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ABSTRACT

Immigrants and Religion

Religious considerations affect the decision to immigrate as well as the choice of destination country, and religious behaviors change as immigrants adjust to the economic context of their new country. This paper considers the interaction between the Economics of Religion and the Economics of Immigration, and distinguishes between religiosity per se and an immigrant's religious identity (affiliation). Religious groups are described as quasi-enclaves and immigrant churches as a subset of these. Rising full prices (wage rates) and incomes during the adjustment process affect the religious behavior of immigrants. Religious institutions (referred to as churches) also respond to systematic changes in the religious behaviors of their members.

JEL Classification: Z12, J61, J11, J15

Keywords: religion, religiosity, immigrant church, quasi-enclave, immigrant adjustment, international migration, social change

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I. Introduction

Each immigrant embodies a portfolio of human capital, a stock which includes both labor-market skills and religious human capital. For the sake of simplicity, we shall assume that when an adult immigrant arrives in the destination he or she already identifies with a specific religion, embodies human capital specific to that religion, and does not intend to convert to another religion. By definition, religious human capital raises a consumer’s productivity directly only in religious activities, but complementarities between different kinds of human capital can have indirect effects on productivity in non-religious activities, and vice versa. One consequence of this is that an immigrant’s religion not only affects his or her perspective on the new country, but is also affected by the major changes comprising the assimilation process.

Although religion affects an immigrant’s consumption choices and labor market activities, the very personal nature of spirituality and religious beliefs make them difficult to measure on an individual level. This chapter looks mainly at religious behaviors that respond to the usual economic incentives – prices, incomes, and institutions – focusing on adaptations of religious practices among immigrants as they adjust to their destination country. 1 Part II begins with a concise overview of the definitions and theory of the economics of religion. Part III considers how assimilation into the labor market changes full prices and incomes in ways that induce changes in religiosity. Part IV looks at the effects of economic or labor market assimilation on religious affiliation, especially the

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1 Although the economics of religion is a relatively new branch of economics, its literature has grown rapidly in recent decades. It now has its own professional association, the Association for the Study of Religion, Economics and Culture (ASREC: see URL http://www.thearda.com/asrec) and JEL classification code Z12. For a review of earlier literature in this field see Iannaccone (1998) and McCleary & Barro (2006). Chiswick (2010a) presents a concise theoretical overview of the economics of religious behavior.
phenomenon of the “immigrant church.” Part V concludes with a brief discussion of the impact of immigrants’ labor market assimilation on endogenous religious institutions in the destination.

II. Economics of Religion

Religion is best thought of as a bundle of three interrelated goods: a self-produced spiritual good, a club good associated with a particular religion, and an investment good associated with belief in an afterlife (Azzi & Ehrenberg 1975). These distinctions are useful for economic analysis since each of these goods has different economic properties that generate incentives for acquiring different forms of human capital. Affiliating with a specific religion is analogous to joining a club, where the productivity of each consumer’s resource inputs depends in part on the resource inputs and productivity of other consumers in the same club (Buchanan 1965, Iannaccone 1992). A spiritual experience, the essential quality that distinguishes religion from all other goods, is self-produced with the consumer’s own time and purchased inputs within the context of that club. The technology that a consumer uses for this purpose depends on the set of rules, rituals and beliefs that effectively define the religion with which he or she affiliates. The so-called “afterlife” good is an investment whose benefits are reaped beyond the lifetime of the investor, the nature of which depends on beliefs associated with the religious technology. This may take the literal form of a life beyond the grave, but it may also take more earthly

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2 The term “church” is used here generically, as is common in the literature on the economics of religion, to refer to any religious group or establishment. An immigrant church can thus be a synagogue, mosque, temple, or meeting house where immigrants gather for prayer or religious ritual. The term can also refer to their respective religious groups.
forms like furthering dynastic ambitions, building a legacy for the future, or strengthening the religious community.

Religious affiliation identifies the group to which one belongs, which one can join or leave, and in which one can participate with varying degrees of intensity. This is different from religiosity, the importance of religion in the consumer’s market basket (Lehrer 2009, C. Chiswick 2013). Religiosity is independent of any specific religion, each of which provides a technology for achieving spiritual goals. Affiliating with a specific religion involves adopting one of these technologies, and the technology in turn affects the incentives to invest in various forms of religious human capital. Measures of religiosity proxy for spirituality, a self-produced good that typically involves joining a club whose members share the same religious technology.

**Transferability of Religious Human Capital**

Religion must be learned, whether formally or informally, a process that results in the formation of religious human capital (Azzi & Ehrenberg 1975; Iannaccone 1990; Neuman 1986; Hollander et al., 2007; Chiswick 2006, 2010a). Religious human capital can include – but need not be limited to – religious beliefs, knowledge, familiarity with ritual, or convictions about morality. Whether acquired by training or experience, skills or memories, religious human capital augments a person’s ability to satisfy basic spiritual needs and/or increase a sense of belonging to a community of spiritual seekers. Religious human capital can be specific to a particular religious technology or transferable between religions, with transferability being greatest among religions with similar technologies for producing the religious good.
For empirical analysis, religions are aggregated into groups that reflect the transferability of religious human capital among their various congregations. The traditional classifications for the United States are Protestant, Catholic, Jewish, and Other, this last being a catch-all category of small groups that have little else in common. (Kosmin & Keysar 2006) For many purposes, however, these groups are too broad to be useful (Steensland et al. 2000). Recent surveys subdivide the “Protestant” category into Evangelical Protestant, Mainline Protestant, and African-American Protestant (Smith 1990). Similarly, “Other” is sometimes subdivided to specify Mormon, Orthodox Christian, Moslem, Buddhist, Atheist/Agnostic, or “None” (i.e., people who say they have no religion).3 Although these distinctions require larger surveys in order to obtain meaningful sample sizes, they increase within-group homogeneity (i.e., transferability of human capital) and improve the analytical power of variables used to study religious affiliation. (Lehrer 2004, 2009; Lehrer & Chiswick 1993; Beyerlein 2004; Adsera 2006; Hofrenning & Chiswick 1999).

For given spiritual and social (including networking) benefits, the benefit from religious observance, or from switching religions, is affected by complementarities between religious and general human capital (Chiswick 2006, 2010a; Hollander et al., 2007). For example, religious human capital that develops literary and analytical skills complements a high secular education and would be less attractive to people with low levels of schooling. (Botticini & Eckstein). Similarly, a religion that emphasizes the

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3 People who self-report “no religion” may nevertheless seek spiritual experience and have a belief system that guides morality. Whether this is considered to be “secularism,” “humanism,” or simply “no religion,” for analytical purposes it is best viewed as a religion in its own right.
spiritual value of physical labor would be more attractive to people favoring manual occupations. By altering the complementarity properties of secular and religious human capital, the process of secular assimilation affects an immigrant’s religious experience and hence the incentive to invest in destination-specific religious skills.

**Religious Groups as Quasi-Enclaves**

Considering religion as a sector of the economy, each religious technology is an industry composed of congregations that are firms supplying their members with a religious (i.e., spiritual) experience. The economic good that a religious firm provides is a club good in that the productivity of one’s own resources (money and time) depends in part on resources provided by other members of the group. For example, the religious experience obtained by singing hymns is greater when performed in a group where everyone participates eagerly than when sung alone or with people unfamiliar with the words or tune. Similarly, the emotional impact of religious ritual is greater when shared with fellow believers than when performed among skeptics.

Club-good attributes are an incentive to join a community of people who share the same religion; the experience obtained through that affiliation differs according to whether the group is a small minority in the community or a religious majority, especially if the majority religion is favored (explicitly or implicitly) by law and custom. In a pluralistic country, every religious community may be thought of as a quasi-enclave embedded in the larger society, a market for religion-specific goods and services but without the secular characteristics of a conventional ethnic enclave (Chiswick & Miller 2005). In a country that is less pluralistic, people may face incentives to adopt the religion practiced by their neighbors or by a majority in the community where they work.
Switching religions involves moving (literally or virtually) from one quasi-enclave to another, and thus is analogous to a migration decision. The cost of such a move is lowest between religions with highly transferable human capital and for people with low levels of religiosity. It is greater for people with high levels of origin-specific religious human capital and for destination religions that require more religion-specific investments. If labor market success in the destination involves adopting a new religion, assimilation requires a greater investment than if destination-specific secular human capital complements the human capital of an immigrant’s religion (Chiswick 2009).

The benefits or profitability of immigration can also be affected by religious considerations. For example, consider an origin-country religion that is disadvantaged, perhaps by outright persecution but also perhaps by economic or social handicap or even just by being too small to benefit from economies of scale. Members of such a group face incentives to switch to a less costly religion, but they can also immigrate to a destination country where their old religion can be practiced in a friendlier environment. Religiously-motivated immigrants are often thought of as refugees persecuted in the origin country and forming a tight enclave in the destination. Yet religion also may be a factor for economic migrants if the gain from moving is greater in destinations where their religious group is larger, more favored, or less costly to practice for some other reason.

Religious Free-Riders

Like any club, religious groups are susceptible to the problem of free riders, people who allocate few resources of their own but seek to benefit from the inputs of others. High membership fees are a way of discouraging these marginal participants, but religious groups typically place a high value on attracting new members and many are ideologically
opposed to charging membership fees. Religions are more likely to require some sort of sacrifice (a sort of non-monetary membership fee) as a means of discouraging free riders and to stigmatize outsiders and defectors from the group. (Iannaccone 1992) Stigmatizing non-believers merely serves to strengthen the internal coherence of a small group, but for a large religious group it has the potential to influence society and/or exert political power regardless of the degree of official government support.

Countries with an officially sanctioned state religion effectively award monopoly power to one religious producer, privileging it above all others. Enforcement of that monopoly varies from country to country and time to time, the treatment of dissenting religions running the gamut from vigorous persecution to benign neglect. In contrast, separation of church and state results in a laissez-faire regime characterized by free entry and exit of religious firms. These firms produce a variety of religious products, compete with each other for members, and devise various combinations of “sacrifice and stigma” to strengthen the commitment of members to the group (Kelly 1972, Iannaccone 1992).

Many countries choose an official state religion in the belief that doing so will increase religiosity within the general population. In any industry, however, a monopolist sells less product and at a higher price than would result from competition among producers. In a competitive religious market, consumers choose the product that suits them best and thus have a greater incentive to devote more resources to religious observance (Smith 1776, Book V, Chapter I, Article 3). In contrast, granting a monopoly
to a single religious group has the opposite effect and increases the incidence of free
ridership (Iannaccone 1991).  

III. Immigrant Religiosity

An economic migrant arrives in the destination country with the intention of
seeking a higher hourly wage rate than he or she could earn in the country of origin, and
the immigrant generally remains in the destination if this intention is realized. Even if the
money wage is low during the early phases of an immigrant’s adjustment, investing in
destination-specific human capital raises the value of time and generally makes all other
time-intensive activities more costly. Religiosity, and the search for spiritual experiences,
becomes more expensive than in the origin country. Spirituality is also a normal good,
however, the demand for which increases with the consumer’s income \textit{ceteris paribus}.
Thus income and price effects work in opposite directions. An immigrant moving from a
low-wage origin to a high-wage destination experiences an increase in the cost of
spirituality, and hence a reduction in quantity demanded, but also a rise in income that at
least partially offsets this.

\textit{Self-selection for Religiosity}

Religious discrimination or stigmatization can be a significant motivation to
switch religious affiliations. It can also be a motivation to emigrate from a country where
religious stigma has a negative effect on economic opportunities. Immigrants may thus be

\footnote{Some countries recognize more than one official religion, creating a religious oligopoly
or something analogous to monopolistic competition. This case is fairly common in parts
of Europe and the former Ottoman Empire, but it has yet to attract the attention of
economists. Although the literature has many studies comparing monopoly and
competition for various religions, the case of multiple state religions has received little
attention.}
self-selected for religious dissenters, especially minority groups seeking a destination where their religion is preferred or tolerated (or at least practiced by a large group). Other religiously-motivated immigrants may have low levels of religiosity, free-riders with minimal attachment to the origin’s dominant religion, seeking a destination where secularism is welcomed or where economic opportunity is independent of religious affiliation.

Most immigrants seek a place where they can prosper without giving up their religious beliefs. If their religion was dominant in the origin and a minority in the destination, adjusting to this change in status increases the cost of both migration and religious observance, perhaps even leading to a decline in religiosity. In some cases, however, religious dissenters migrate as a group to practice their religion freely even if it requires forgoing economic opportunities in the destination. If their religion was a dissenting minority in the origin and a dominant group in the destination, incentives associated with economic adjustment may tempt them for the first time to become free riders in their religious group. Thus even people whose religious beliefs were a primary motive for migrating may find their religious attachments weakening as they assimilate in the destination.

**Religiosity and Assimilation**

Each religious technology includes a range of production techniques for combining resources (time and money) to reach spiritual goals. Adherents of a given religion in a high-wage country will find time-intensive religious practices more expensive, and hence less appealing, than adherents of that same religion in a low-wage country. Immigrants from a low-wage origin, arriving in a high-wage destination with
religious human capital appropriate for time-intensive observances, will be at a
disadvantage in congregations that follow less time-intensive (more goods-intensive)
practices with the religious human capital appropriate for that choice. Thus we can think
of immigrants from low- to high-wage countries as having some religious human capital
readily transferable to their co-religionists in the destination and some that is specific to
their origin country.

If countries differ in their returns to secular human capital, the complementarity
properties of religious human capital may also differ. (Chiswick 2006) An immigrant’s
religious human capital that complements non-transferable origin-country skills loses this
benefit in the destination. Other forms of that same religion’s human capital may
complement the destination-specific secular skills in which the immigrant is investing.
Although an immigrant’s religiosity may seem to decline with assimilation into the
destination labor market, it may just be that his or her religious behavior is changing in
response to an altered set of incentives. As the immigrant adjusts to the destination by
investing in country-specific secular skills, he or she faces concurrent incentives to invest
in new religious human capital, whether in the same religion or a different one. The
urgency of investing in destination-specific religious human capital may be mitigated by
joining a congregation of immigrants with similar origins, but this merely delays the
adjustment process since it does not alter the fundamental price incentive associated with
a higher value of time.

IV. Immigrant Churches

People who belong to a dominant religious group in their origin country, whether
their attachment to that religion is deep or marginal, are motivated to migrate primarily in
search of economic opportunity. If their religion is not dominant in the destination, however, they must adjust to their new status as members of a minority religious group. For example, immigrants from Moslem countries, where Islam is not only practiced by nearly everyone but also privileged by the government, can be disoriented by the non-Moslem environment in their European or American destination. European Catholics immigrating to the United States at the turn of the 20\textsuperscript{th} century typically faced a similar situation, their minority status in the U.S. a strong contrast to the deeply-rooted church governance in their home countries. Immigrants with high levels of religiosity may turn to each other for reinforcement in this unfamiliar environment. Immigrants with low levels of religiosity in the origin country are now in a smaller religious community where free riding is observed and discouraged. Thus even people whose primary motive for migrating was economic may face incentives to alter their religious attachment in the destination.

Few new immigrants arrive in their destination expecting to change their religious affiliation, and they typically focus their time and energy on investments in destination-specific secular human capital. To the extent that their religious human capital does not transfer well to the destination, the practices of their co-religionists in the destination may seem strange or perhaps even irreligious.\textsuperscript{5} In such cases, newcomers often form an “immigrant church,” a congregation whose members share a similar origin-specific

\textsuperscript{5} This impression is often reinforced by the origin-country religious community and its leaders with rhetoric complaining of “godlessness” in the destination. This is presumably intended to discourage emigration, but it also serves to make assimilation more difficult (costly) for new immigrants.
secular culture (including language and social status) as well as a common religion (Warner 1998).

Immigrants are attracted to such a church not only for religious expression but also because it is a special kind of enclave where some otherwise non-transferable human capital still has value, a “safe haven” in an otherwise confusing world. New arrivals are welcomed by congregants who have recently experienced similar adjustment problems, who offer sympathy, advice, and (sometimes) material assistance. Clergy in the immigrant churches smooth the adjustment process by helping new congregants find housing and friends who speak their language. They also help immigrants acquire useful information about jobs, transportation, shopping, health care or child rearing and destination-specific skills, the most important of which is the new language. Although enclaves can undermine incentives to adapt rapidly to a new country, these kinds of parareligious church activities attract new immigrants precisely because they facilitate the adjustment process. (Chiswick & Miller 2005, Warner & Wittner 1998). By way of corollary, however, even an active affiliation with an immigrant church need not imply an increase in religiosity on the part of congregants.

As immigrants assimilate into the destination labor force and experience rising wage rates, their optimal religious practices become less time-intensive and they have an incentive to invest in destination-specific religious human capital. Sometimes this means switching to (joining) a destination-country congregation with religious practices compatible with a higher value of time. In other cases the “immigrant church” evolves with its members, moving with them to a new neighborhood and reducing the time-intensity of religious observance (perhaps described as “assimilation” or even
“Americanization”) but preserving the language and social life of its members’ origin culture.

Immigrant churches are thus a transitional phenomenon that rarely outlasts the immigrants themselves. If assimilating immigrants switch to a destination-specific congregation, the immigrant church atrophies from dwindling membership unless it is replenished with new immigrants from the same origin. If the immigrant congregation assimilates along with its members, its distinction rests increasingly on nostalgia rather than differences in religious substance. The children of immigrants find this less compelling and typically join a destination-country congregation when they leave the immigrant neighborhood and establish families of their own. Even those who stay in the immigrant church rarely continue after their parents retire or die.

V. Religious Observance, Institutions, and Beliefs

The adherents of any religion are seekers of spiritual satisfaction, a self-produced good that receives benefits from membership in a group of similar producers. People respond to a change in the cost of inputs into this self-production process by moving along an isoquant determined by the technology associated with their particular religion. They respond to a change in income by moving to a new isoquant of the relevant production function. That is, they respond to new economic incentives by modifying their religious production techniques (observances and practices) rather than their religious technology (theology and beliefs).

For most immigrants, the act of immigration *ipso facto* involves an increase in wage rates, if not immediately then after a brief period of adjustment to conditions in the destination. Time-intensive self-produced goods, including religious observance, are thus
more costly in the destination than they were in the origin, and their cost continues to rise over time as the immigrant assimilates into the destination labor force. This induces changes in religious observance towards less time-intensive practices. It also raises the returns to destination-specific religious human capital, partly in response to changes in religious observance and partly because of complementarity with the immigrant’s new destination-specific non-religious human capital. Even if income effects raise an immigrant’s demand for the religious good, price changes transform the way in which this is achieved.

The institutional context of religious life in the destination country affects the immigrant’s religious experience. Some immigrants belonged to a minority religion in the origin country, perhaps even a dissenting religion, and move to a country that is more hospitable to its practice. Those whose religion was practiced by a majority in the origin country, perhaps even sanctioned as an official state religion, may find themselves in a destination where they constitute a minority. This raises the cost – both economic and emotional – of adjustment to the destination, even more so if they also experience host-country discrimination. Joining an immigrant church can offset some of these costs and speed up the adjustment process, but it does not change its basic nature.

The shift towards less time-intensive religious practices does not *ipso facto* affect the basic technology associated with an immigrant’s religion even though he or she may appear “less religious” by origin-country standards. Sometimes, however, it can lead to more profound changes. Nobody practices their religion to perfection; people tend to distinguish between “basic” strictures that must be followed and peripheral rules that can be downplayed or even ignored. People tend not to question religious teachings that are
inexpensive to follow, but they are more likely to downgrade the importance of teachings that are expensive. A time-intensive practice that is central in a low-wage origin country may be viewed as optional in a high-wage destination. As members distance themselves from these teachings, whether by nonobservance or by switching religions, the church itself faces an incentive to modify its position. Such economically-induced changes are often the essential difference between the immigrant church and its destination counterpart.

Nowhere is this process more evident than in changing ideas about sex, marriage, and gender roles – changes in “family values” that are often contested by religious traditionalists. In the 20th century, for example, Catholic immigrants to the United States found the religious ruling against contraception increasingly costly as they assimilated into the high-wage American labor market and by the third generation had largely stopped viewing this belief as a core religious value. Similarly, the combination of small family size and similar educational attainment for men and women, persisting over several generations among the children and grandchildren of immigrants to the United States, provide experiences that undermine the doctrines of some religions regarding male-female differences in spiritual capabilities and gender-based religious roles (Chiswick 2010b). Religious theologies that impose barriers based on gender or sexual preference are increasingly costly for adherents to follow. Immigrant churches that insist on the importance of such old-country “family values” invariably lose members to their co-religionist congregations as the immigrants assimilate into the destination country’s economic mainstream.
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