13.00%	El Salvador	0.82%	Korea	0.70%
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	6.32%	271774	6.46%	Italy	0.57%	Germany	0.51%
Detroit-Ann Arbor-Flint, MI	6.66%	242155	7.09%	Canada	1.14%	Italy	0.50%
Boston-Worcester-Lawrence, MA-NH-ME-CT	12.77%	435377	13.22%	Canada	1.34%	Italy	1.02%
Dallas-Fort Worth, TX	9.41%	265538	14.72%	Mexico	4.28%	Vietnam	0.59%
Houston-Galveston-Brazoria, TX	14.83%	389256	18.46%	Mexico	6.40%	El Salvador	1.09%
Miami-Fort Lauderdale, FL	39.06%	958188	41.98%	Cuba	17.32%	Colombia	2.13%
Seattle-Tacoma-Bremerton, WA	9.31%	203895	14.29%	Canada	1.16%	Philippines	1.02%
Atlanta, GA	4.80%	100422	9.15%	Korea	0.41%	Germany	0.34%
San Diego, CA	19.51%	367263	27.30%	Mexico	8.03%	Philippines	2.75%
Anaheim-Santa Ana-Garden Grove, CA	27.55%	502450	\	Mexico	11.38%	Vietnam	2.68%
Minneapolis-St. Paul, MN	4.37%	78899	6.53%	Laos	0.62%	Canada	0.31%
St. Louis, MO-IL	2.56%	45894	2.92%	Germany	0.31%	Italy	0.16%
Cleveland-Akron, OH	5.94%	105152	3.97%	Yugoslavia	0.78%	Italy	0.46%
Tampa-St. Petersburg-Clearwater, FL	8.37%	137736	8.00%	Canada	1.06%	Cuba	1.01%
Pittsburgh-Beaver Valley, PA	2.95%	47556	3.48%	Italy	0.47%	Germany	0.39%
Phoenix, AZ	8.64%	134719	11.61%	Mexico	3.59%	Canada	0.76%
Denver-Boulder-Greeley, CO	6.31%	93315	8.97%	Mexico	1.61%	Germany	0.57%
Cincinnati-Hamilton, OH-KY-IN	2.34%	29902	1.67%	Germany	0.44%	India	0.17%
Milwaukee-Racine, WI	4.40%	51816	8.79%	Germany	0.70%	Mexico	0.51%
Sacramento-Yolo, CA	12.00%	131261	20.95%	Mexico	2.74%	Philippines	1.00%

Note: The Census sample consists of all MSA residents greater than or equal to the age of 18 in Census 1990 1% Sample.

The SIPP sample consists of all MSA residents greater than or equal to the age of 18 in the wave 2 of 1996-2000 SIPP Panel.