The children of migrants to Australia are more trusting than those whose parents settled in America, University of Melbourne research has found.

The study revealed more than 60% of Australian second generation immigrants believe 'most people can be trusted', while only 41% of the US immigrants do.

Researchers Dr Domenico Tabasso and Dr Julie Moschion argue there are several reasons for the divide.

"Low levels of crime, high rates of employment, income equality and an absence cultural segregation account for the high levels of trust found in Australia," according to Dr Tabasso.

"On the flipside, the perception of racial inequality contributes to lower levels of trust in the United States," he said.

Previous academic studies have underlined the central role trust plays in a strong economy, as it facilitates cooperation and exchanges among individuals.

The research—published by the Melbourne Institute of Applied Economic and Social Research—found the way migrant groups pass values, beliefs and social preferences to their children also plays a crucial role.

"We found a strong link between the level of trust among second generation immigrants and the trust levels found in their parents' countries of origin," Dr Tabasso said.

"This is especially the case in the United States, while in Australia the socio-economic environment appears to more significantly influence a person's level of trust."

The research uses data from the Household, Income and Labour Dynamics in Australia (HILDA) study and the United States' General Social Survey (GSS).

'Trust of Second Generation Immigrants: Intergenerational Transmission or Cultural Assimilation?' by Domenico Tabasso and Julie Moschion is available online.

Provided by University of Melbourne