Do past wealth gaps explain modern inequality? Evidence from immigration to the United States

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Abstract

Recent studies document persistent racial wealth inequality in the United States, often attributing modern disparities to historical differences. But inferring the determinants of long-run racial wealth inequality with aggregated data is complicated by the fact that 30 million European immigrants arrived in the late 19th and early 20th centuries with no direct claim to the wealth accumulated by earlier generations of Americans. Drawing on government data, I find that immigrants arrived with few assets, far behind the native-born population. Yet survey evidence reveals that by the late 20th century, their descendants achieved wealth parity with earlier arriving white ethnic groups. Using a stylized model, I show that this rapid convergence can be explained mostly by immigrants' income growth and plausibly higher savings rates. These findings indicate that initial differences in wealth matter less for long-run outcomes than previously suggested. The results also underscore the central role of race in shaping inequality, consistent with faster economic convergence within than across racial groups.

Keywords: wealth inequality, intergenerational wealth transmission, immigration

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1 Introduction

In recent years, economists have increasingly focused on understanding wealth accumulation and addressing wealth inequality (Piketty & Zucman, 2014; Saez & Zucman, 2016). Group differences in wealth across regions (Dray et al., 2023) and racial groups (Collins & Holtkamp, 2025; Derenoncourt et al., 2023, 2024; Feir et al., 2024), for example, are highly persistent, with wealth converging more slowly than income. Some research suggests that this pattern is explained by intergenerational wealth transfers—wealth begets wealth—such that historical wealth disparities become a key driver of long-run inequality (Blau & Graham, 1990; Derenoncourt et al., 2024; Hamilton & Darity, 2010; White, 2007). As Darity et al. (2018, p. 3) summarizes, "[W]ealth is built primarily by the transfer of resources across generations, locking-in the deep divides we observe across racial groups."

This paper reconsiders wealth accumulation in the United States by accounting for the 30 million Europeans who immigrated during the Age of Mass Migration, roughly 1850 to 1924. With such a large demographic shift, modeling long-run wealth accumulation while treating whites as a homogeneous group can obscure important variation in starting wealth and accumulation patterns. To address this, I examine intraracial wealth dynamics by documenting patterns of wealth accumulation among European immigrants and their descendants. I then consider how treating whites as a single group affects our understanding of the determinants of wealth accumulation in light of this analysis.

I begin by establishing three key facts. First, using IPUMS census data, I show that by 1920, nearly half of white adults were either foreign-born or had foreign-born parents. This represents a dramatic compositional change. These newcomers had no direct claim to the wealth accumulated by earlier generations of white Americans, yet they are implicitly assumed to share in the inheritance of that wealth in models that treat whites as one group.

Second, using the United States Immigration Commission Reports (commonly known as the Dillingham Commission Reports), I document that immigrants at the turn of the 20th century, especially from Southern and Eastern Europe, arrived with very little wealth,

typically close to none. Data from Canada corroborate these findings (Armstrong & Lewis, 2017). Together with the first fact, this establishes that a large share of the white population began their American experience without inherited wealth.

Third, using the Survey of Income and Program Participation (SIPP) and National Longitudinal Survey of Youth (NLSY79), I find no significant difference in wealth across white ethnic groups by the late 20th century, regardless of whether their reported ancestry traces to old or new immigrant groups. Northwestern Europeans comprised the overwhelming majority of early immigrants, dating back to the initial European settlement of North America, while Southern and Eastern Europeans predominated at the turn of the 20th century. Without data on ancestors' arrival dates, one would expect those of Southern and Eastern European ancestry to have less wealth than those of Northwestern European ancestry if initial wealth influenced long-run accumulation, since their families arrived later and started at a disadvantage. In fact, they do not.

This result is not driven by misreporting or mixed ancestry: new white ethnic groups consistently and accurately self-identified (Farley, 1991; Johnson, 1974), and intermarriage with old white ethnic groups was initially rare (Pagnini & Morgan, 1990). The respondents to the SIPP, and to an extent the NLSY, were born during or shortly after the Age of Mass Migration, so a lack of knowledge about Southern or Eastern European ancestry, as well as significant intermarriage, are unlikely to be important. Moreover, one of the largest newcomer groups, Jews, can be more reliably identified due to their distinct ethnoreligious identity and historically low rates of intermarriage (Schwartz, 1970), and they are now among the wealthiest groups in the United States. In any case, the results are robust to excluding households with spouses of different ancestral groups, to capturing mixed ancestry with a continuous measure, and to directly comparing immigrants with the native-born.

Next, I consider wealth accumulation among native- and foreign-born white Americans using a stylized model adapted from Derenoncourt et al. (2024). To model comparable wealth-accumulating conditions, I assume identical capital gains rates. For simplicity, I

assume that immigrants did not face a wage penalty, recognizing that while some groups fared worse, others—including Southern and Eastern Europeans—often performed better in the labor market (Abramitzky et al., 2014). However, I incorporate a higher savings rate for immigrants, informed by an estimate from Haines (1985). The resulting simulation shows that the wealth gap between native- and foreign-born populations is largely closed by the late 20th century. Thus, the rapid progress of these new white groups can plausibly be explained by labor market assimilation and higher savings rates, such that the initial wealth disadvantage does not lead to persistent inequality. These findings indicate that initial group differences in wealth are less important for long-run outcomes than previously suggested.

By treating immigrants separately from native-born whites, this approach reframes the prevailing understanding of wealth convergence in the United States. Using a stylized model that requires wealth to accumulate separately by race, Derenoncourt et al. (2023, 2024) argue that racial wealth convergence was not possible even under identical wealth-accumulating conditions because of the enormous difference in wealth between Black and white Americans on the eve of the Civil War. Yet the 150-year period of slow interracial convergence coincided with complete intraracial convergence among white ethnic groups. In other words, the slow progress identified by Derenoncourt et al. conceals an underlying period of rapid progress. It is difficult to reconcile this finding with their conclusion that initial wealth gaps are the primary cause of persistent inequality, especially since Europeans arrived with wealth comparable to, or even less than, that of Black Americans. In this sense, this paper aligns indirectly with recent studies of intergenerational mobility that find considerable turnover in wealth rankings (Kalsi & Ward, 2025; Sutch, 2016).

At the same time, the rapid convergence achieved by new whites underscores the central role of race in shaping inequality in the United States. This interpretation aligns with Hao (2004), who shows that wealth is primarily stratified by race and ethnicity, rather than by nativity. Assimilation occurs along these dimensions: white immigrants converge in income towards native-born whites, etc. (Villareal & Tamborini, 2018). Economic outcomes

converge much faster within racial groups than across them (Haines & Goodman, 1991; Ward et al., 2025). Economic opportunities have long been stratified by race, and a large initial wealth gap can be closed when the less-wealthy group has access to comparable opportunities. European immigrants certainly faced adversity, but from the outset they had access to economic opportunities unavailable to Black Americans (Collins, 1997). This nuance helps clarify the underlying mechanisms driving wealth inequality in the United States.

This emphasis on factors other than initial wealth in explaining group trends in wealth accumulation is consistent with recent studies suggesting that inheritances and wealth shocks are less important than is commonly assumed. In Sweden, the average heir depletes their inheritance within a decade (Nekoei & Seim, 2023). The effects of extreme negative wealth shocks—such as the Chinese Communist Revolution (Alesina et al., 2021) and Emancipation in the American South (Ager et al., 2021)—have been transitory, with the old patterns of inequality quickly reemerging. Likewise, large positive wealth shocks may have no effect on the wealth of the second generation (Bleakley & Ferrie, 2016). Simply put, the initial wealth is of little importance. Despite a strong correlation of wealth across six generations of English families, there is no causal connection between past and present wealth, as wealth mainly derives from sources other than inheritance (Clark & Cummins, 2025). Bequests matter less than other channels of wealth transmission, such as education and parental behaviors passed down to children (Daysal et al., 2023; Pfeffer & Killewad, 2018). Consistent with this paper, several studies find that racial income differences explain most of the racial wealth gap, while intergenerational transfers contribute little (Aliprantis et al., 2022; Altonji & Doraszelski, 2005; Barsky et al., 2002; İmrohoroğlu et al., 2025; Sabelhaus & Thompson, in press).

This paper also builds on an extensive literature documenting the economic assimilation of European immigrants during the Age of Mass Migration. Lieberson (1980) highlights how immigrants from Southern, Central, and Eastern Europe were "largely unskilled, minimally educated, poor, [and] relegated to undesirable jobs and residences" yet quickly caught up to the earlier-established white population (p. 1). Immigrants tended to be

negatively self-selected from their countries of origin (Abramitzky et al., 2012; Connor, 2019), and household wealth discouraged migration (Abramitzky et al., 2013). Despite difficult starts, some immigrant cohorts experienced intragenerational income convergence with natives (Collins & Zimran, 2023), and certain groups—including those from Southern and Eastern Europe—fared well relative to natives as soon as they arrived (Abramitzky et al., 2014). Importantly, intergenerational upward mobility was been higher for immigrants from nearly every sending country compared to natives (Abramitzky et al., 2021), and there is strong evidence of intergenerational convergence (Collins & Zimran, 2019). By the second generation, European immigrants caught up to native-born whites in educational attainment, and by the third generation, they surpassed them (Lowrey et al., 2021).

2 Demographic change driven by immigration

Analyses of long-run wealth accumulation in the United States necessarily depend on aggregated data (Derenoncourt et al., 2023, 2024; Dray et al., 2023; White, 2007). Historical wealth data are often difficult to obtain, and available sources, such as state tax reports, lack microdata or disaggregated measures of property. Recent pioneering efforts to construct long-run trends have provided valuable insights into wealth distribution across time, regions, and groups, but their aggregation can obscure important dynamics.[1]

In particular, understanding the determinants of wealth accumulation is challenging in the context of mass immigration, which brings about a substantial change in the composition of the population. For instance Derenoncourt et al. (2024) model wealth accumulation according to Saez & Zucman (2016) but require Black and white wealth to grow independently. The framework emphasizes three distinct factors: (1) initial conditions, (2) savings-induced wealth accumulation, and (3) capital gains. Specifically, average wealth for each group evolves according to

[1]Dray et al. (2023) discuss migration and its effect on spatial wealth convergence, but they do not observe immigrant wealth directly.

$$W_{t+1}^j = (1+q^j)[W_t^j + s^j Y_t^j], \quad \text{with } Y_t^j = (1+g^j)Y_{t-1}^j \tag{1}$$

where W_t^j is the real per capita wealth of group j at time t. $j = \{b, w\}$ represents the two racial groups (b for Black, and w for white). q^j is the capital gains rate, and s^j is the savings rate. Y_t^j is per capita income, which grows at rate g^j.

By design, wealth is passed down from one time period to the next within each group. The model abstracts from generational dynamics, but a reasonable interpretation is that wealth is bequeathed to future generations: whites at time t inherit the wealth from time $t-1$. Of course, this model intentionally simplifies wealth accumulation, but a process where parents pass on wealth to their children is plausible.

The problem with this approach is that a large share of white Americans' ancestors were not yet in the US—they were still in Europe. There is no obvious mechanism for transferring wealth to immigrants comparable to intergenerational wealth transfers. Intermarriage is a plausible mechanism for integration and wealth-sharing, but it does not occur instantaneously, and marriages between old and new white ethnic groups were initially extremely rare (see Section 4.3). While it may be reasonable to assume that white immigrants and their descendants eventually integrated into white society and benefited from similar wealth-accumulating conditions, it is less justifiable to attribute pre-established wealth to newcomers. In any case, allowing for such integration would require incorporating European immigrants and their wealth into the model prior to their arrival in the United States.

Immigration occurred on a scale too large to ignore when modeling intergenerational wealth accumulation. The United States was by far the leading recipient of European immigrants during the era commonly known as the Age of Mass Migration, taking in nearly two-thirds, or 30 million people (Hatton & Williamson, 1998). As Bandiera et al. (2013, pp. 23-24) write, "These individuals are those who laid the foundations for modern America—there are an estimated 100 million living descendants of... Ellis Island immigrants today." At least half of the entire US population can trace its ancestry to immigrants who

arrived during the Age of Mass Migration (Abramitzky & Boustan, 2022).

Figure 1a shows the number of immigrants entering the United States each year from 1820 to 1940. These data exclude Europeans who arrived earlier, but the Age of Mass Migration (roughly 1850-1924) stands out as the peak period of European immigration. Treating long-settled Americans and newly arriving Europeans as a single group hides this large influx of newcomers with no claim to the wealth held by the existing population.

Figure 1b highlights the dramatic shift in source countries over time, using the classifications adopted throughout this paper: old (Northwestern) and new (Southern and Eastern) Europe. This distinction between "old" and "new" source countries is well-established in the historical literature and was used by the Dillingham Commission. Although there is overlap in timing, immigrants from the new source countries generally arrived much later.

Notably, old stock Americans also originated from the countries classified as "old," especially Britain and Germany, and arrived before the period depicted in these figures. An analysis of surnames in the first census in 1790 suggests that 83.5% of whites were of English descent, 6.7% Scottish, and 5.6% German (United States Bureau of the Census, 1909). By the time of the Civil War, the ethnic composition of the white population had changed little, except for an increase in the share from Ireland. In the 1860 Census, 13% of the population was foreign-born, of whom about 39% were Irish, 31% German, and 14% British (Gibson & Lennon, 1999). Only 1% of the foreign-born population had been born in Southern or Eastern Europe, equivalent to just 0.2% of the total white population.

How consequential is the issue of mass migration for the wealth accumulation model? There is no straightforward method for measuring this, as censuses do not provide data on the birthplaces of ancestors beyond parents. Instead, a simple approach is to examine the adult population of the United States near the end of the Age of Mass Migration. Figure 2 shows the nativity of white individuals aged 50 in the 1920 census. Age 50 is a useful benchmark because foreign-born individuals in this cohort arrived during the Age of Mass

Migration, and those with foreign-born parents likely had parents who arrived then too. Older cohorts possibly had foreign-born parents may have arrived earlier, while younger cohorts could include third-generation Americans whose grandparents arrived during the Age of Mass Migration. Either scenario would underestimate the true scale of the change. In any case, expanding the age range does not qualitatively alter the results (see Figure A1). Age 50 is also a useful cutoff because it avoids overstating the immigrant share of the population by excluding individuals who later returned to their home countries; most return migration occurred at younger ages (e.g., 71% by age 45 in Ward (2017)).

In 1920, only about half (50.8%) of white 50-year-olds were native-born with both parents also native-born. I assume that they are direct descendants of those present in the United States before the Age of Mass Migration. Another 5.5% were native-born with one native-born parent and one foreign-born parent. For simplicity, I attribute half of this group to those present in the United States in 1850. In addition, 28.9% were foreign-born, and 15.5% were native-born with two foreign-born parents. I group these individuals together as not descending from whites present in 1850. Thus, a back-of-the-envelope calculation suggests that 47% of white adults are not attributable to the stock of whites in 1850. Since these adults gave rise to future generations of Americans, we can say that by the early 20th century, just under half of the white population did not descend from those present around the time of the Civil War.[2] This represents, without exaggeration, a seismic demographic change, making it difficult to infer wealth accumulation by assuming intergenerational bequests within a homogeneous white group, even in a highly stylized model.[3]

[2]This figure is comparable to an estimate of the foreign stock of the US population in 1920 (34.7%) which is calculated based on the entire population and excludes third- and later-generation individuals from the foreign stock, even if their families had arrived relatively recently (Gibson & Jung, 2006). It is even closer to Angrist (2002), who finds that the "foreign stock" among young adults exceeded 40%.

[3]In a broader sense, the problem is even larger. Since 1920, more than 10 million European immigrants have arrived in the United States, along with millions from Canada, Australia, and New Zealand, who were presumably mostly also of European descent (US Department of Homeland Security, 2013).

3 Immigrants' initial conditions

Clearly, there was a major compositional change in the white population, but the key question now is whether this affects inferences about initial conditions and wealth convergence. Specifically, did white immigrants differ significantly in terms of wealth upon arrival? In an ideal scenario, European arrivals would resemble their native-born counterparts, allowing them to be seamlessly integrated into both the numerator and denominator without altering the group's average wealth. Although an implicit assumption of intergenerational wealth transfers would not strictly hold, models are not intended to perfectly capture reality, and immigrants would still benefit from the same wealth conditions.

Wealth data are scarce, particularly in historical contexts. Therefore, the compilation of long-term wealth estimates represents major contributions by Derenoncourt et al. (2023, 2024) and Dray et al. (2023), who lay the foundation for understanding wealth dynamics over time. Unfortunately, their sources do not disaggregate wealth by nativity, making it difficult to distinguish between the wealth of established Americans and newcomers. According to Derenoncourt et al., microdata are not readily available for the period 1870 to 1950, which encompasses most of the Age of Mass Migration. To my knowledge, state tax reports do not provide separate property valuations for foreign- and native-born individuals.

Instead, I use data on the cash declared by immigrants upon arrival, as documented in the Dillingham Commission Reports. These data provide a highly informative measure of immigrants' wealth. While the law did not mandate a minimum financial requirement for immigrants, their financial resources significantly influenced their admissibility, as those deemed likely to become a public charge were barred from entering. A 1893 immigration law required steamship manifests to indicate whether each alien possessed $30, and if less, the exact amount. A 1903 law raised the threshold to $50. Therefore, although the recorded aggregate amounts do not reflect all money possessed, "[i]t seems probable. . . that the figures fairly represent the amount possessed in most cases where the money shown is less than the

[threshold]..." (United States Immigration Commission, 1911, p. 103).[4] For this reason, I first evaluate the share of immigrants below the threshold rather than money per capita.

Aside from possibly some jewelry, immigrant wealth can reasonably be proxied by their cash holdings. By assumption, immigrants arrived with no US real estate, and real property alone accounted for 42% of total wealth in 1860 (Derenoncourt et al., 2024). According to the 1870 census, personal property includes "bonds, stocks, mortgages, notes, live stock, plate, jewels, or furniture; but exclusive of wearing apparel."[5] Given the notoriously crowded conditions on steamships, immigrants could not have arrived with many physical possessions. Stocks and bonds from the European periphery were presumably of limited value. In short, immigrants arrived with few assets beyond cash.

Table 1 displays the share of immigrants possessing less than $30 (1899-1903) and less than $50 (1904-1910) across various groups. The new arrivals tended to be poor.[6] The two largest groups, Jews and Southern Italians, were no exception: of the individuals who showed money, 87.1% of Jews and 93.1% of Southern Italians had less than $30. Adjusted for inflation, this amounts to $1,050 in 2024. In the later period, 88.2% of Jews and 94.6% of Southern Italians had less than $50 ($1,680 in 2024).

According to the Dillingham Commission Report (1911, p. 179), for Southern and Eastern Europeans, "the total amount shown by immigrants... is probably a close approximation of the total amount in their possession on admission to the United States," since the vast majority fell below the reporting threshold. Table 1 also reports the average cash holdings of Southern and Eastern European immigrants at arrival from 1899 to 1910. These figures further demonstrate that the new immigrants were very poor. Even in the most favorable light, where the average is computed based only on the number of people who showed money,

[4]The source of the data, the Dillingham Commission Reports, use these figures to describe immigrants' financial condition, as does Lieberson (1963, 1980).

[5]See https://usa.ipums.org/usa-action/variables/PERSPROP.

[6]To avoid confusion, I only include Southern and Eastern Europeans in Table 1. However, as a simple quality check, it is worth noting that the patterns in cash holdings across countries in the Dillingham Commission Report, as in the Canadian data that follow, align with the broader economic development trends in Europe at the time: Britons and Germans were more likely to exceed the specified amount compared to those from the poorer periphery.

Jews arrived with just $29 ($979 in 2024 dollars), and Southern Italians with $17 ($574). For reference, $30 was roughly two weeks' wages in the United States. Assuming that individuals who did not show money had none, as they were generally children or other dependents, the average declines to $13 ($433 in 2024) for Jews and $13 ($449) for Southern Italians.

Canadian immigration records offer an alternative source of information, based on the reasonable assumption that immigrants to Canada and the United States coming from the same home countries were broadly similar. Notably, a 1925 Canadian law required immigrants to declare their cash holdings upon arrival, providing more reliable data on average holdings than comparable American records. Table A1 of the appendix displays the mean cash on arrival for several groups of European immigrants to Canada from 1925 to 1929, based on Armstrong & Lewis (2017). These immigrants, too, were very poor. Immigrants from Italy and Poland, both major sources of American immigration, arrived with an average of $75 and $46 ($1,370 and $840 in 2024 dollars), respectively.[7]

One concern with interpreting these figures as initial conditions is that around 30% of migrants moved back to Europe, and return migrants tended to be negatively self-selected from the pool of immigrants (Abramitzky et al., 2014; Abramitzky & Boustan, 2017; Ward, 2017). However, even in the unlikely extreme scenario in which all eventual return migrants had arrived in the United States with no money, the conclusion would remain that migrants were poor. That is, if we adjust the Canadian figures based on that assumption, the average Italian would have arrived with $107 ($1,950 in 2024) and the average Pole would have arrived with $65 ($1,190).[8] To put these figures in perspective, per capita Black wealth in 1904 was about $4,000 in 2024 dollars and $6,190 in 1929 (Derenoncourt et al., 2024).

These findings are consistent with Dray et al. (2023), who examine the history and geography of wealth accumulation in the United States since the early 1800s and conclude that migration tends to reduce spatial inequality. While wealthier regions attract

[7]Canadian dollars were on par with US dollars in these years.

[8]Note that the corresponding US figures in Table 1 require no such adjustment, as the rightmost column includes only individuals who reported money in the denominator.

more migrants, newcomers typically arrive with lower wealth, diluting per capita wealth: "Immigrants and settlers arriving in the US were usually not bringing large amounts of physical property and capital" (p. 19). Immigrants' poverty is perhaps not surprising, given that data collected by the Ellis Island Foundation shows that 44 percent of immigrants reported escaping financial hardship as their reason for coming to America, while 34 percent cited joining family members (Abramitzky & Boustan, 2022), probably in large part following those who came for financial reasons.

Other studies similarly find that immigrants possess less wealth on average than those born in the United States. Today, the median US-born single has roughly three times the wealth of their foreign-born counterparts, primarily due to immigrants from poorer countries (Cobb-Clark & Hildebrand, 2006). In 1860 Boston, controlling for age and occupation, immigrants held significantly less wealth than natives (Herscovici, 1993). This pattern was generally true in the East but not in the Midwest (Conley & Galenson, 1998). However, the latter finding does not necessarily reflect wealth at the time of arrival, as early censuses did not record the year of immigration; immigrants accumulated wealth rapidly, with their real wealth growing by 10 percent per year of residence between 1840 and 1860 (Ferrie, 1994).

4 Convergence among old and new immigrant groups

Wealth studies typically do not differentiate between various groups of white Americans, likely in part because the descendants of Europeans from the Age of Mass Migration are assumed to have successfully assimilated. According to Lieberson (1980, p. 1), "By all accounts, their education, occupations, and incomes are all presently close to—or even in excess—of white Americans from the earlier Northwestern European sources." Nevertheless, it is possible that initial differences in wealth contributed to a wealth gap between the descendants of earlier and later groups of European immigrants.

To explore this issue, I use data from two surveys: the Survey of Income and Program

Participation (SIPP) and the National Longitudinal Survey of Youth (NLSY79). I divide whites into "old" and "new" ancestry groups according to Lieberson's (1980) classification, defined below. The analysis relies on self-reported ancestry, which has been used prominently in economics research (e.g., Algan & Cahuc (2010), Borjas (1992, 1994), Galor & Wainstock (2025), Guiso et al. (2006)).

4.1 Survey of Income and Program Participation

The Survey of Income and Program Participation (SIPP) is a nationally representative, household-based longitudinal survey conducted by the US Census Bureau. It collects detailed information on income dynamics, employment, household composition, and participation in government programs. In select years, topical modules also provide data on assets and liabilities. The SIPP began in 1983 and continues to the present with new panels introduced periodically. It is well-suited for measuring wealth among small groups due to its large sample size, which ranges from 11,400 to 19,916 households per panel in the sample years used, 1984 to 1993. However, the very wealthy are underrepresented in the SIPP (Hao, 2007), making it more useful for studying the middle class (Wolff, 1998).[9] Hence, I examine median wealth in addition to mean wealth.

Due to the constraints of the SIPP questionnaire, the old European ancestry group includes Dutch, English, French, German, Irish, Norwegian, Scottish, Swedish, and Welsh, while the new European ancestry group comprises Italian, Polish, Russian, and Ukrainian. All other ancestral groups are excluded from the regressions.[10] Table 2 presents summary statistics for the relevant sample. Immigrants arriving after the 1920s are excluded.

[9]The Survey of Consumer Finances (SCF), by contrast, does not report ancestry and is too small for disaggregated analysis of most population subgroups.

[10]Of white respondents, 50.1% are coded as "Another group not listed," 2.2% as "Don't know," and 7.0% as other ethnicities such as Cuban. The large share in "Another group not listed" partly reflects those reporting "American" ancestry (10.6% in NLSY79), especially old stock British descendants in Appalachia and the South. Others may have reported vague or multiple ancestries (e.g., Eastern European or German-Irish). These responses do not pose obvious concerns, though in a robustness check I include them in the reference group, as they may be more likely of mixed ancestry and longer US residence (see Table A2).

Once again, this classification of "old" and "new" immigrant groups is standard in the literature (e.g., Lieberson (1980)) and appears in the Dillingham Commission Reports (United States Immigration Commission, 1911). The SIPP data support this distinction: members of the "new" group are 2.5 times more likely to have been born outside the United States than those in the "old" group, and nearly four times more likely to have immigrant parents. Overall, 51.4% of the new group is of foreign origin—that is, either born outside the United States or born to immigrant parents, with individuals having only one immigrant parent counted as one-half foreign—compared to 13.3% of the old group.[11]

Figure 3a presents kernel density estimates of household wealth (in 2024 dollars) by ancestry, using SIPP data pooled from 1984 to 1993. The inverse hyperbolic sine transformation is applied to facilitate visualization of the highly skewed distribution. The similarity in wealth distributions between old and new European ancestry groups is striking, especially when contrasted with the distributions for ethnic minorities (Black, Cuban, Mexican, and Puerto Rican). The visual evidence points to convergence in wealth among white ethnic groups by the 1980s and early 1990s. Figure 3b provides a complementary comparison using box plots. The same pattern holds: white ancestral groups exhibit nearly identical wealth distributions, especially when compared to other ethnic groups.

Based on a preliminary visual assessment, there appears to be little difference between new and old white ancestral groups. Table 3 formally compares these groups using regression analysis, controlling for the age, age squared, and marital status of the household's reference person, along with survey year fixed effects. The results show that the new group has *greater* wealth, a difference that is statistically significant at the 1% level (column 1).[12] The difference is positive and marginally significant when the dependent variable is transformed using the inverse hyperbolic sine (column 2). The quantile regression (column 3) indicates that the new group has a higher median net worth by $18,500 (in 2024 dollars), significant at

[11] Data on parents' birthplace in the SIPP are available only for 1985, so it is not possible to directly observe and compare families that arrived earlier with those that came later.

[12] Including state fixed effects renders the difference statistically insignificant, suggesting that location choice explains much of immigrants' relative success (results not shown).

the 1% level. For reference, the median household wealth of the included sample is $179,850. Quantile regressions across the wealth distribution show that the new group has significantly higher net worth than the old group from the 20th percentile onward (see Figure A2).

Disaggregating the new group, the last three columns show that Americans of Russian descent are significantly wealthier than the reference group, both on average and at the median. Those of Italian and Ukrainian descent also have a significantly higher median net worth, while individuals of Polish descent are statistically indistinguishable from the reference group. All results are robust to including white respondents in the reference group who answered "Don't know" or "Another group not listed" for their descent (see Table A2).[13] Although net worth is conceptually a household measure, the results are also robust when using per capita net worth as the dependent variable, calculated by dividing household net worth by the number of members (see Table A3). These results reinforce the visual patterns described above and support the conclusion that descendants of later-arriving groups have converged with those of earlier arrivals.

4.2 National Longitudinal Survey of Youth

The NLSY79 is a nationally representative sample of young men and women born between 1957 and 1964 and living in the United States in 1979. The initial sample included an intentional oversampling of Hispanic individuals, economically disadvantaged non-Hispanic, non-Black participants, and military youth. The military sample was discontinued after 1984, while the economically disadvantaged non-Hispanic, non-Black group was removed after 1990. After these groups were excluded, the survey included 9,964 eligible participants. Data collection occurred annually between 1979 and 1994 and on a biennial basis thereafter.

Net worth estimates are derived from self-reported assets and liabilities and are top-coded. I focus on net worth in 2020, the last year of available data, by which time survey respondents were nearing retirement and likely had received any inheritances. Importantly, the results

[13] This may be important since Americans whose families have been in the United States longer may know less about their ancestry and/or have mixed ancestry.

are consistent across various years of analysis, helping to alleviate concerns about attrition bias (see Figure A3). Due to the constraints of the NLSY79 questionnaire, the old European ancestry group includes American, English, French, German, Irish, Scottish, and Welsh, while the new European ancestry group comprises Greek, Italian, Polish, and Russian.[14] All other ancestral groups are excluded from the regressions. The NLSY allows respondents to report multiple ancestries; in such cases, I use the ethnic origin with which they most closely identify, following convention (e.g., Borjas, 1992), although I allow for mixed ancestry in a robustness check (see Table A8).

Figure 4a presents kernel density estimates of household wealth (in 2024 dollars) by ancestry, and Figure 4b shows the corresponding box plots. Respondents of Greek and Italian ancestry, Polish and Russian ancestry, and all British subgroups are grouped together to ensure sufficiently large sample sizes. As before, the inverse hyperbolic sine transformation is applied. The results from the NLSY79 are qualitatively similar to those from the SIPP: individuals of old and new European ancestry appear indistinguishable in terms of wealth, especially when compared to ethnic minorities.

The results in Table 4 confirm that descendants of new European immigrant groups are not worse off; if anything, they appear slightly wealthier. There is no statistically significant difference in household wealth between the descendants of old and new European groups in most regressions, although the coefficient for the latter is positive in most cases. When applying the inverse hyperbolic sine transformation, descendants of new European groups show a modest wealth advantage, significant at the 10% level (column 2), with this difference largely driven by those of Greek and Italian ancestry (column 5). However, results based on averages should be viewed with some caution since the data are top-coded. Once again, although net worth is conceptually a household measure, the results are also robust when using per capita net worth as the dependent variable, calculated by dividing household net worth by the number of members (see Table A4). Overall, these findings are qualitatively

[14]Those who self-identify as having American ancestry are typically of old-stock British origin.

consistent with results from the SIPP, reinforcing the conclusion that later-arriving European groups achieved wealth parity with other white Americans by the late 20th century.

4.3 Discussion: Ancestry misreporting and intermarriage

There are two related concerns when interpreting the results above. First, self-reported ancestry may be misreported, especially if respondents have limited knowledge of their family history. Second, the salience of ethnic group identity may diminish over time due to intermarriage; individuals may have ancestry from multiple countries, including both old and new groups, introducing another form of misclassification. In both cases, observed similarities in wealth across ethnic groups in the SIPP and NLSY79 may not reflect true economic convergence, but rather the erosion of meaningful ethnic distinctions over time.

It is worth emphasizing, however, that ancestry was likely more salient and better known at the time of these surveys than it is today, at least prior to the recent rise in at-home DNA testing. Moreover, given the recency of immigration, there would also have been less ethnic mixing. Respondents in the SIPP were interviewed between 1984 and 1993, and my sample includes individuals between the ages of 30 and 93. The median respondent was around age 50—born in the 1930s, just after the Age of Mass Migration had ended. In the one year of SIPP data that reports both respondent and parental birthplaces, 58% of the new group and 17% of the old group are of foreign birth or parentage. Such people are likely to have known their ancestry. In the NLSY79, respondents were between ages 14 and 22 when first surveyed in 1979, meaning they were born in the 1950s and 1960s. Although only 4.5% had immigrant parents, many doubtlessly had immigrant grandparents, and they too presumably would have known their ancestry.

There is reason to believe that mismeasurement is not driving the results, as Americans descended from more recent arrivals tend to report their ancestry accurately and consistently.[15] Of the first- and second-generation Americans in the 1985 SIPP—once again,

[15]The leading scholars of ethnic self-reporting, while documenting changes in how American whites report

the only year which provides information on parents' birthplaces—a conservative estimate is that 89% have a birthplace or parentage consistent with their reported ancestry (see Table A5). The estimate is conservative because it does not account for cases in which a US-born parent shares the respondent's reported ancestry, nor does it allow for the possibility that a birth in Country X reflects heritage from Country Y, except in specific cases noted in the table. The latter case may partly explain the relatively low match rate for British descendants, as some families may have come from other parts of the empire (other than Canada, which is excluded from the analysis).

Such correspondence between reported ancestry and birthplaces is reassuring but also not surprising: first- and second-generation Americans—which includes a large share of the new European SIPP respondents—report ancestry with near-perfect accuracy (Farley, 1991). For example, the aggregate number of Greek descendants reported in the 1979 Current Population Survey (CPS) and the 1980 Census is statistically indistinguishable, similar to patterns observed for other groups with more recent immigration, suggesting a high degree of consistency in ancestry reporting. Among respondents matched in the March 1971 and March 1972 Current Population Surveys (CPS), 88% of Italian Americans consistently reported their ancestry, roughly on par with Mexican Americans (Johnson, 1974). Polish Americans were not far behind, with a consistency rate of 79%. In contrast, old European groups were considerably less consistent in their reporting.

Somewhat surprisingly, despite their recent arrival, individuals of Russian descent are relatively inconsistent in self-reporting ancestry, only marginally better than British Americans (Farley, 1991). This may reflect the shifting borders of Eastern Europe in the early 20th century: Estonia, Latvia, and Lithuania all declared independence from Russia in 1918 but were later annexed by the Soviet Union. Many immigrants from Russia spoke Yiddish as a first language, which may have weakened their descendants' identification with Russia

their ethnicity, nonetheless conclude: "To be sure, at this point there is still reason to take the ethnic data at face value more often than not. Hence one can still examine the social characteristics of different ethnic groups and have confidence that the associations do indeed largely reflect the influence of the latter on the former" (Lieberson & Waters, 1986, pp. 90-91).

as a national origin. Reporting would likely be more consistent if respondents used a broader regional label such as "Eastern Europe." For example, the number of Russian-Americans drops sharply between the 1979 CPS and the 1980 Census, while Ukrainian-Americans increase correspondingly (Farley, 1991). Given the shared history of these countries—and the fact that the Pale of (Jewish) Settlement encompassed parts of several present-day nations, including Russia and Ukraine—it is plausible that individuals reporting Eastern European ancestry do so consistently, even if they vary in how they name a specific country.[16]

Given the nature of the comparisons being made, mismeasurement should not be a major concern. The primary goal of the analysis using the SIPP and NLSY79 is to show that the descendants of later waves of European immigrants are no poorer than other white Americans, so what matters is that those later groups are accurately reported. In particular, the regression results in Tables 3 and 4 are unaffected by, for example, whether a Scotch-Irish descendant reports his ancestry as British, Irish, or American. Regardless, such individuals are classified as old European.

Likewise, it makes no difference whether that individual also has, e.g., Dutch, German, French, or Norwegian ancestry. Although intermarriage eventually blurred distinctions between ethnic groups, endogamy was almost "absolute" among the new immigrants in the early 20th century (Pagnini & Morgan, 1990, p. 416). Marriages between old and new European ethnic groups were particularly uncommon. According to Angrist (2002), the rates of endogamy among the first-generation in 1910-20 were as follows: Jews (97% women, 96% men), Russian/Polish non-Jews (95%, 94%), and Italians (99%, 93%). Among the second-generation, the rates were: Jews (87%, 77%), Russian/Polish non-Jews (77%, 71%), and Italians (86%, 49%).

Of the reference persons in the SIPP who specify their European ancestry, 91% are not

[16] Anecdotally, both sets of my paternal great-grandparents emigrated from modern-day Lithuania, which at the time was part of the Russian Empire, but reported their birthplaces inconsistently in the US Census. My grandmother's parents listed Russia in 1920 and Lithuania in 1940, while my grandfather's parents listed Lithuania in 1930 and Russia in 1940. In a recorded interview about her life, my grandmother described her family as coming from "Poland-Lithuania," a kingdom that had ceased to exist nearly a century before their migration. See: Lewis and Ida Breen and Louis and Minnie Marein, Cleveland, Ohio.

intermarried across the old/new divide at the time of the survey—42% do not live with a spouse, and 49% live with a spouse of the same (old or new) European ancestry. Among the marriages within these broad groups, 49% are between individuals of the same specific ethnicity (see Table A6). If spouses coded as "Another group not listed" are included, the share of reference persons not intermarried across the old/new divide falls to 75%.[17] As expected, these percentages rise with age, suggesting that the reference persons themselves are not the products of extensive intermixing. In the NLSY79, where respondents can report up to six ancestries, 71% identify as either entirely old or entirely new European ancestry, even though the sample is, on average, a generation later than the SIPP.[18] At any rate, the SIPP results are robust to excluding households in which households have mixed (old/new) ancestry (see Table A7), and NLSY79 results are robust to treating new European ancestry as a continuous variable reflecting the reported share of ancestry (see Table A8).

To further illustrate that the results are not driven by misreporting and/or intermarriage, consider the special case of Jews. Most American Jews descend from Eastern European immigrants who arrived during the Age of Mass Migration, yet Jews were wealthier than any other religious group in the United States by the late 20th century (Chiswick, 2009; Keister et al., 2015). Jews are just over 2% of the population but account for more than 20% of the *Forbes 400* richest Americans (Temin, 2009). Jewish ethnoreligious identity is unique among the groups considered, as it transcends national origins and facilitates ancestry identification even after multiple generations. That is, even if a survey respondent does not know their ancestors' countries of origin, their Jewish identity strongly indicates that their family originated from Eastern Europe between roughly 1881 and 1924. Moreover, Jewish intermarriage with non-Jews was historically extremely low: in New York City, intermarriage rates were 0.64% for the first generation and 4.51% for the second generation

[17] I assume here that a reference person married to a spouse whose ancestry is "Another group not listed" married across the old/new divide, which must not always be true.

[18] If each reported ancestry is weighted equally, respondents who identify most with an old European group are, on average, 90% old European, 2% new European, and 8% other. Among respondents who identify most with a new European group, their reported ancestry is on average 64% new European, 28% old European, and 7% other.

(Drachsler, 1921). A 1957 Census survey estimated that 7.2% of married couples with at least one Jewish partner included a non-Jewish partner—which implies an intermarriage rate of 3.6% for individuals—although this figure does not account for conversion to Judaism or abandonment of Jewish identity (Schwartz, 1970). In sum, Jews represent a population whose lineage can be reliably tracked through successive surveys, who presumably did not inherit substantial wealth from other white Americans, yet in terms of wealth are not behind the white Americans whose arrival preceded theirs.

4.4 Robustness check: Immigrant wealth

In this paper, my main empirical strategy for assessing whether new groups of European immigrants assimilated in wealth relies on self-reported ancestry. This approach is necessary because the available data do not provide detailed family histories or arrival dates; only in one year of the SIPP is there information on parents' birthplaces.

In this subsection, I pursue the same question more directly by comparing immigrants to non-immigrants. Among reference persons with self-reported European ancestry who arrived before 1930, 4.9% are immigrants. Columns 1 to 3 of Table A9 compare the net worth of these immigrants to that of the native-born, irrespective of national origin. The results indicate that, by the late 20th century, immigrants were no worse off than natives. If anything, they are somewhat wealthier: on average, immigrant households have $22,600 higher net worth, significant at the 10% level. Columns 3 to 6 show that the first and second generations, collectively, are no worse off than longer-established Americans, though these comparisons rely only on data from 1985. These findings are consistent with Hao (2004), who shows that immigrants from Northern, Western, and Southern Europe compare favorably to both other immigrant groups and to native-born Americans.

Table A10 replicates the main analysis while excluding individuals of old European ancestry who are immigrants, or who, in the 1985 data, have immigrant parents. This restriction addresses the concern that including recent arrivals in the reference group could

bias the coefficient of interest upward. The results, however, suggest otherwise: qualitatively they are unchanged, and the positive point estimates are somewhat larger than in Table 3.

5 Simulating wealth convergence

5.1 Conceptual framework and parameters

In this section, I use a stylized model to make sense of the convergence in wealth between new and old European ethnic groups in the United States. I adopt the theoretical framework of Derenoncourt et al. (2024), which builds on Saez & Zucman (2016), but apply the wealth accumulation function in Equation 1 separately to the two groups. The simulations that follow illuminate the underlying drivers of wealth convergence. Following Derenoncourt et al., I make the simplifying assumption that the capital gains rate (q^j), savings rate (g^j), and income growth rate (g^j) are fixed over time. I also assume that there is no difference in the capital gains rate between the two groups.

Combining the law of motion for average old (o) and new (n) white wealth, and taking logs, the growth rate of the wealth ratio (WR) between these groups from t to $t+1$ is

$$log\left(\frac{WR_{t+1}}{WR_t}\right) \approx s^o\frac{Y_t^o}{W_t^o} - s^n\frac{Y_t^n}{W_t^n} \tag{2}$$

Therefore, the evolution of the wealth gap is determined by differences in savings and initial wealth. New white groups can catch up to old white groups in wealth through income growth and/or higher savings rates.

Since Abramitzky et al. (2014) find that the average immigrant did not face a substantial occupation-based earnings penalty upon first arrival and experienced occupational advancement at the same rate as natives, I further assume that Y^j are equal for n and o upon arrival and that the two groups' incomes grow at the same rate.[19] The

[19]While Abramitzky et al. (2014) do not observe income and instead use occupational scores, Chiswick (1992) observes wages and finds that Jewish immigrants in manufacturing and mining reached parity with

wealth ratio then grows as follows:

$$log\left(\frac{WR_{t+1}}{WR_t}\right) \approx Y_t\left(\frac{s^o}{W_t^o} - \frac{s^n}{W_t^n}\right) \tag{3}$$

Hence, the "hockey-stick" shape of convergence, where initial convergence is rapid but soon decelerates, can be explained entirely by the initial wealth gap, even if savings rates and income are equal.

Additionally, if $s^n > s^o$, convergence occurs more rapidly. Immigrants are believed to have saved a larger share of their incomes than native-born workers, using these savings to purchase homes, open small businesses, and invest in their children's education (Hirschman & Mogford, 2009). Immigrants' higher average savings rates may have been partly motivated by the possibility, however small, of return migration, which would likely involve a large drop in wage income (Abramitzky et al., 2019; Ejermo et al., 2025; Galor & Stark, 1990). Also, immigrants who intended to settle permanently in the United States may have had a particularly strong life-cycle motive for saving—that is, the modern strategy of accumulating assets during one's working years to finance consumption later in life, rather than relying on family or community support, which immigrants often lacked (Sutch, 2013). At arrival, most immigrants held very little tangible wealth, partly because they had spent much of it on passage to America. As a result, they may have saved aggressively in order to accumulate assets more in line with their new, higher American incomes (Carter & Sutch, 1997).

While data on savings and consumption patterns are limited, the available evidence supports the conclusion that immigrants saved a higher share of their incomes. Using Commissioner of Labor data for 1889-1890, Haines (1985) estimates that immigrants saved 1.6 percentage points more of their income than comparable native-born Americans.[20] In a survey of 19th-century family budgets in Massachusetts, Modell (1978) observes that

native-born whites after 4.5 years and exceeded them thereafter. Additionally, in Tables A11 and A12 of the appendix, I use the SIPP and the NLSY79 to confirm that the new group's descendants earn incomes that are, on average, no less than those of the old group's descendants and, in some cases, exceed them.

[20] Higher savings may explain the rapid wealth accumulation of an earlier generation of immigrants (Ferrie, 1994).

Irish immigrants consumed less than native-born Americans, although their spending habits converged over time. According to Wegge et al. (2017, p. 145), who also study 19th-century Irish immigrants, "[E]ven the poorest immigrants were keen to save and often able to accumulate substantial sums—even those who had arrived virtually penniless. . . "

There is also indirect evidence. Notably, immigrant homeownership rates substantially exceeded those of the native-born when adjusted for city size and other factors, although groups with high rates of return migration did not, especially Italians (Haines & Goodman, 1991, 1992; Sutch, 2013). Immigrants also had differentially high rates of self-employment, which requires physical and human capital acquisition (Carter & Sutch, 1997). Newly arrived immigrants tended to begin their careers in the United States as wage earners and gradually transitioned into self-employment, suggesting high saving rates in the years following arrival.

5.2 The role of initial wealth under equal accumulation conditions

I begin the simulation of the wealth gap in 1900, around the peak of the new immigration, to approximate a representative migrant. For the initial wealth of old Europeans, I use the estimate of per capita white wealth in 1900 from Derenoncourt et al. (2024). Because immigrants were generally poor, though their exact initial wealth is uncertain (see Section 3), I assign them $50, the higher threshold reported at arrival. Per Equation 3, immigrants' little wealth implies rapid initial convergence, followed by a deceleration.

In Figure 5, the thin line shows the simulated evolution of the wealth gap under the assumption of equal incomes and savings rates—that is, all equal conditions other than initial wealth holdings. At arrival, the native-immigrant wealth ratio is 22:1—as high as the white-Black gap in 1870. Just six years later, that ratio has fallen by half. Assuming the immigrant arrived at age 20 and lived into their early 60s, the wealth ratio at the end of their life would be 2.9:1. By the late 1980s, around the midpoint of the SIPP data, the ratio is 1.8:1, and by the end of the simulation, the ratio would be 1.5:1—not closed, but not so far off, either. For comparison, the Black-white wealth gap in the United States today is

6:1. This simulation clearly demonstrates the importance of income as a determinant of the wealth gap: if newcomers catch up in income, they can rapidly close the gap despite a large initial disparity in wealth holdings.

Next, consider the thick line, which represents an alternative scenario in which immigrants save at a higher rate, following Haines (1985). The new group saves an extra 1.6% of income relative to the old group through the life of the first generation (which I assume ends in 1945), then matches the established group's savings rate thereafter. In this case, the wealth gap halves after five years and falls to 2.3:1 by the end of the first generation. By the time of the SIPP, the ratio is 1.6:1, and by the end of the sample period, it is 1.4:1. Thus, the rapid convergence of new to old white ethnics can be parsimoniously explained by the combination of income convergence and, to a lesser extent, a higher savings rate.

5.3 Reaching wealth parity

Of course, even a 1.4:1 ratio does not represent full convergence. In this model, with equal savings and capital gains rates, complete wealth parity is impossible by construction if the group that starts with less wealth cannot surpass the earnings of the other group. Even so, recognizing that the model does not perfectly capture the real world, how is wealth parity achieved?

Once again, New Europeans earned higher incomes on average, in part because immigrants tend to cluster in areas that offer better prospects for their children (Abramitzky et al., 2021). Tables A11 and A12 imply an advantage of 6-21%. For simplicity, I assume that by the second generation, New Europeans earned 10% higher income, as depicted by the dashed line. Under this assumption, the ratio falls to 1.5:1 in 1990 and to 1.3:1 in 2020.

It is also reasonable to assume that New Europeans experienced higher capital gains rates, given that they tended to settle in major metropolitan areas with better access to financial institutions. For example, as of 1950, nearly half of American Jews lived in New York City, the financial capital of the United States (Seligman, 1951). Even today, household

participation in the stock market varies widely by state, from 10.5% in Mississippi to 26.6% in Connecticut (Chien & Morris, 2017), and presumably this gap was even larger historically, before the advent of online financial services. These differences persist even after controlling for household income. This matters greatly: from 1928 to 2016, the average annual return on stocks exceeded that of three-month Treasury bills by eight percentage points.[21] Assuming that New Europeans earn one percentage point higher capital gains beginning in the second generation, complete convergence is achieved by 1997, as shown by the dotted line.

5.4 A different perspective on wealth accumulation

This explanation of wealth convergence despite large initial disparities offers a more optimistic perspective than that of Derenoncourt et al. (2024). Despite starting with a similarly large wealth disadvantage—but, importantly, not other disadvantages—as Blacks, the new Europeans caught up quickly (see Figure 6). Under equal wealth-accumulating conditions from 1870 to 2020, Derenoncourt et al. find that the Black-white wealth gap would remain at 3:1—substantially higher than the new-old wealth gap shown in Figure 5. Their Black-white wealth gap does not reach 1.4 until 2200—more than a century later than the new-old European gap. What accounts for this difference?

Their definition of "equal wealth-accumulating" conditions assumes identical savings and capital gains rates, while still allowing for income differences based on historical data. However, income constrains saving: the substantially lower income levels limit the ability to save comparably. Under the other parameters of their baseline simulation, if both groups were to start with no wealth, the wealth gap in 2020 is 2.5:1—only slightly below the 3:1 ratio they obtain when starting with a 23:1 gap (results not shown). This illustrates just how important income is relative to initial differences in wealth holdings, consistent with Aliprantis et al. (2022), Altonji & Doraszelski (2005), Barsky et al. (2002), İmrohoroğlu et al. (2025), and Sabelhaus & Thompson (in press). Moreover, the assumption of identical

[21] $100 invested in stocks and in Treasury bills in 1928 would have yielded roughly $329,000 and $2,000, respectively, after 88 years (Chien & Morris, 2017).

savings rates—partly a behavioral choice rather than an exogenous condition—restricts the potential for further catch-up. In contrast, the simulation presented here shows that even very large initial wealth disparities can be rapidly overcome through the combined effects of income growth and higher savings.

Of course, European immigrants enjoyed distinct advantages relative to Black Americans that can rationalize these findings. Jim Crow institutions significantly impeded the long-term economic progress of Black Americans (Althoff & Reichardt, 2024). Northern employers favored European immigrants over Blacks, delaying the Great Migration by several decades (Collins, 1997). When Blacks did leave the South, their opportunities were limited by educational and residential segregation, and cities responded with increased policing (Derenoncourt, 2022). As Blacks moved North, whites left for the suburbs (Boustan, 2010). Segregated housing markets eroded Black wealth, as homes in Black neighborhoods lost value (Akbar et al., 2025). The racial income gap has not closed (Bayer & Charles, 2018), as Black Americans experience lower rates of upward mobility and higher rates of downward mobility than white Americans (Chetty et al., 2020). These factors, among others, may help to explain both the lack of racial wealth convergence at the rapid wealth convergence among immigrants and native-born whites.

6 Conclusion

The United States absorbed roughly 30 million Europeans during the Age of Mass Migration. The fact that social scientists rarely distinguish between whites whose ancestors arrived during this period and those whose families came earlier reflects the success of economic assimilation. This remarkable achievement is by no means guaranteed, as illustrated by the persistence of poverty among the Irish in England (Cummins & Ó Gráda, 2025). This paper provides further evidence of that success, showing that immigrants and their descendants overcame substantial initial deficits in wealth holdings, converging with old

Americans by the late 20th century. Their relative success—compared to minority groups that continue to hold persistently less wealth—sheds light on the determinants of wealth accumulation. Income convergence emerges as a key driver of wealth convergence, as large initial wealth gaps proved to be surmountable over time.

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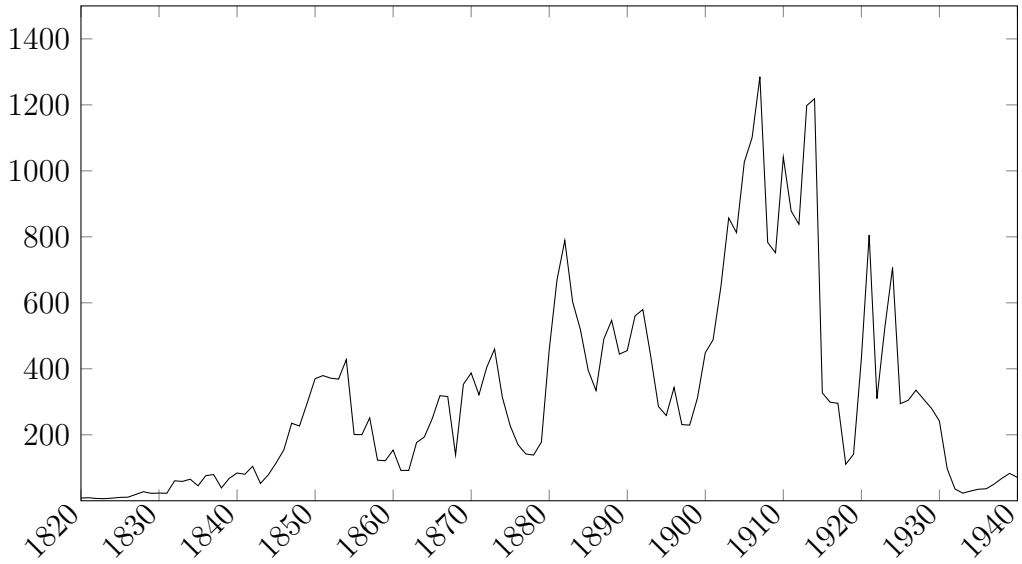
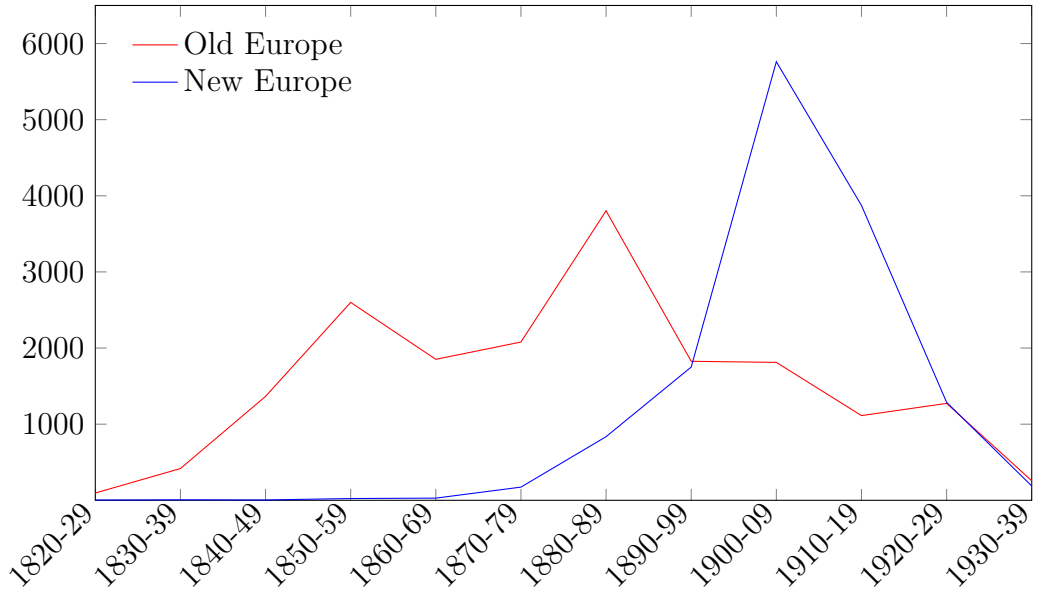
7 Figures

Figure 1: Legal immigrants to the United States, 1820-1940 (thousands)

(a) Total

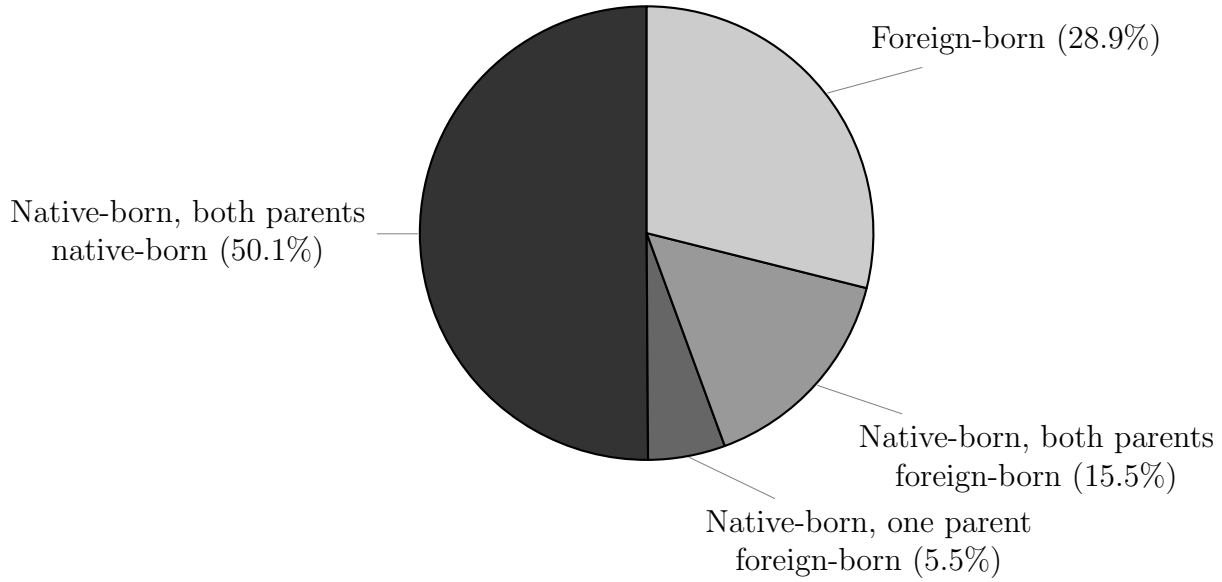


(b) By source region



Source: Author's calculations based on US Department of Homeland Security (2013). "Old" Europe ancestry refers to Northwestern Europe, and "new" Europe refers to Southern and Eastern Europe, following the classification used throughout the paper and based on Lieberson (1980).

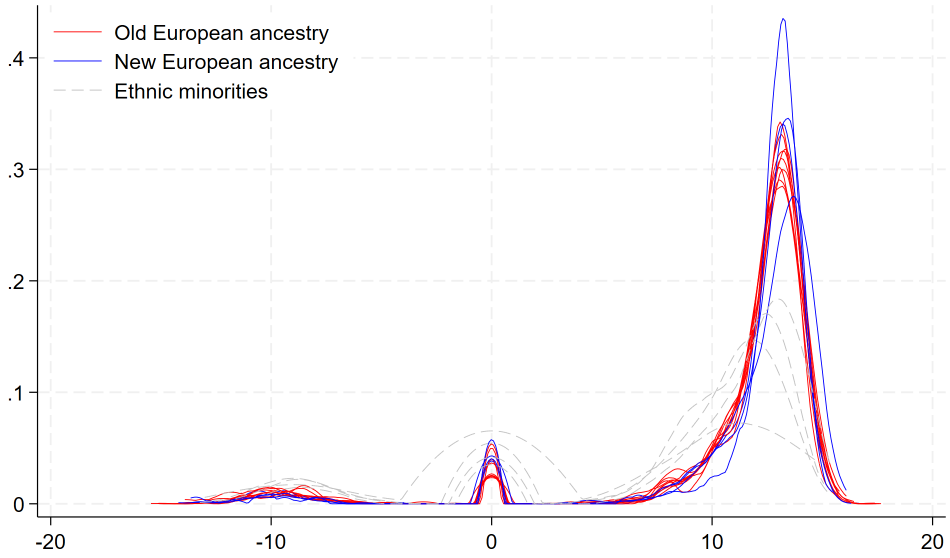
Figure 2: Nativity of whites, age 50, in the 1920 Census



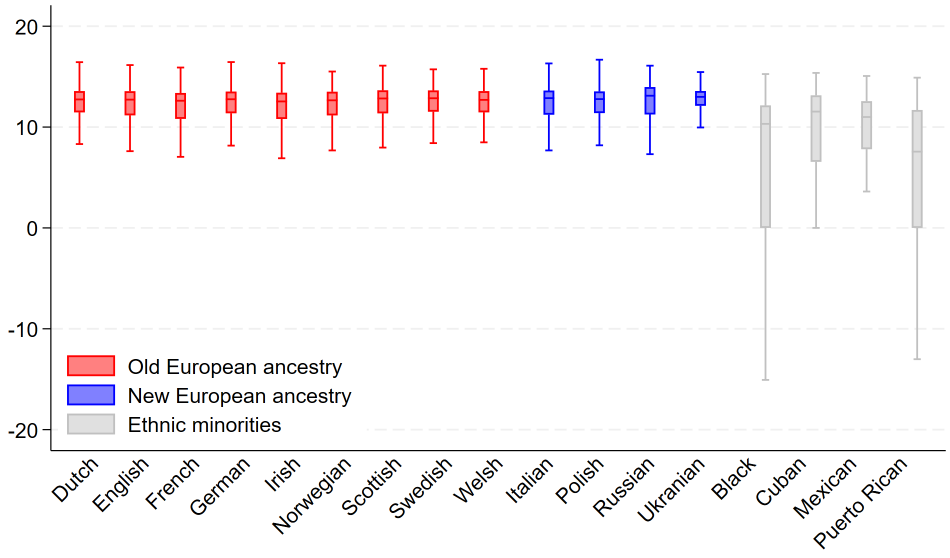
Source: Ruggles et al. (2024), Ruggles et al. (2025)

Figure 3: Household wealth distributions in the SIPP, 1984–1993 (asinh scale)

(a) Kernel density estimates



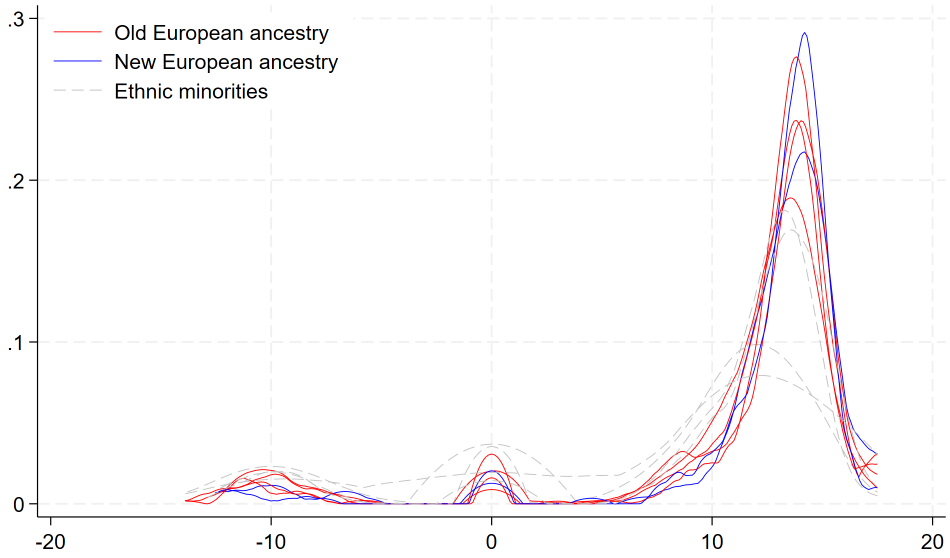
(b) Box plots



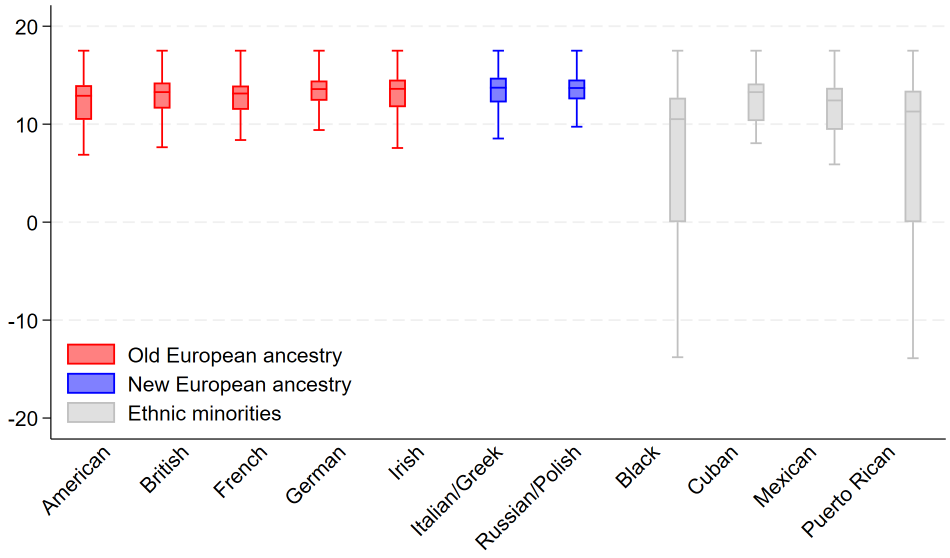
Notes: The figure shows the distribution of the inverse hyperbolic sine of household wealth (in 2024 dollars) for survey reference persons aged 30 and older. Each line in panel (a), and each box in panel (b), represents the wealth distribution for a different ethnic group using SIPP data pooled from 1984 to 1993.

Figure 4: Household wealth distributions in the NLSY79, (asinh scale)

(a) Kernel density estimates

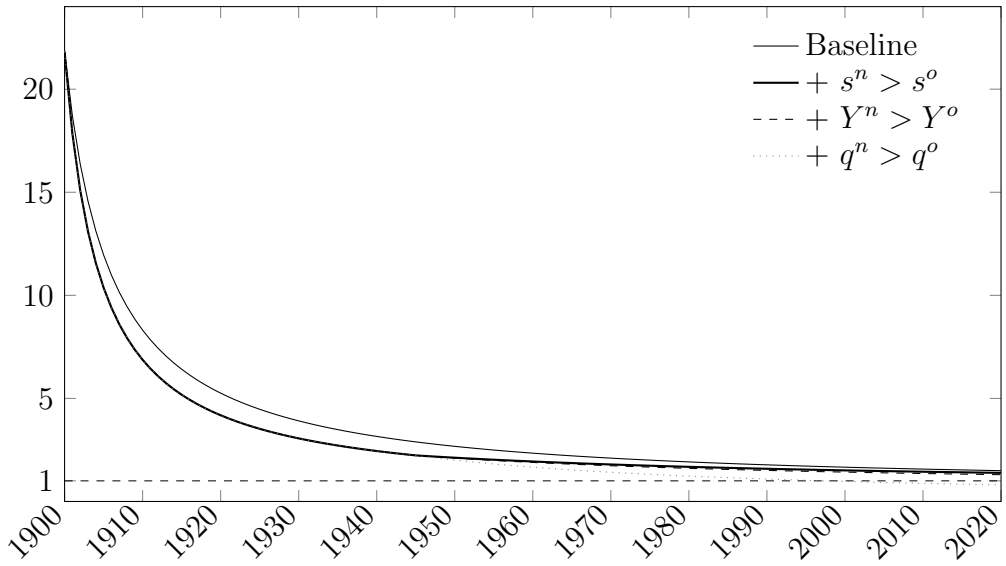


(b) Box plots



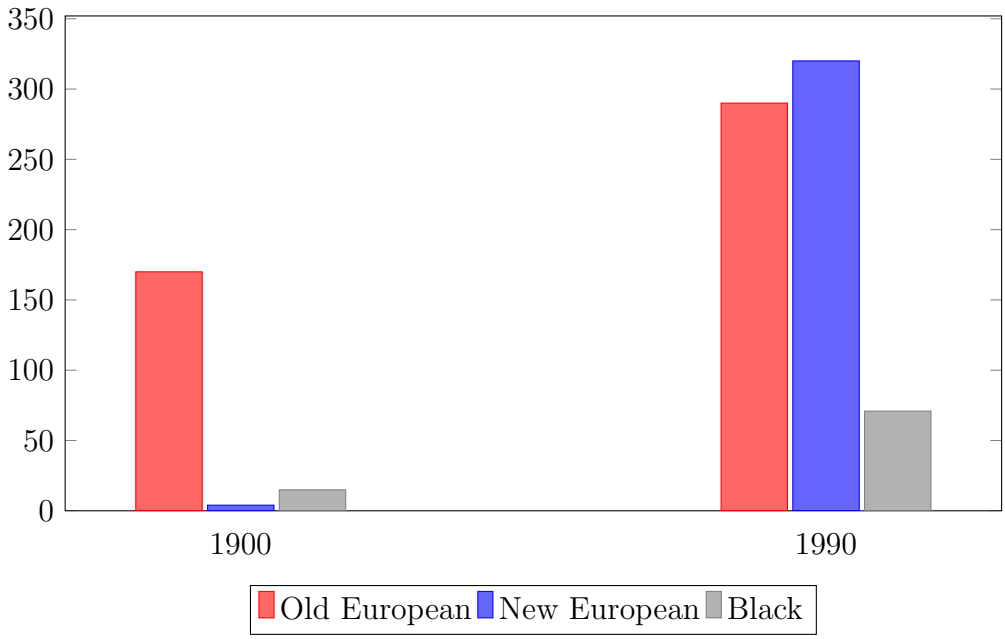
Notes: The figure shows the distribution of the inverse hyperbolic sine of household wealth in 2020 (in 2024 dollars). Each line in panel (a), and each box in panel (b), represents the wealth distribution for a different ethnic group.

Figure 5: Simulation of the old-new white wealth ratio, 1900-2020



Note: The thin line shows the simulated wealth ratio between old and new white ethnic groups where the only difference is initial wealth. The thick line allows for a higher savings rate for the new group through 1945. The dashed line also assigns a higher income to the new group starting in 1945, and the dotted line assigns a higher capital gains rate, too, starting in 1945. See Section 5 for details.

Figure 6: Average household wealth, c. 1900 and 1990 (2024 dollars)



Notes: Household wealth in 1900 for Old Europeans is the average household wealth for white Americans, as reported by Derenoncourt et al. (2024). Household wealth for Black Americans in 1900 is also from that study. Household wealth in 1900 for New Europeans is based on a weighted average of cash holdings reported for Southern and Eastern European immigrants from 1899 to 1910 in the Dillingham Commission Report. Household wealth in 1990 is based on net worth from the SIPP (1984–1993).

8 Tables

Table 1: Cash shown at arrival for selected European immigrants to the US, 1899-1910

Origin	**Percentage *of those who showed money* who showed less than**		**Average cash ($)**	
	$30 (1899-1903)	**$50 (1904-1910)**	**showing money**	**admitted**
Bohemian and Moravian	80.1	84.2	41.06	26.94
Croatian and Slovenian	90.0	86.6	16.14	14.64
Dalmatian, Bosnian, and Herzegovinian	69.2	93.6	22.56	19.99
Greek	87.6	93.1	24.10	22.07
Hungarian	94.2	95.1	18.53	14.90
Italian (north)	63.2	85.9	30.76	25.18
Italian (south)	93.1	94.6	17.14	13.34
Jewish	87.1	88.2	29.09	12.85
Lithuanian	94.5	96.5	14.05	11.13
Polish	94.9	97.2	14.76	11.87
Romanian	97.0	97.6	16.82	15.60
Russian	85.8	92.8	23.51	19.16
Slovak	92.5	97.0	16.54	14.08

Source: US Commissioner-General of Immigration

Table 2: Summary Statistics

	SIPP (1984-93)		NLSY79 (2020)	
	%	N	%	N
Old ancestry	80.7	30,076	84.7	1,756
American	-	-	10.6	220
Dutch	2.4	901	-	-
English	19.8	7,384	27.3	566
French	5.1	1,884	4.3	90
German	27.6	10,287	24.8	515
Irish	15.7	5,842	14.9	309
Norwegian	2.7	1,006	-	-
Scottish	3.9	1,469	2.0	42
Swedish	2.7	997	-	-
Welsh	0.8	306	0.7	14
New ancestry	19.3	7,191	15.3	317
Greek	-	-	0.5	10
Italian	10.2	3,817	9.12	189
Polish	6.0	2,224	4.6	96
Russian	2.4	878	1.1	22
Ukranian	0.8	272	-	-
Year				
1984	15.6	5,823	-	-
1985	11.0	4,084	-	-
1986	9.2	3,421	-	-
1987	9.3	3,473	-	-
1990	14.4	5,380	-	-
1991	10.5	3,919	-	-
1992	16.1	6,013	-	-
1993	13.8	5,154	-	-
	Mean (SD)	Min/Max	Mean (SD)	Min/Max
Age	54.1 (15.8)	30/93	59.3 (2.3)	55/64
Married	0.78	0/1	0.69	0/1
Net worth	297.0 (458.5)	-2566.8/23474.7	1295.8 (3547.4)	-551.6/19939.4

Notes: This table includes only the observations used in the main analysis (see Tables 3 and 4); that is, respondents who report a specific European ancestry. *Married* equals one if the household reference person is married or widowed and zero otherwise.

Table 3: White household net worth in the SIPP, 1984-1993

	(1)	(2)	(3)	(4)	(5)	(6)
New European	17.96***	0.13*	22.43***			
	(5.65)	(0.07)	(3.50)			
Italian				4.00	0.08	24.04***
				(6.63)	(0.09)	(4.49)
Polish				-5.81	0.08	6.89
				(9.04)	(0.11)	(5.09)
Russian				150.67***	0.36**	68.33***
				(20.98)	(0.17)	(16.94)
Ukrainian				-6.76	0.42	33.70***
				(19.18)	(0.31)	(12.42)
DV: asinh	N	Y	N	N	Y	N
Method	OLS	OLS	Quantile	OLS	OLS	Quantile

Notes: Net worth is based on self-reported assets and liabilities, adjusted to 2024 dollars using the CPI, and expressed in thousands. The sample includes all survey reference persons aged 30 and over who reported a specific European ancestry. Regressions include controls for age, age squared, marital status, and survey year fixed effects. New European ancestry includes Italian, Polish, Russian, and Ukrainian; the reference group (old European) includes Dutch, English, French, German, Irish, Norwegian, Scottish, Swedish, and Welsh. Standard errors (robust for OLS) shown in parentheses. All regressions include 36,685 observations. Significance levels are denoted by * p <.10, ** p <.05, *** p <.01.

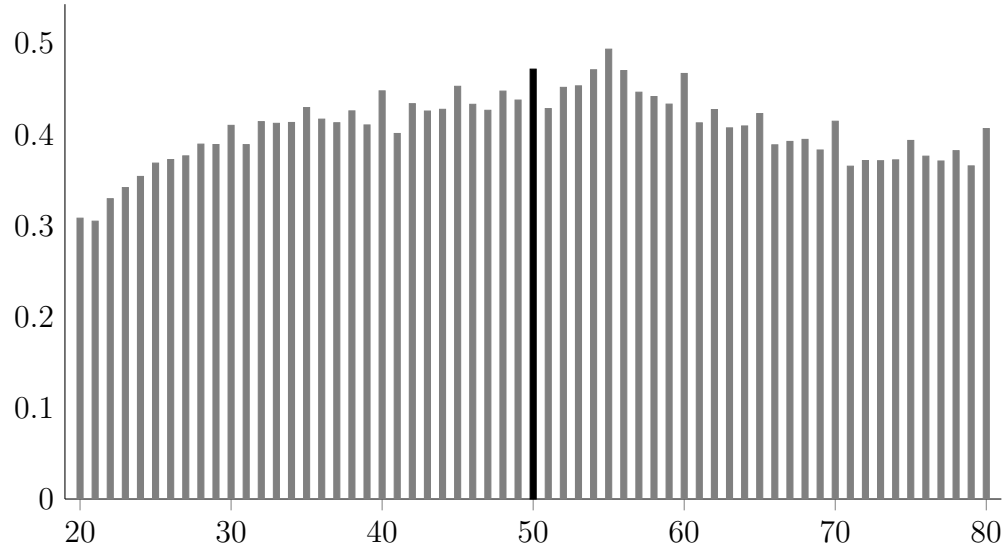
Table 4: White household net worth in the NLSY79, 2020

	(1)	(2)	(3)	(4)	(5)	(6)
New European	-90.16	0.29*	82.43			
	(204.06)	(0.17)	(46.54)			
Greek/Italian				-330.05	0.34*	88.00
				(209.84)	(0.19)	(58.31)
Polish/Russian				306.60	0.20	49.21
				(377.49)	(0.31)	(68.76)
DV: asinh	N	Y	N	N	Y	N
Method	OLS	OLS	Quantile	OLS	OLS	Quantile

Notes: Net worth is based on self-reported assets and liabilities in 2020, adjusted to 2024 dollars using the CPI, and expressed in thousands. The sample includes all survey participants who identify most a specific European ancestry. Each regression controls for marital status. New European ancestry includes Greek, Italian, Polish, and Russian; the reference group ("old" European) includes American, British (English, Scottish, and Welsh), French, German, and Irish. Standard errors (robust for OLS) shown in parentheses. All regressions include 2,073 observations. Significance levels are denoted by * p <.10, ** p <.05, *** p <.01.

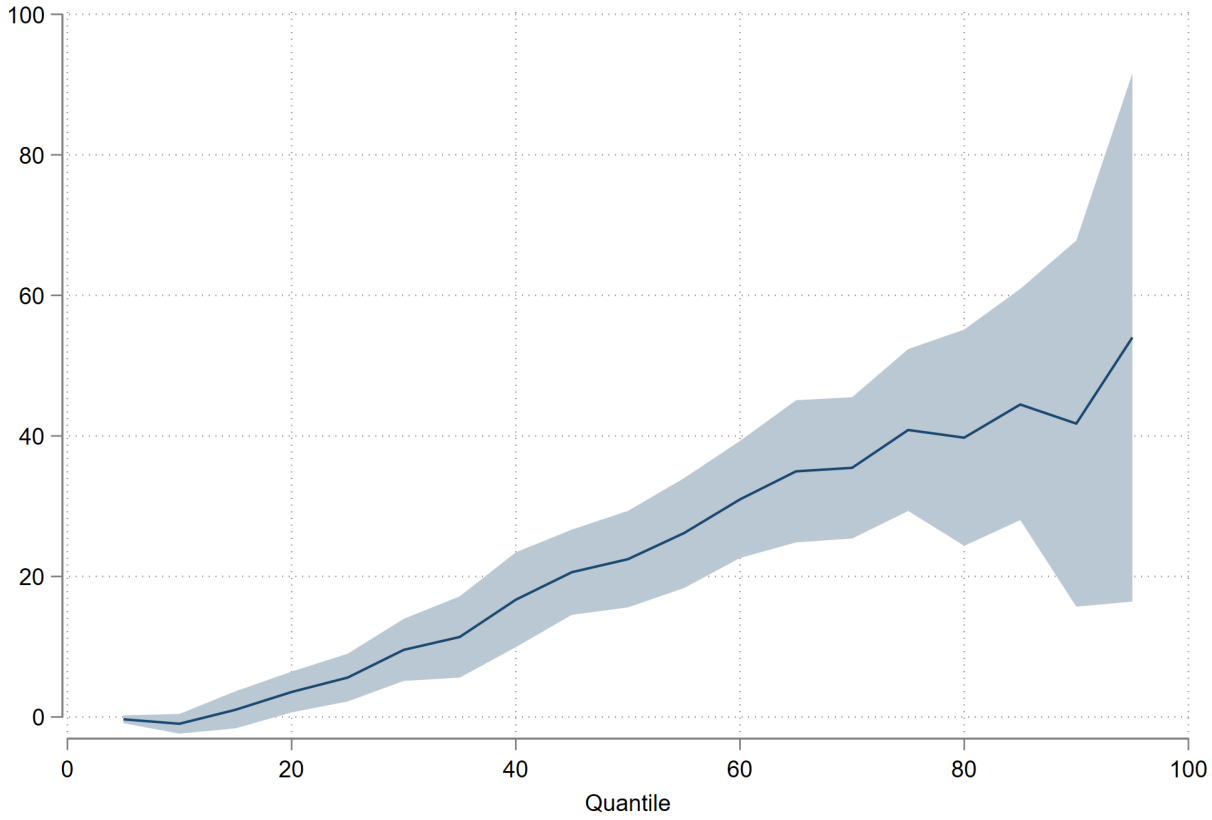
9 Additional Figures

Figure A1: Share of whites of foreign origin, by age, 1920



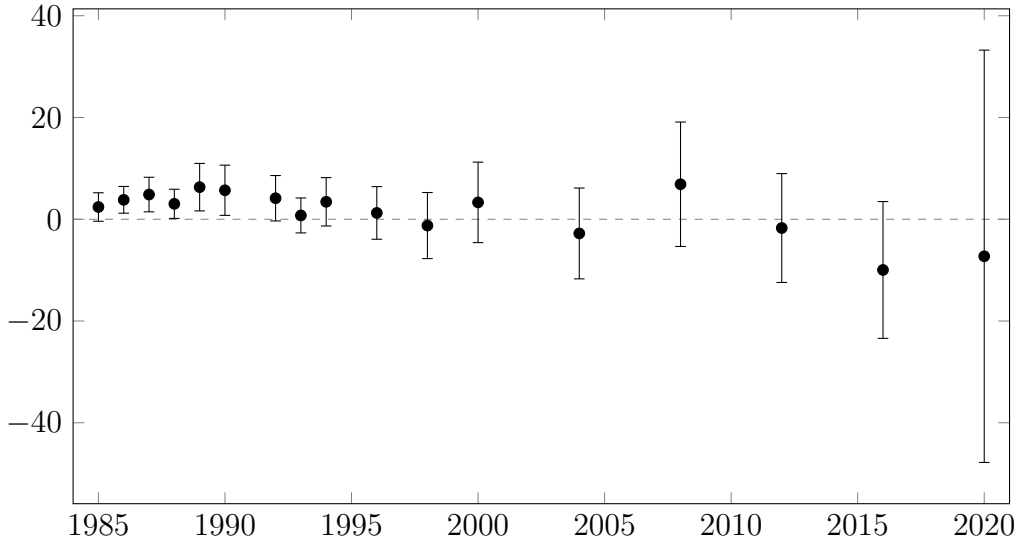
Source: US Census
Notes: "Foreign origin" includes those born abroad or with two foreign-born parents; one foreign-born parent counts as half. Age 50 is shown in black since this age is used to estimate the share of the adult population that is of foreign origin. See Section 2.

Figure A2: Quantile regression coefficient estimates of *New European*, SIPP 1984-1993



Notes: The figure plots estimated quantile regression coefficients for the New European indicator variable at the indicated quantiles of the conditional distribution of household net worth (see Section 4.1). Dashed lines represent 95% confidence intervals based on bootstrap standard errors.

Figure A3: Regression coefficient estimates of *New European*, NLSY79 1985-2020



Notes: This figure reruns the analysis in Table 4 for each panel of the NLSY79 from 1985 to 2020. The dependent variable is household net worth in thousands of 2024 dollars. Error bars are 95 percent confidence intervals. Larger confidence intervals partly reflect the higher nominal cutoffs used for top-coding over time (e.g., $5,422,043 in 2016 vs. $16,449,400 in 2020).

10 Additional Tables

Table A1: Average cash ($) at arrival for selected European immigrants to Canada, 1925-1929

Origin	Dollars
Dutch	163.9
Irish	78.2
Italian	75.3
Polish	45.6
Swedish	74.5

Source: Armstrong & Lewis (2017)

Table A2: White household net worth in the SIPP, 1984-1993 (Expanded reference group)

	(1)	(2)	(3)	(4)	(5)	(6)
New European	40.10***	0.38***	37.45***			
	(5.26)	(0.06)	(3.37)			
Italian				26.22***	0.34***	40.44***
				(6.30)	(0.09)	(4.44)
Polish				16.34*	0.34***	23.46***
				(8.77)	(0.11)	(4.44)
Russian				172.20***	0.62***	80.65***
				(20.93)	(0.17)	(17.79)
Ukrainian				16.01	0.67**	45.92***
				(18.96)	(0.31)	(16.47)
DV: asinh	N	Y	N	N	Y	N
Method	OLS	OLS	Quantile	OLS	OLS	Quantile

Notes: Net worth is based on self-reported assets and liabilities, adjusted to 2024 dollars using the CPI, and expressed in thousands. The sample includes all survey reference persons aged 30 and over who reported a specific European ancestry. Regressions include controls for age, age squared, marital status, and survey year fixed effects. New European ancestry includes Italian, Polish, Russian, and Ukrainian; the reference group (old European) includes Dutch, English, French, German, Irish, Norwegian, Scottish, Swedish, and Welsh, as well as respondents who answered "Don't know" or "Another group" for their origin or descent. Standard errors (robust for OLS) shown in parentheses. All regressions include 84,755 observations. Significance levels are denoted by * p <.10, ** p <.05, *** p <.01.

Table A3: White per capita net worth in the SIPP, 1984-1993

	(1)	(2)	(3)	(4)	(5)	(6)
New European	0.39	0.09	7.26***			
	(3.13)	(0.06)	(1.62)			
Italian				-8.69**	0.03	6.37***
				(3.68)	(0.08)	(2.15)
Polish				-10.70**	0.05	1.04
				(4.91)	(0.11)	(2.80)
Russian				68.74***	0.37**	32.61***
				(11.94)	(0.17)	(7.47)
Ukrainian				5.67	0.44	15.06**
				(12.90)	(0.29)	(6.64)
DV: asinh	N	Y	N	N	Y	N
Method	OLS	OLS	Quantile	OLS	OLS	Quantile

Notes: Net worth per capita is based on self-reported assets and liabilities, adjusted to 2024 dollars using the CPI, expressed in thousands, and divided by the number of persons in the household. The sample includes all survey reference persons aged 30 and over who reported a specific European ancestry. Regressions include controls for age, age squared, marital status, and survey year fixed effects. New European ancestry includes Italian, Polish, Russian, and Ukrainian; the reference group (old European) includes Dutch, English, French, German, Irish, Norwegian, Scottish, Swedish, and Welsh. Standard errors (robust for OLS) shown in parentheses. All regressions include 36,685 observations. Significance levels are denoted by * p <.10, ** p <.05, *** p <.01.

Table A4: White per capita net worth in the NLSY79, 2020

	(1)	(2)	(3)	(4)	(5)	(6)
New European	-60.82	0.26	12.53			
	(98.40)	(0.16)	(22.75)			
Greek/Italian				-173.84*	0.28	6.67
				(100.00)	(0.18)	(23.28)
Polish/Russian				126.12	0.23	35.76
				(180.38)	(0.28)	(49.36)
DV: asinh	N	Y	N	N	Y	N
Method	OLS	OLS	Quantile	OLS	OLS	Quantile

Notes: Per capita net worth is based on self-reported assets and liabilities in 2020, adjusted to 2024 dollars using the CPI, expressed in thousands, and divided by the number of persons in the household. The sample includes all survey participants who identify most a specific European ancestry. New European ancestry includes Greek, Italian, Polish, and Russian; the reference group ("old" European) includes American, British (English, Scottish, and Welsh), French, German, and Irish. Standard errors (robust for OLS) shown in parentheses. All regressions include 2,073 observations. Significance levels are denoted by * p <.10, ** p <.05, *** p <.01.

Table A5: Correspondence of ancestry with reported birthplaces in the 1985 SIPP (First and Second Generations)

	Reported Ancestry Matches Birthplace of				
	Self	One Parent	Both Parents	No Match	N
British/Irish	19.4	29.7	42.6	27.7	155
Dutch	30.8	38.5	53.8	7.7	13
Eastern European	17.1	21.2	75.3	3.4	146
French	20.0	0.0	20.0	70.0	10
German	16.2	40.5	48.0	10.8	148
Italian	17.4	23.9	72.3	3.8	213
Scandinavian	6.4	41.0	48.7	10.3	78
Total	**16.6**	**29.5**	**58.7**	**11.5**	**763**

Source: Survey of Income and Program Participation

Notes: Sample restricted to first- and second-generation respondents. British, Irish, and French respondents with self or parental birthplace in Canada are excluded. Because of changing borders and/or limited response options, "Other Europe" is treated as a valid match for Dutch, Eastern European, and French ancestries. For Germans, 17% report a self or parental birthplace in the USSR, which is also accepted as a match. For Eastern Europeans, Austria is accepted as a match, given the former Austro-Hungarian Empire.

Table A6: Marriages for selected ethnic groups in the SIPP, 1984-93

		Reference person's ethnicity													
		Dutch	**English**	**French**	**German**	**Irish**	**Italian**	**Norwegian**	**Polish**	**Russian**	**Scottish**	**Swedish**	**Ukrainian**	**Welsh**	**Total**
Spouse's ethnicity	**Dutch**	144	56	5	66	44	17	4	9	1	8	12	1	3	370
	English	51	2,018	104	580	281	100	27	59	23	135	58	15	32	3483
	French	8	103	357	121	116	51	14	31	3	30	12	3	10	859
	German	86	505	123	2,415	448	161	99	119	43	134	100	21	31	4285
	Irish	47	345	99	558	1,064	192	27	80	22	120	45	9	23	2631
	Italian	14	102	49	186	157	941	18	69	14	13	12	12	4	1591
	Norwegian	11	44	9	114	26	11	143	8	3	17	28	1	4	419
	Polish	10	66	24	178	87	68	6	414	41	11	16	17	2	940
	Russian	2	29	4	35	8	14	4	34	201	3	3	3	2	342
	Scottish	15	122	27	127	78	16	12	15	5	162	12	3	8	602
	Swedish	10	56	8	87	44	19	27	9	1	19	83	2	4	369
	Ukrainian	1	11	4	16	8	8	3	12	4	4	1	33	2	107
	Welsh	3	29	3	32	9	5	1	3	1	9	3	0	13	111
	Black or Latin	7	67	22	64	61	33	12	16	12	26	12	3	3	338
	Subtotal*	409	3553	838	4579	2431	1636	397	878	374	691	397	123	141	16447
	Another group not listed	147	766	254	1654	733	585	184	339	93	181	189	28	46	5199
	Total	556	4319	1092	6233	3164	2221	581	1217	467	872	586	151	187	21646

*Excludes "Another group not listed."

Table A7: White household net worth in the SIPP, 1984-1993 (excluding households of mixed ancestry)

	(1)	(2)	(3)	(4)	(5)	(6)
New European	9.67	-0.00	17.46***			
	(6.76)	(0.08)	(4.38)			
Italian				-5.22*	-0.14	19.57***
				(7.96)	(0.12)	(6.16)
Polish				-13.77	0.05	4.51
				(11.21)	(0.14)	(5.24)
Russian				124.24***	0.23	51.14***
				(23.13)	(0.22)	(18.33)
Ukrainian				16.04	0.64*	38.72**
				(23.54)	(0.38)	(17.80)
DV: asinh	N	Y	N	N	Y	N
Method	OLS	OLS	Quantile	OLS	OLS	Quantile

Notes: Net worth is based on self-reported assets and liabilities, adjusted to 2024 dollars using the CPI, and expressed in thousands. The sample includes all survey reference persons aged 30 and over who reported a specific European ancestry and are not married to a spouse from outside their broad ancestral group (old or new European). Regressions include controls for age, age squared, marital status, and survey year fixed effects. New European ancestry includes Italian, Polish, Russian, and Ukrainian; the reference group (old European) includes Dutch, English, French, German, Irish, Norwegian, Scottish, Swedish, and Welsh. Standard errors (robust for OLS) shown in parentheses. All regressions include 27,018 observations. Significance levels are denoted by * p <.10, ** p <.05, *** p <.01.

Table A8: White household net worth in the NLSY79, 2020 (continuous explanatory variable)

	(1)	(2)	(3)
New European	-56.69	0.33	100.37
	(299.62)	(0.25)	(77.25)
DV: asinh	N	Y	N
Method	OLS	OLS	Quantile

Notes: Net worth is based on self-reported assets and liabilities in 2020, adjusted to 2024 dollars using the CPI, and expressed in thousands. The sample includes all survey participants who identify most a specific European ancestry. The explanatory variable shown is the share of respondents' reported ancestry classified as new European, where each reported ancestry is weighted equally. The New European ancestry includes Greek, Italian, Polish, and Russian. Old European includes American, British (English, Scottish, and Welsh), French, German, and Irish. All regressions control for marital status and the share of reported ancestry from groups not listed above. Standard errors (robust for OLS) shown in parentheses. All regressions include 2,073 observations. Significance levels are denoted by * p <.10, ** p <.05, *** p <.01.

Table A9: White household net worth in the SIPP, 1984-1993 (based on nativity)

	(1)	(2)	(3)	(4)	(5)	(6)
Immigrant	24.65**	0.02	14.70			
	(12.11)	(0.13)	(10.97)			
First or second generation				-25.45	-0.25	-1.11
				(17.83)	(0.19)	(10.44)
DV: asinh	N	Y	N	N	Y	N
Method	OLS	OLS	Quantile	OLS	OLS	Quantile
Observations	29,319	29,319	29,319	3,303	3,303	3,303

Notes: Net worth is based on self-reported assets and liabilities, adjusted to 2024 dollars using the CPI, and expressed in thousands. The sample includes all survey reference persons aged 30 and over who reported a specific European ancestry. Immigrants who arrived later than the 1920s are excluded. Regressions include controls for age, age squared, marital status, and survey year fixed effects. Columns 3 to 6 only include data from 1985. Standard errors (robust for OLS) shown in parentheses. Significance levels are denoted by * p <.10, ** p <.05, *** p <.01.

Table A10: White household net worth in the SIPP, 1984-1993 (excluding old European first and second generations)

	(1)	(2)	(3)	(4)	(5)	(6)
New European	18.54***	0.13*	23.13***			
	(5.70)	(0.07)	(3.47)			
Italian				4.60	0.08	24.62***
				(6.67)	(0.09)	(4.48)
Polish				-5.21	0.09	7.17
				(9.07)	(0.11)	(4.87)
Russian				151.22***	0.36*	68.47***
				(20.99)	(0.17)	(18.95)
Ukrainian				-6.23	0.42	34.62
				(19.21)	(0.31)	(2.86)
DV: asinh	N	Y	N	N	Y	N
Method	OLS	OLS	Quantile	OLS	OLS	Quantile

Notes: Net worth is based on self-reported assets and liabilities, adjusted to 2024 dollars using the CPI, and expressed in thousands. The sample includes all survey reference persons aged 30 and over who reported a specific European ancestry. Immigrants who arrived later than the 1920s are excluded. Individuals of new European ancestry who are immigrants, or who have immigrant parents in the 1985 data, are excluded. Regressions include controls for age, age squared, marital status, and survey year fixed effects. New European ancestry includes Italian, Polish, Russian, and Ukrainian; the reference group (old European) includes Dutch, English, French, German, Irish, Norwegian, Scottish, Swedish, and Welsh. Standard errors (robust for OLS) shown in parentheses. All regressions include 35,454 observations. Significance levels are denoted by * p <.10, ** p <.05, *** p <.01.

Table A11: White household income in the SIPP, 1984-1993

	(1)	(2)	(3)	(4)	(5)	(6)
New European	7.79***	0.06**	6.75***			
	(1.30)	(0.03)	(1.21)			
Italian				4.50***	0.04	5.36***
				(1.58)	(0.03)	(1.42)
Polish				3.59*	-0.01	5.32**
				(2.07)	(0.05)	(2.08)
Russian				35.34***	0.27***	25.02***
				(4.91)	(0.07)	(6.50)
Ukrainian				6.94	0.16***	6.13
				(6.89)	(0.06)	(9.40)
DV: asinh	N	Y	N	N	Y	N
Method	OLS	OLS	Quantile	OLS	OLS	Quantile

Notes: The dependent variable is annualized monthly income, adjusted to 2024 dollars using the CPI, and expressed in thousands. The sample includes all survey reference persons aged 30 to 65 who reported a specific European ancestry. Regressions include controls for age, age squared, marital status, and survey year fixed effects. New European ancestry includes Italian, Polish, Russian, and Ukrainian; the reference group (old European) includes Dutch, English, French, German, Irish, Norwegian, Scottish, Swedish, and Welsh. Standard errors (robust for OLS) shown in parentheses. All regressions include 26,959 observations. Significance levels are denoted by * p <.10, ** p <.05, *** p <.01.

Table A12: White household income in the NLSY79, 1990

	(1)	(2)	(3)	(4)	(5)	(6)
New European	16.31*	0.19***	10.82			
	(9.70)	(0.06)	(7.57)			
Greek/Italian				19.28*	0.23***	18.11*
				(11.38)	(0.06)	(9.58)
Polish/Russian				11.34	0.13	2.65
				(16.20)	(0.09)	(10.49)
DV: asinh	N	Y	N	N	Y	N
Method	OLS	OLS	Quantile	OLS	OLS	Quantile

Notes: The dependent variable is annual income, adjusted to 2024 dollars using the CPI, and expressed in thousands. The sample includes all survey participants who identify most a specific European ancestry. New European ancestry includes Greek, Italian, Polish, and Russian; the reference group ("old" European) includes American, British (English, Scottish, and Welsh), French, German, and Irish. Standard errors (robust for OLS) shown in parentheses. All regressions include 2,614 observations. Significance levels are denoted by * p <.10, ** p <.05, *** p <.01.