The thesis focuses on three topics of interest: the difference between native and immigrant welfare receipts, returns to education due to educational mismatch between natives and the foreign-born employees, and the effects of agglomeration on earnings. The first chapter of the dissertation examines the difference in social income between natives and immigrants across a number of EU countries and the US, based on the generosity of the existing welfare systems. The findings confirm the existence of large social income gaps in favour of non-EU immigrants, and these gaps are mainly due to the fact that immigrants' families have more children, fewer earners and are more likely to have non-wage income than the natives. The second chapter compares the difference in returns to education between foreign-born and native workers in France, Germany, and Austria. Using an educational matching approach, the results show that immigrants have lower wage returns in being over-educated than natives but are penalized less for being under-educated. The third chapter focuses on the distribution of earnings across the UK from a spatial perspective, which is determined by the endogenous relationship between productivity and agglomeration or employment density. While the agglomeration effects are similar across different levels of territorial aggregation, they prove to be strongest in the Metropolitan areas of the UK.