

WHAT'S NEW WITH KIDS?

Economic Rewards or Penalties Imposed by English

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Many people might be surprised by the idea that “language,” a simple and ancient concept, remains a worthy topic for discussion in the twenty-first century. Communication dates back to the beginning of time. Petroglyphs, considered a form of prewriting, date as far back as 27,000 years. But as simple as this concept might sound, communication through language is a skill that not everyone has the opportunity to master. It is an important skill to master because of the positive correlation between language proficiency and wages.

This *Newsletter* summarizes an economics paper on English language proficiency and wages of immigrants, presents data on English Language Learners (ELLs) in Nevada, and discusses the importance of English language skills.

Relationship between Language Skills and Wages

Research shows that English language proficiency is a significant observed determinant of wages in the United States. In a 1990 research article, Rivera-Batiz proposed that English language deficiency limited immigrants' earnings by blocking their entry into mainstream jobs and impeding their upward job mobility, further suggesting that language proficiency was correlated with wages. To support his theory, he analyzed data from the 1985 National Assessment of Education Progress (NAEP) Young Adult Literacy Assessment survey. The survey used a test-based method to measure the reading levels of all participants whose ages ranged between 21 to 25 years and proceeded by collecting their essential background information. The test scores ranged from 0-500, with 500 being the highest reading score. Five reading levels were associated with the reading scores: 150-improved skill, 200-basic skill, 250-intermediate skill, 300-adept skill, and 350-advanced skill.

In his study, Mr. Rivera-Batiz estimated human capital wage equations for 148 foreign-born U.S. students and 93 second-generation U.S. students (with a foreign-born parent). The first regression model looked at the relative level of impact on earnings attributable to each of the following factors: years of schooling, years of on-the-job experience, vocational training, region of residence, and time spent in the United States.² Rivera'-Batiz's second equation looked at

¹As discussed in Rivera' Batiz's paper, some economists argue that increases in immigrant wages over time are independently attributed to time immigrants spend in the United States through assimilation process, that is, immigrants associate with people who could assist them in their job market search.

²Years of schooling: to differentiate between the returns to high school and college education; vocational training: to incorporate the effects of nonacademic skills on wages; and region of residence: to acknowledge geographical wage differentials.

the possible contribution of reading proficiency in the variation of earnings of individuals in conjunction with the first set of explanatory variables

Rivera-Batiz found that both wage and English NAEP score increased as length of time spent in the United States increased (see table). Immigrants who had lived in the United States for more than 10 years, on average, earned about \$7 an hour and had an English reading proficiency score of 288. In contrast, immigrants who had lived in the United States for less than five years earned, on average, slightly more than \$5 an hour and had a reading proficiency score of 192. The former immigrants' language skills would be considered almost adept; whereas, the latter's skills would be nearly basic.

Wages and NAEP Reading Scores by Time in the United States

<i>Variable TimeUS</i>	<i>Wage</i>	<i>English Score</i>
Less than 5 years	\$5.36	192
6 to 10 years	6.24	202
Over 10 years	7.03	288

Source: Rivera-Batiz, Francisco L. (1990). English Language Proficiency and the Economic Progress of Immigrants. *Economics Letters*, (34), 295-300. Retrieved from http://ac.els-cdn.com.ezproxy.library.unlv.edu/016517659090134M/1-s2.0-016517659090134M-main.pdf?_tid=7e2c9b18-b129-11e3-a7ce-00000aab0f01&acdnat=1395427932_426cb7e563db180157038c7b936c787c.

When Rivera-Batiz included reading levels in the second regression analysis, the significance of the variable that measured time spent in the United States was diminished. This suggested that higher English proficiency was the primary explanation for the growth in immigrants' earnings. As their stay in the United States increased so did their English proficiency. The reading skills/earnings relationship quantified an improvement in English reading scores of one standard deviation (74-76 points), which would raise wages by 13.5 percent among men and 20.5 percent among women, holding all other variables constant.

Nevada's English Language Learners

Nearly 15 percent of Nevada's student population is ELLs (Nevada Department of Education, 2012-2013) and 33 percent speaks a language other than English at home (Population Reference Bureau 2012; as retrieved from the KIDS COUNT Data Center). ELLs lag in academic performance in comparison to their peers. In Nevada, 90 percent of fourth grade ELLs in Nevada scored below proficiency in reading on the NAEP test compared with 69 percent of English proficient students (Institute of Educational Sciences [IES]). An overwhelming 98 percent of eighth-grade ELLs scored below proficiency in reading on the NAEP in 2011 (IES, 2012; as cited in Horsford et al., 2013). The corresponding figure for non-ELLs was 71percent (IES, 2013; as cited in Horsford et al., 2013).

The struggles of ELLs in the classroom are reflected in lower graduation rates. In 2011, the overall graduation rate for Nevada was 62 percent, which is much higher than the 29 percent for ELLs (U.S. Department of Education, 2012).

Students who do not graduate from high school will more likely be unemployed and earn less over their lifetimes than students who graduate from high school. The 2012 unemployment rate

for someone 25 years of age or older without a high school diploma was almost three times the unemployment rate for someone in the same age group who had a bachelor's degree (Bureau of Labor Statistics, 2013). The salary variance between workers with different educational backgrounds is also immense. Someone without a high school diploma can expect to have lifetime earnings of approximately \$298,000 in comparison to the expected lifetime earnings of \$1.653 million for someone with a professional college degree (Brown and Drury, 2011, p.3).

Conclusion

Research shows that reading proficiency is correlated with wages. Language deficiency may contribute to economic insecurity and have long-lasting detrimental effects on families.

Policymakers in Nevada have acknowledged the importance of English language skills. In 2013, Governor Brian Sandoval signed Bill 504, which allocates additional funding for ELL programs in Nevada. A total of \$50 million will be distributed within Nevada elementary schools in a two-year period. The result should be a more qualified work force for Nevada.

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Prepared by Olga de la Cruz
Graduate assistant in economics