

The nativity wealth gap – a systematic review and meta-analysis

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Wealth differences by nativity¹ have been repeatedly characterized as a research gap (Bauer et al., 2011; Bauer & Sinning, 2011; Ferrari, 2020; Muckenhuber et al., 2022; Semyonov & Lewin-Epstein, 2022). Indeed, the research of wealth differences by nativity is far less developed than that of differences in incomes or employment (De La Rica et al., 2013). However, wealth differences between natives and immigrants are of high importance. Wealth does not only provide security, it also represents access to homeownership and entrepreneurship. Furthermore, the ownership of these forms of wealth increases the stake that immigrants have in the societies of their residence countries and thus their integration.

Although there has not been a large number of studies in this field yet, there is growing evidence that migrants may on average be less wealthy than natives (see for example Bauer et al., 2011; Cobb-Clark & Hildebrand, 2006; Muckenhuber et al., 2022; Semyonov & Lewin-Epstein, 2022). Nevertheless, it is unclear, if these differences are consistent, how strong they are and how much they depend on the specific aspects of the study context and the study methodology. Furthermore, there are conflicting results on how wealth levels develop over the duration of the immigrants' residence – a question that is central when wealth is considered a dimension economic integration of immigrants.

Given the fragmented evidence within this field, a comprehensive overview can increase the current understanding of the nativity wealth gap. The current state of the field may be a sweet spot for the conduction of a systematic review and meta-analysis: By now, there are enough studies that investigate wealth differences by nativity to not only allow summarizing their assessments regarding the existence of a nativity wealth gap, but also to investigate possible sources of heterogeneity. At the same time, the field is still young and malleable and could potentially grow alongside the field of wealth inequality research. Thus, the systematic identification of future avenues of research has great beneficial potential for the field.

Therefore, I conduct a systematic review and meta-analysis. I aim to 1) provide an overview of the research on the nativity wealth gap and the development of wealth differences by nativity over the period of residence, 2) identify factors that may lead to heterogeneous estimates in different studies and 3) provide avenues for future research in the field.

Theoretical perspective

Wealth differences between immigrants and natives could arise through various mechanisms, which can be classified in three categories. First, immigrant populations may differ from native populations in their age composition. According to the classical life cycle theory of wealth accumulation levels tend to increase over an individual's working age (Ando & Modigliani, 1963). Therefore, in contexts where the immigrant population is on average younger than the native population, an average immigrant may possess lower levels of wealth than an average native. In aggregate natives would thus possess lower levels of wealth than natives (Faininger & Flechter, 2025). However, for the individual these differences alone may not be too important as immigrants may still possess similar wealth levels as natives of their own age.

Second, immediately after the immigration, immigrants may possess less wealth than natives of the same age. This is because the wealth that they bring from their country of origin might be on a smaller scale than that of natives, since migrants tend to move from less wealthy to more wealthy countries (Berman & Aste, 2016). Such initial differences in wealth levels may constitute a notable aggregate nativity wealth gap and may

¹ I use the term nativity to refer to the binary variable that differentiates between the expressions "immigrant" (born in a different country than the country of residence) and "native" (born in the country of residence).

have substantial impacts on the life of individuals. Nevertheless, such initial differences could arise solely as an effect of global inequality and may not be related to the integration of the immigrants.

Third, wealth accumulation in the residence country may happen at different rates for immigrants and natives of the same age for a multitude of reasons: Slower wealth accumulation by migrants could simply be the consequence of generally disadvantaged socio-economic positions (see for example Muckenhuber et al., 2022). Factors such as discrimination (Hao, 2004) and remittances (see for example Bauer & Sinning, 2011) have also been proposed to slow the wealth accumulation of immigrants. On the other hand, there is some evidence that immigrants may in some contexts have a higher inclination to save or to invest in homeownership (Fuchs-Schuendeln et al., 2020). Therefore, the gap between immigrants and natives of the same age may increase or decrease with duration of residence in the destination country. From a perspective of integration theory, the question how the nativity differences in wealth develop over the duration of residence is of special importance, as persistent or increasing differences may disincentivise broader integration (Fouka, 2024) and potentially foster segmented assimilation (Alba, 2005; Portes & Zhou, 1993).

Methodological approach

A systematic review is a review of scientific literature for a specific question, that employs a structured search for and selection of relevant research with a predefined strategy to synthesize the findings of the identified studies (see Page et al., 2021). Systematic reviews can overcome some of the biases that affect conventional literature reviews to produce a more comprehensive and more reliable overview. When reviewing quantitative empirical evidence, such a review can be paired with a meta-analysis that statistically compares and summarises numeric results of the included studies (Cooper, 2017). Such a meta-analysis not only provides more reliable and potentially more statistically powerful conclusions than a single primary study but can also be used to generate novel findings by linking study outcomes to study contexts. For this study, I follow the established procedure detailed by the PRISMA statement (Page et al., 2021) as well as the guides published by Petticrew & Roberts' (2006), Card (2011) and Cooper (2017).

For the systematic review, I search adequate data bases (Scopus, Web of Sciences, Sociological Abstracts and EconLit) with defined search terms and systematically select relevant studies that fit predefined inclusion criteria. Specifically, I only include quantitative studies that estimate differences in wealth levels between native and immigrant populations. Qualitative studies, studies that estimate wealth gaps along racial or ethnic lines and studies that compare emigrants or return migrants to natives in the origin country are explicitly excluded from this systematic review.

Subsequently, the estimates of interest from the primary studies that fulfil these criteria form the data of the meta-analysis. Here my primary interest lies on multivariate regression estimates of the nativity wealth gap that apply some form of control for age. To harmonize the estimates from different studies, I first transform them into partial correlations. I then run a meta-analysis with random effects. This allows to estimate a summarizing estimate and a summarising error that encompasses both within and between study variation. Lastly, I run multiple meta regression models, through which I can test how study level predictors correlate with the estimated nativity wealth gap. These predictors will include methodological decisions of the primary studies (such as which form of wealth was investigated), but also substantial aspects of the context of the primary studies (such as the share of refugees vs. labour migrants in the immigrant population in the study country).

To avoid subconsciously biasing the results of this study through ad hoc methodological decisions, I preregistered the full plan for the systematic review and meta-analysis (Herpell, 2025).

Preliminary results and outlook

At this point the systematic review is not yet completed. I am currently in the process of screening a total of ca. 9000 articles on whether they fulfil the inclusion criteria. Hence, no detailed results can be presented yet. Through a preliminary non-systematic review, I was able to identify 15 peer-reviewed studies that fulfil the inclusion criteria. Because this preliminary data set is not the result of a vigorous systematic review, the current preliminary results may not be indicative of the final results.

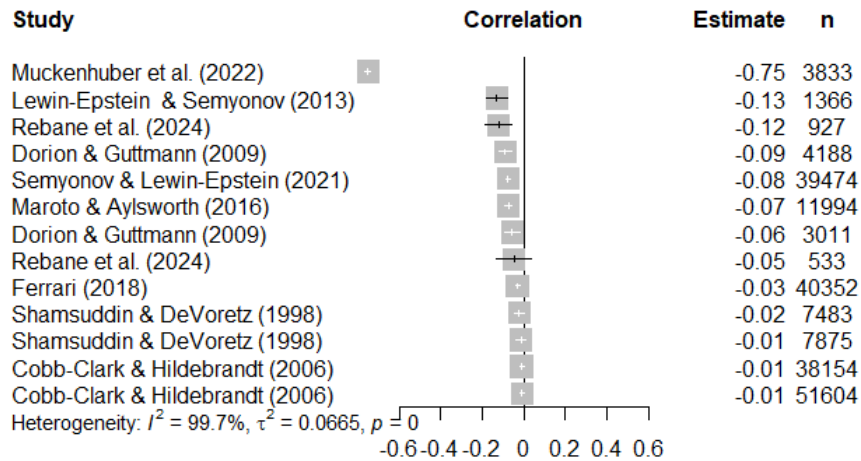


Figure 1: Preliminary overview of estimates of the nativity wealth gap in primary studies. Estimates transformed into partial correlations for comparability.

Many of the primary studies found immigrants to possess on average significantly less wealth than natives. As visible in Fig. 1, the partial correlations between nativity and wealth range between -0.1 and 0 in most studies, which is a relatively small effect. Eight of the 15 studies also investigated how wealth differences develop over the duration of residence. Here the studies come to conflicting conclusions indicating that the residence duration and the wealth levels of immigrants correlate with a partial correlation that ranges between -0.1 and 0.05 (see Fig. 2). Without a comprehensive overview of studies, I cannot investigate, why the differences in the effects of the residence duration appear. It is possible, that they are the result of substantive differences, but they may also be caused by different methodological approaches. Since most of the primary studies employ cross-sectional data, residence duration effects cannot be delineated from idiosyncratic differences between immigration cohorts in the single studies.

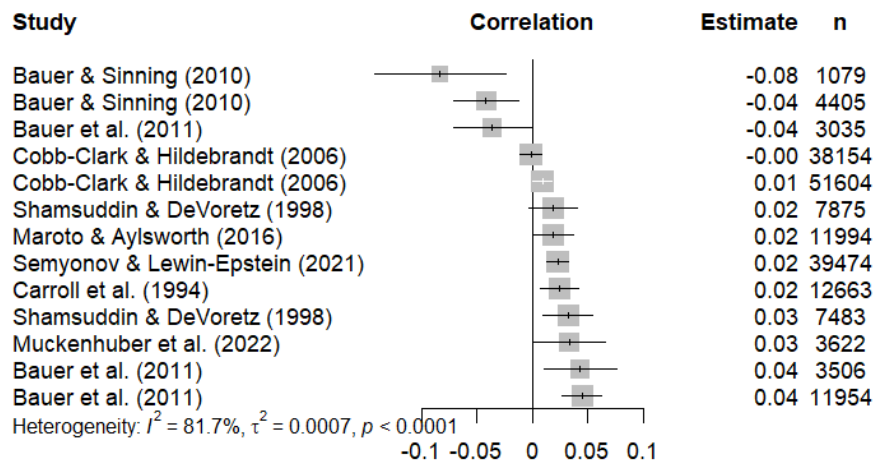


Figure 2: Preliminary overview of primary estimates of the development of nativity wealth differences over residence duration. Estimates transformed into partial correlations for comparability.

The complete results of this systematic review will not only provide a comprehensive overview and more precise estimate for the nativity wealth gap – they may also enable insights on which factors explain the differences between primary studies and to disentangle the effects of residence duration from idiosyncratic differences between immigration cohorts. Furthermore, this study will contribute to establishing the importance of nativity in wealth research and the relevance of wealth in nativity research.

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