



IMMIGRATION POLICY CENTER
SPECIAL REPORT



THE UNEMPLOYMENT AND
IMMIGRATION DISCONNECT:

UNTYING THE
KNOT

PART I OF III

Produced By Rob Paral & Associates

MAY 2009

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This report was prepared for the Immigration Policy Center of the American Immigration Law Foundation by Rob Paral and Associates, with writing by Rob Paral and Madura Wijewardena, and data programming by Michael Norkewicz.

EXECUTIVE SUMMARY

With Congress once again poised to consider comprehensive immigration reform, while the U.S. economy remains mired in a recession characterized by high levels of unemployment, a key question confronting lawmakers is to what extent immigration and unemployment are related. Opponents of immigration reform frequently argue that immigrants “take” jobs away from many native-born workers, especially during economic hard times. If this is true, then one would expect to find high unemployment rates in those parts of the country with large numbers of immigrants—especially immigrants who have come to the United States recently and, presumably, are more willing to work for lower wages and under worse conditions than either long-term immigrants or native-born workers. Yet an analysis of data from the U.S. Census Bureau clearly reveals that this is not the case. In fact, *there is little apparent relationship between recent immigration and unemployment rates at the regional, state, or county level.*

- Locales with high unemployment rates do not necessarily have large numbers of recent immigrants, and locales with many recent immigrants do not necessarily have high unemployment rates. In other words, unemployment rates in a particular area offer no clue as to how many recent immigrants live there, and the numbers of recent immigrants in an area provide no indication of what the unemployment rate might be.
 - Recent immigrants comprise 8.4 percent of the population in the Pacific region (California, Oregon, Washington, Alaska, and Hawaii), but only 2.8 percent of the population in the East North Central region (Ohio, Michigan, Indiana, Illinois, and Wisconsin). Yet these two regions have *nearly the same* unemployment rate: 10.8 percent in the Pacific region and 10.0 percent in the East North Central region.

A Note on Definitions and Data Sources “Recent immigrants” and unemployment

This report focuses on the impact of recent, as opposed to long-term, immigrants. We measure the impact of recent immigrants by using 2000 Census data on the percent of a census division, a state, or a county that was composed of persons who arrived in the United States within the previous 10 years. Recent immigrants are of particular interest because most of the debate concerning the economic impact of immigration centers on the effect of newer arrivals rather than on persons who came here decades ago. Immigrants who arrived many years ago are more likely to be naturalized and to be deeply integrated into the economy.

Using 2000 Census data to define “recent immigrants”

While information on recent immigrants is available for census divisions and states as of 2008, such information is unavailable for counties. To maintain uniformity, we use 2000 Census data on recent immigrants for all geographic areas in this report.

- Recent immigrants are 7.3 percent of the population in New Jersey, but only 0.8 percent of the population in Maine. Yet unemployment rates in both states are *almost identical*: 8.3 percent in New Jersey and 8.1 percent in Maine.
- On average, recent immigrants comprise 3.1 percent of the population in counties with the highest unemployment rates (over 13.4 percent). But recent immigrants account for a *higher* share of the population (4.6 percent) in counties with the *lowest* unemployment rates (below 4.8 percent).
- The highest unemployment rates are found in counties located in manufacturing centers and rural areas—which tend to have relatively *few* recent immigrants. Recent immigrants usually go where the jobs are: metropolitan and non-manufacturing counties where unemployment rates are lower.
- The absence of a discernible statistical relationship between recent immigration and unemployment is not surprising given that recent immigrants are such a small portion of the overall labor force. As of 2008, immigrants who arrived during the last decade were only 5.5 percent of the U.S. workforce.
- Immigration to the United States has long been driven largely by labor demand. Immigration is highest during periods of economic expansion, and declines during economic downturns such as the current recession.

THERE IS LITTLE APPARENT RELATIONSHIP BETWEEN UNEMPLOYMENT RATES AND RECENT IMMIGRATION AT THE REGIONAL, STATE, OR COUNTY LEVEL

Similar unemployment rates are found in locales with very different levels of recent immigration.

By comparing unemployment rates across locations with different levels of recent immigration, we can determine whether or not a pronounced relationship exists between unemployment and the presence of recent immigrants:

- If unemployment is high where recent immigration is high, and unemployment is low where recent immigration is low, this would suggest a strong relationship between recent immigration and unemployment.
- Conversely, if unemployment is comparable in places with both high and low levels of recent immigration, this would suggest that there is not a strong relationship between recent immigration and unemployment.

Regions

We compared the share of the population composed of recent immigrants to March 2009 unemployment rates in the nine U.S. Census Bureau divisions (which cover all 50 states), as well as in key individual states.¹ It is clear from this comparison that unemployment rates are similar in areas with both high *and* low levels of recent immigration.

For instance, the East North Central Division and the Pacific Division had similar unemployment rates in March 2009. Yet recent immigrants are 2.8 percent of the population in the East North Central Division and 8.4 percent of the population in the Pacific Division

Census Divisions:

New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Middle Atlantic: New Jersey, New York, Pennsylvania.

South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia.

East South Central: Alabama, Kentucky, Mississippi, Tennessee.

West South Central: Arkansas, Louisiana, Oklahoma, Texas.

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin.

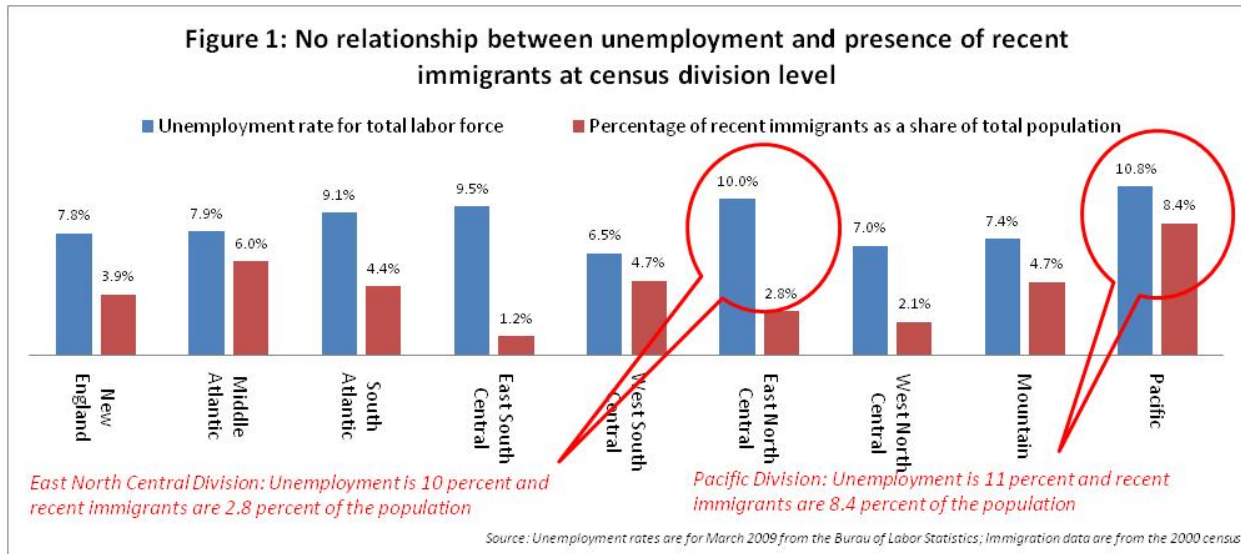
West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota.

Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming.

Pacific: Alaska, California, Hawaii, Oregon, Washington.

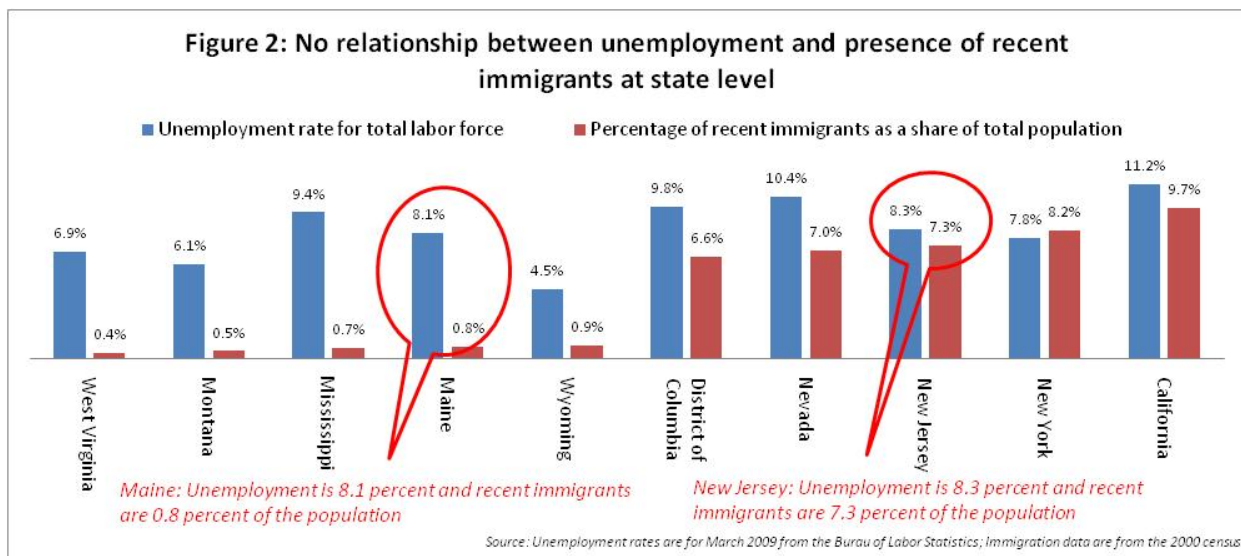
¹ Census divisions, states, and counties in this report were ranked on the basis of the percent of their population that was composed of immigrants who arrived in the United States within the past 10 years, as reported by the 2000 Census.

{Figure 1}.



States

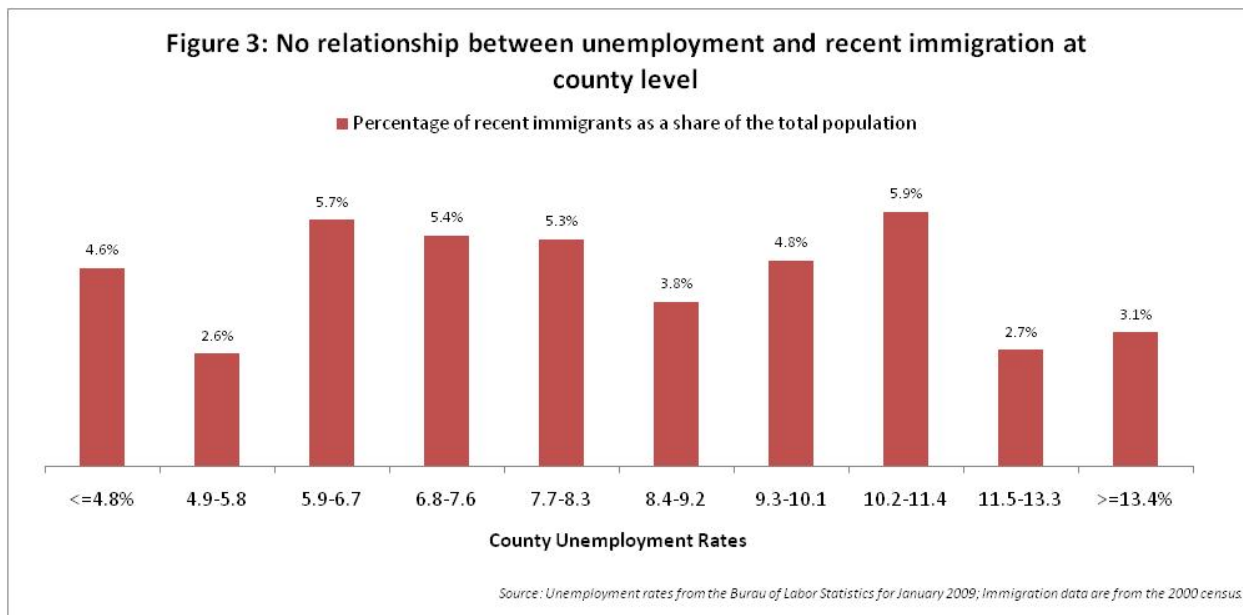
We found similar results when comparing states with high and low levels of recent immigration. In Maine, for example, recent immigrants are 0.8 percent of the population, while in New Jersey they are 7.3 percent of the population. Yet both states had nearly the same unemployment rate as of March 2009 {Figure 2}.



Counties

To understand the potential relationship between immigration and unemployment at the local level, we examined data on overall unemployment and the presence of recent immigrants in the 3,140 counties of the United States.² If we rank all U.S. counties into 10 equivalent categories using their unemployment rates as of January 2009,³ and then identify the percentage of recent immigrants in each category, it is clear that unemployment rates are similar in places with both high and low levels of recent immigration {Figure 3}:

- In counties with the lowest unemployment rates (below 4.8 percent), 4.6 percent of the population is composed of recent immigrants. But in counties with the highest unemployment rates (over 13.4 percent), only 3.1 percent of the population is composed of recent immigrants.



² County-level analysis provides special insight because smaller geographies reduce the impact of averaging that occurs in larger areas.

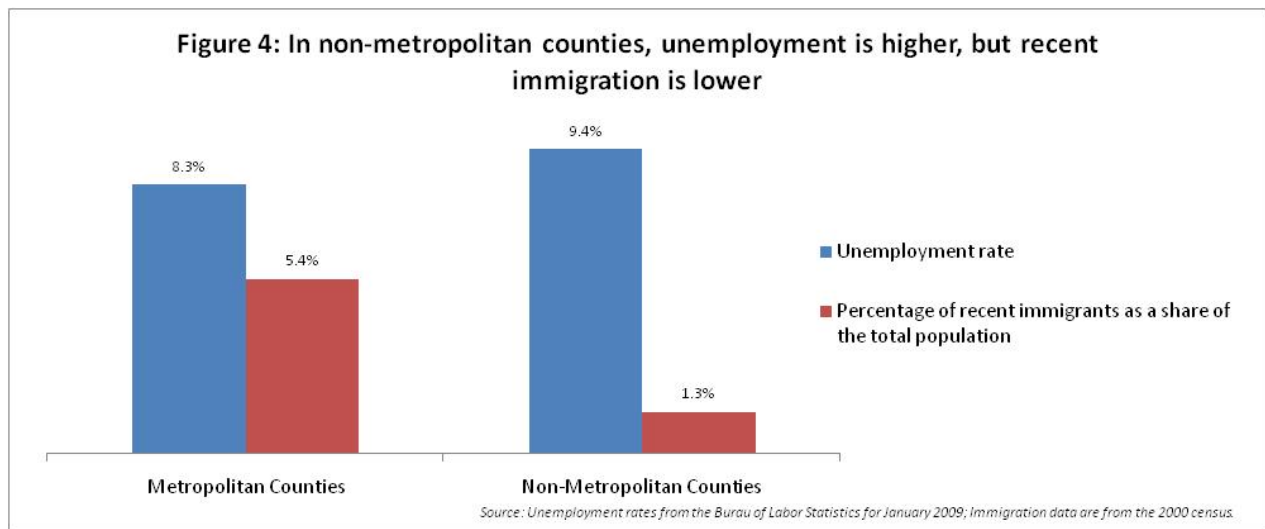
³ January 2009 is the most recent period for which data are available from the U.S. Bureau of Labor Statistics on unemployment at the county level.

UNEMPLOYMENT RATES ARE CLOSELY ASSOCIATED WITH RURAL AND MANUFACTURING AREAS—NOT RECENT IMMIGRATION

We found that two key characteristics of U.S. counties are more likely to be associated with high unemployment than the presence of recent immigrants: whether the counties are part of urban areas, and whether manufacturing is a key source of local revenue.

Metropolitan vs. Non-Metropolitan Counties

We separated all U.S. counties into metropolitan and non-metropolitan categories, and then identified their unemployment rates as of January 2009 and the share of recent immigrants. It is apparent that non-metropolitan counties have far fewer recent immigrants than metropolitan counties, yet had much higher unemployment rates as of January 2009 {Figure 4}.⁴

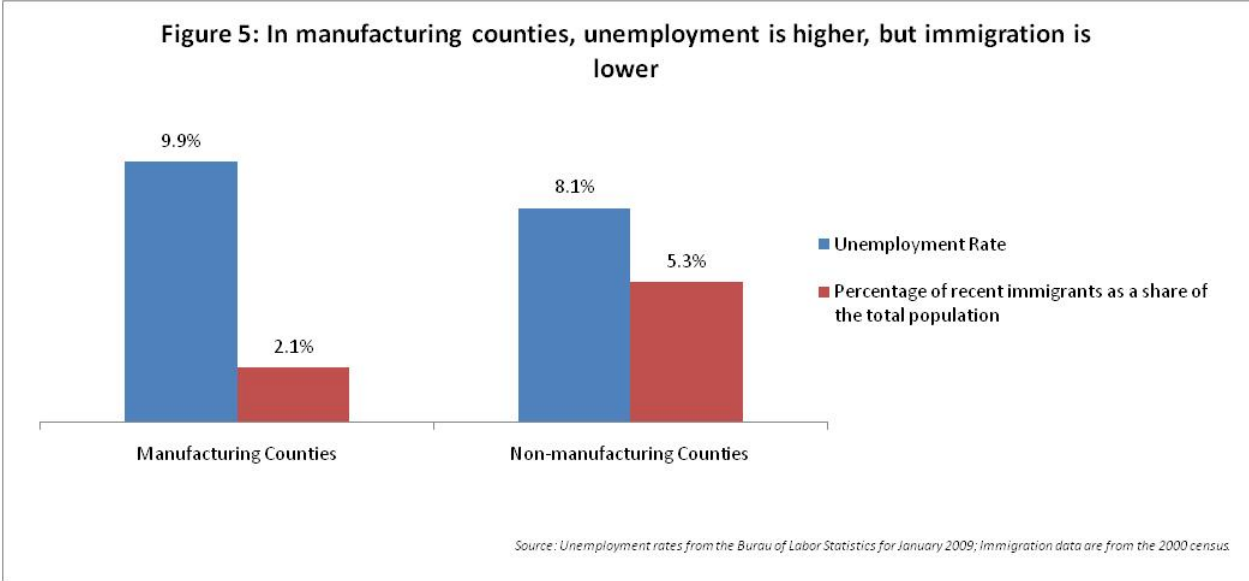


Manufacturing vs. Non-Manufacturing Counties

Similarly, we separated all U.S. counties into manufacturing and non-manufacturing categories, and then identified their unemployment rates as of January 2009 and the share of recent immigrants.⁵ Manufacturing counties have far fewer immigrants than other counties, yet they had a higher unemployment rate as of January 2009 {Figure 5}.

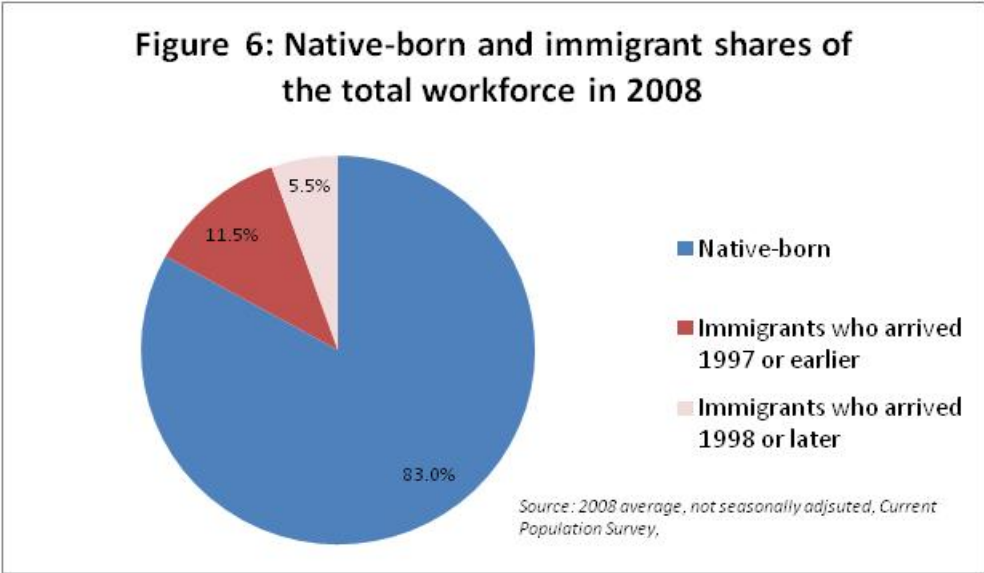
⁴ Counties are defined as metropolitan or non-metropolitan by the U.S. Census Bureau. There are 1,090 metropolitan counties and 2,050 non-metropolitan counties in the United States.

⁵ Manufacturing counties are defined as counties where 25 percent or more of earnings are derived from manufacturing. There are 904 manufacturing counties and 2,236 non-manufacturing counties in the United States.



RECENT IMMIGRANTS ARE A SMALL PORTION OF THE U.S. LABOR FORCE

A principal reason that recent immigration has so little impact on the unemployment rate is that the overwhelming majority of the U.S. labor force is native-born. In 2008, immigrants who had arrived since 1998 were only 5.5 percent of the total labor force {Figure 6}:



IMMIGRATION TRENDS HISTORICALLY FOLLOW THE DEMAND FOR LABOR

The U.S. economy's need for workers drives immigration.

The primary motivation for immigration to the United States has always been the U.S. economy's demand for labor. In times of economic growth, when the demand for labor is high, immigration has also been high. Immigrants are not "taking" jobs from the vast majority of native-born workers, but filling the demand that comes from the creation of new jobs:⁶

- The immigrant (foreign-born) share of the U.S. population increased from 9.7 percent in 1850 to as much as 15 percent in the 1860 to 1920 period. This was a period of long-term economic growth, overall.
- The immigrant share of the population increased from 6.2 percent in 1980, to 7.9 percent in 1990, to 11.1 percent in 2000. By 2007, immigrants were 12.5 percent of the U.S. population. The most significant growth in immigration has occurred since 1990.⁷ The period 1991-2000 was the longest, continuous period of economic growth in U.S. history. After a relatively minor downturn in 2001, this period of economic growth continued until the onset of the current recession.

There is no compelling evidence that attempting to arbitrarily restrict immigration will reduce unemployment levels for the native-born. The only period in which immigration was heavily restricted by law was also a period of economic turbulence that included severe economic downturns and job losses for native-born workers:

⁶ Campbell J. Gibson and Emily Lennon, [*Historical Census Statistics on the Foreign-born Population of the United States: 1850-1990*](#), U.S. Census Bureau (Washington, DC: U.S. Census Bureau, Population Division, February 1999).

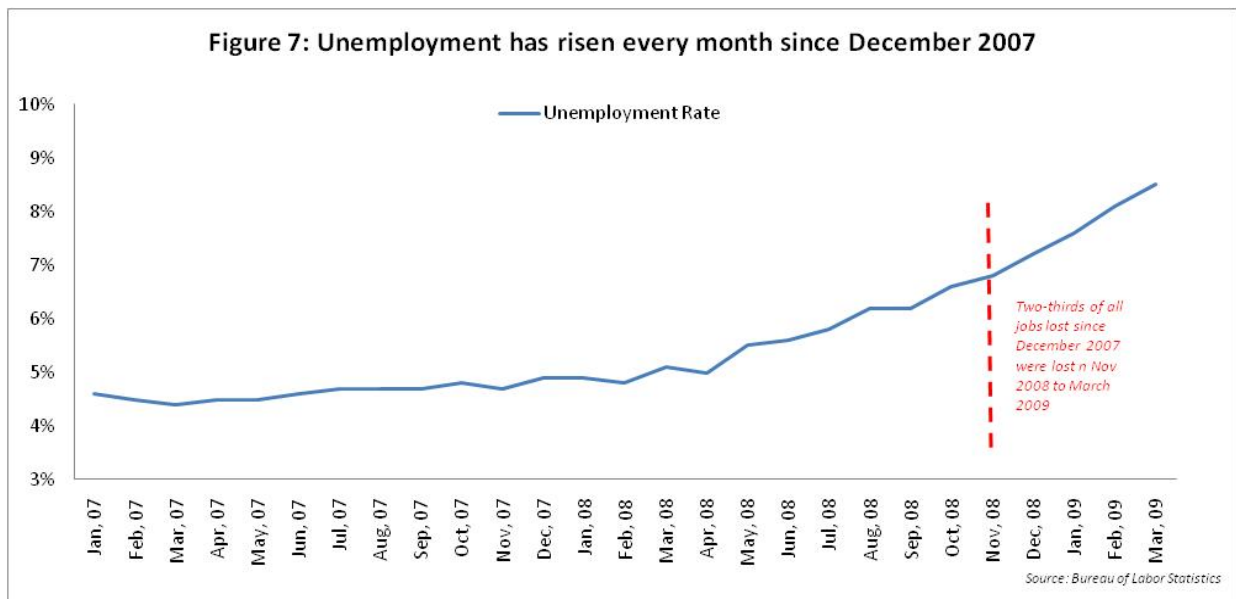
⁷ Incidentally, during this period, the levels of undocumented immigration also rose.

- The immigrant share of the population fell from 11.6 percent in 1930 to 6.9 percent in 1950. Legal immigration was subject to harsh restrictions from the 1930s to the mid-1960s, but the period from 1930 to 1950 was also a period of economic turbulence that included the Great Depression and the economic downturn of World War II.⁸

There are indications that immigration has declined during the current recession.

The current recession, which began in December 2007, has led to a dramatic drop in demand for labor.⁹ This is most profoundly measured by the sharp rise in unemployment since November 2008, and large-scale job losses in the five months leading up to March 2009 {Figure 7}:

- The unemployment rate has risen in almost every month since December 2007; unemployment rose from 8.1 percent to 8.5 percent in March 2009 alone.
- Nearly two-thirds of all jobs lost since the recession began were lost between November 2008 and March 2009.¹⁰



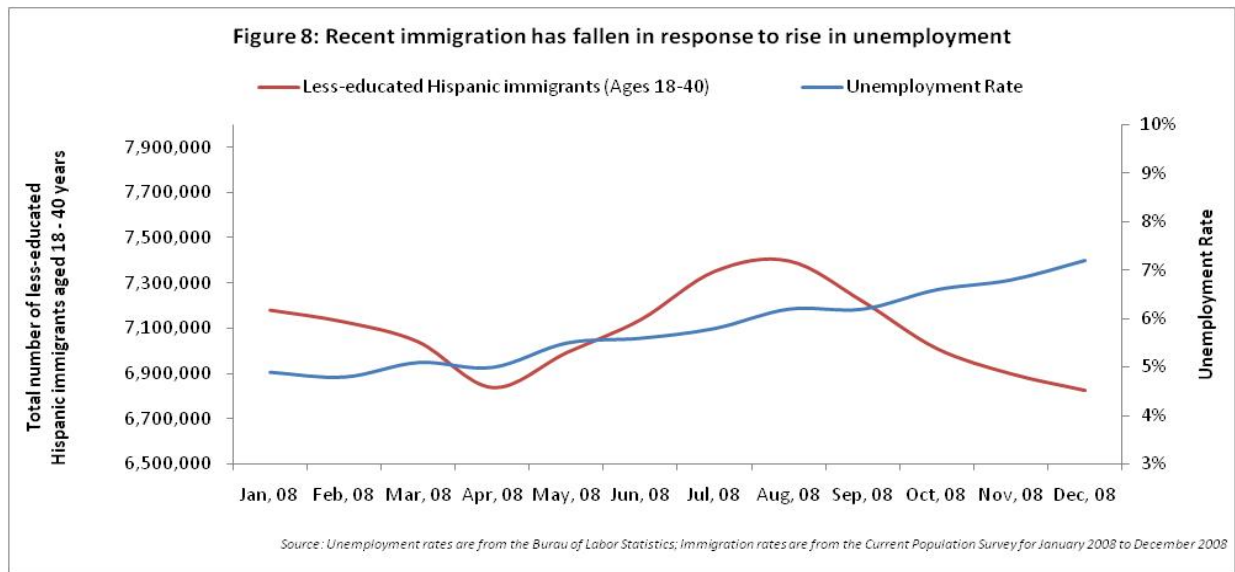
There are indications that immigration has slowed in the face of worsening unemployment. We examined the relationship between the unemployment rate and the number of less-educated (with a high-school diploma or less) Hispanic immigrants between the ages of 18 and 40, who tend to be less-skilled and, often, undocumented workers. This is a group that should be highly sensitive to changes in the demand for labor {Figure 8}:

⁸ Bureau of Economic Analysis, [GDP and the National Income and Product Accounts Historical Tables](#) (using 2000 dollars).

⁹ U.S. Bureau of Labor Statistics, [“Employment situation summary,”](#) April 3, 2009.

¹⁰ [Ibid.](#)

- The number of less-skilled Hispanic immigrants aged 18-40 fell in the last months of 2008. It appears that this decline started before the steep job losses began in November 2008, which suggests that immigration is sensitive to labor demand.
- There has been a longer-term downward trend in less-skilled immigration as well. The total number of less-educated Hispanic workers aged 18-40 at the end of 2008 was nearly 350,000 less than at the start of 2008.



CONCLUSION

There is little apparent relationship between unemployment and the presence of recent immigrants at the regional, state, or county level in the United States. While it might seem intuitive that immigrants would compete with many native-born workers for jobs, and potentially cause unemployment to rise when jobs are relatively scarce, the fact is that the causes of unemployment are far more complex than whether or not immigrants are in the labor force.

Most rural areas of the United States have high unemployment rates, but relatively few recent immigrants. Similarly, the great industrial centers of the Midwest, such as Michigan and Ohio, are home to struggling durable-goods manufacturing centers with high unemployment rates, but are home to relatively few immigrants.

The question of whether or not immigration causes unemployment should be largely laid to rest. Remedies for high unemployment lie in economic policies such as stabilizing the U.S. financial sector, removing unfair trade barriers, and investing in new infrastructure. But unemployment should not be blamed on immigration or immigration policy.

Methodology

This report uses data from the U.S. Bureau of Labor Statistics on unemployment in census divisions, states, and counties. These data may be found at www.bls.gov. The report also uses data from the 2000 census on recent immigrants. This latter information is available at www.census.gov.

The Immigration Policy Center

The Immigration Policy Center (IPC), established in 2003, is the policy arm of the American Immigration Law Foundation. IPC's mission is to shape a rational conversation on immigration and immigrant integration. Through its research and analysis, IPC provides policymakers, the media, and the general public with accurate information about the role of immigrants and immigration policy on U.S. society. IPC reports and materials are widely disseminated and relied upon by press and policymakers. IPC staff regularly serves as experts to leaders on Capitol Hill, opinion-makers, and the media.

Rob Paral and Associates

Research and evaluation for family and community development

Rob Paral and Associates (RPA) is a consulting firm that helps not-for-profit and philanthropic institutions understand the populations they serve and the impact of their programs. RPA provides information on demographic, social, and economic characteristics of communities.

Some examples of our recent work include the following:

- Helping a health policy organization determine the need for health insurance in legislative districts in Illinois.
- Estimating the numbers of legal immigrants in U.S. metro areas for a national philanthropic organization.
- Providing a legal aid corporation with information to understand the shifting needs of its clients.
- Evaluating the impact of charitable giving and support for community foundations in the Midwest.
- Developing policies and procedures needed by a state agency to communicate with limited-English clients.

Direct outcomes of our work have recently been cited in *The New York Times*, the *Washington Post*, the *Economist*, the *Wall Street Journal*, and a large number of other major news media outlets. More information is available at www.robparal.com.



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BORN UNEMPLOYMENT ACROSS
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EXECUTIVE SUMMARY

One of the most contentious issues in the debate over immigration reform is whether or not the presence of immigrants in the U.S. labor force—especially undocumented immigrants—has a major adverse impact on the employment prospects of African Americans. The African American community has long been plagued by high unemployment rates, and a relatively large share of African Americans lack a college education. As a result, some commentators argue that undocumented immigrants, who tend to have low levels of formal education and to work in less-skilled occupations, are “taking” large numbers of jobs that might otherwise be filled by African American workers.

If this is indeed the case, one would expect to find high unemployment rates among African Americans in locales with large numbers of immigrants in the labor force—especially immigrants who are relatively recent arrivals to the United States and willing to work for lower wages than most African Americans. However, data from the U.S. Census Bureau reveal that this is *not* the case. In fact, *there is little apparent relationship between recent immigration and unemployment rates among African Americans, or any other native-born racial/ethnic group, at the state or metropolitan level.*

- States and metropolitan areas with the highest shares of recent immigrants in the labor force do not necessarily have the highest unemployment rates among native-born blacks, whites, Hispanics, or Asians. Nor do locales with the highest rates of unemployment among native-born blacks, whites, Hispanics, or Asians necessarily have the highest shares of recent immigrants in the labor force. In other words, unemployment rates in a particular area among African Americans, or any other major native-born racial/ethnic group, provide no indication of how many recent immigrants work there.
- In the 10 states with the *highest* shares of recent immigrants in the labor force, the average unemployment rate for native-born blacks is about 4 percentage points *less* than in the 10 states with the lowest shares of recent immigrants.

A Note on Definitions and Data Sources

“Recent immigrants” and unemployment

This report focuses on the impact of recent, as opposed to long-term, immigrants. Recent immigrants are defined as those who entered the United States between 1998 and 2008. Recent immigrants are of particular interest because most of the debate concerning the economic impact of immigration centers on the effect of newer arrivals rather than on persons who came here decades ago. Immigrants who arrived many years ago are more likely to be naturalized and to be deeply integrated into the economy.

2008 Current Population Survey (CPS) Data

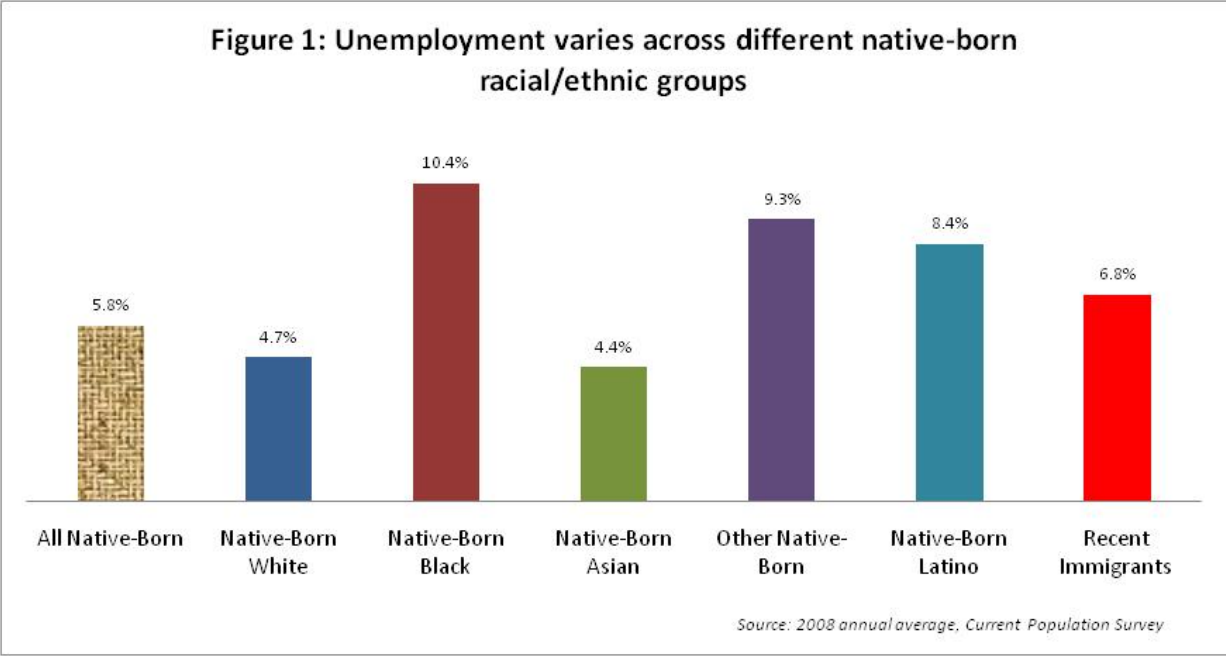
This report uses 2008 annual averages from the Current Population survey of the Bureau of Labor Statistics in estimating both the unemployment rates of different native-born racial/ethnic groups and the share of the labor force comprised of recent immigrants.

- In Maine, recent immigrants are only 1 percent of the labor force, while in California they are 8 percent of the labor force. Yet native-born blacks in California have an unemployment rate that is about 3 percentage points *lower* than native-born blacks in Maine.
- In the 10 metropolitan areas with the *highest* shares of recent immigrants in the labor force, the unemployment rate for native-born blacks is about 1.5 percentage points *less* than in the 10 metropolitan areas with the lowest share of recent immigrants.
 - Recent immigrants are 17 percent of the labor force in Miami, but only 3 percent of the labor force in Cleveland. Yet the unemployment rate for native-born blacks in Cleveland is double that of native-born blacks in Miami.
- The absence of any significant statistical correlation between recent immigration and unemployment rates among different native-born racial/ethnic groups points to deeper, structural causes for unemployment among the native-born, such as levels of educational attainment and work skills.

UNEMPLOYMENT RATES VARY WIDELY AMONG DIFFERENT NATIVE-BORN RACIAL/ETHNIC GROUPS

Unemployment rates among the major racial/ethnic groups in the United States have long varied widely, and this continues to hold true during the current recession {Figure 1}:

- Native-born blacks have the highest unemployment rate, at 10.4 percent as of 2008. This is 4.6 percentage points higher than the unemployment rate for the native-born population as a whole.
- Unemployment rates for native-born whites and Asians (4.7 percent and 4.4 percent, respectively) are relatively low; more than one percentage point below the unemployment rate for the native-born population in general.



THERE IS LITTLE APPARENT RELATIONSHIP BETWEEN RECENT IMMIGRATION AND THE UNEMPLOYMENT RATES OF NATIVE-BORN WHITES AND BLACKS

Unemployment rates among native-born whites and blacks are *lower* in states and metropolitan areas with *higher* levels of recent immigration.

By comparing the unemployment rates of different native-born racial/ethnic groups across locations with different levels of recent immigration, we can determine whether or not a pronounced relationship exists between the unemployment of different native-born racial/ethnic groups in areas of the country with different levels of recent immigration:

- If unemployment of native-born racial/ethnic groups is high where recent immigration is also high, this would suggest a strong relationship between recent immigration and the unemployment of native-born racial/ethnic groups.
- But if unemployment of native-born racial/ethnic groups is high where recent immigration is low, this would suggest that there is not a strong relationship between recent immigration and the unemployment of native-born racial/ethnic groups.

State Findings

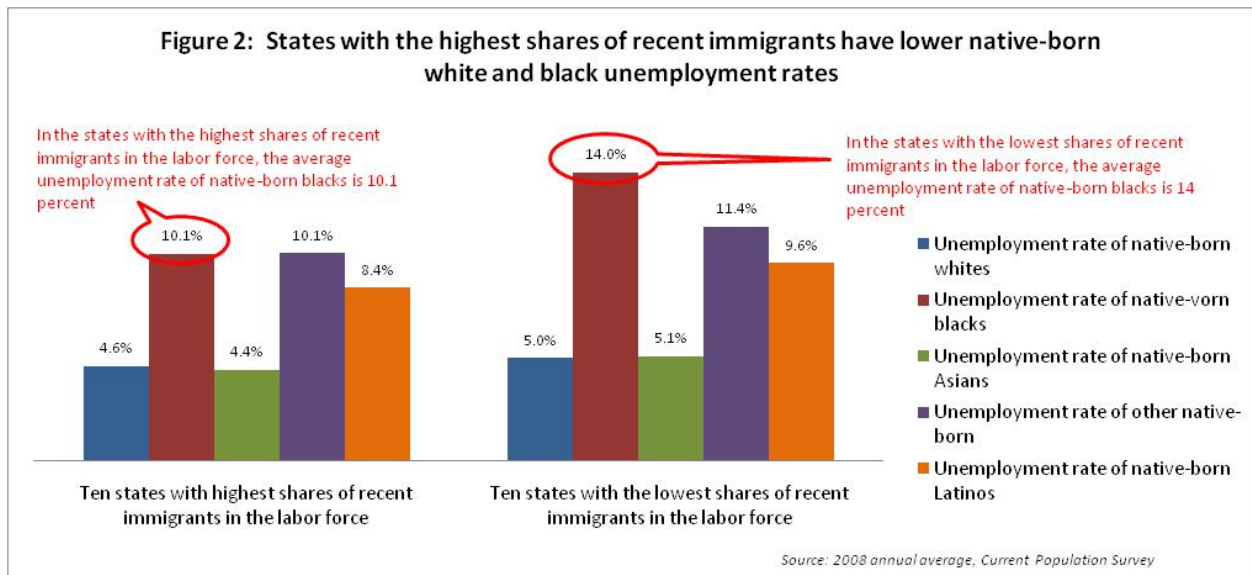
We grouped together the 10 states with the highest shares of recent immigrants in the labor force and the 10 states with the lowest shares, and then compared these two groups in terms of the average unemployment rates among different native-born racial/ethnic groups.¹ It is clear from this comparison that unemployment rates for native-born whites and blacks are *not* higher in states with high levels of recent immigration {Figure 2}.²

- In the 10 states with the highest shares of recent immigrants in the labor force, the average unemployment rate for native-born whites is about half a percentage point *lower* than in the 10 states with the lowest share of recent immigrants.
- In the 10 states with the highest shares of recent immigrants in the labor force, the average unemployment rate for native-born blacks is about 4 percentage points *lower* than in the 10 states with the lowest share of recent immigrants.

¹ We chose these states by ranking all 50 states and the District of Columbia in terms of the percentage of each state's total population comprised of immigrants who arrived in the United States since 1998.

² The top 10 states in terms of recent-immigrant share of the labor force are Massachusetts, Connecticut, New York, Texas, Maryland, District of Columbia, Nevada, Florida, California, and New Jersey. The bottom 10 states are West Virginia, Montana, Wyoming, North Dakota, Maine, Idaho, Ohio, Missouri, New Hampshire, and Vermont.

- Unemployment rates among native-born Asians and Hispanics are also *higher* in states with *lower* shares of recent immigrants.

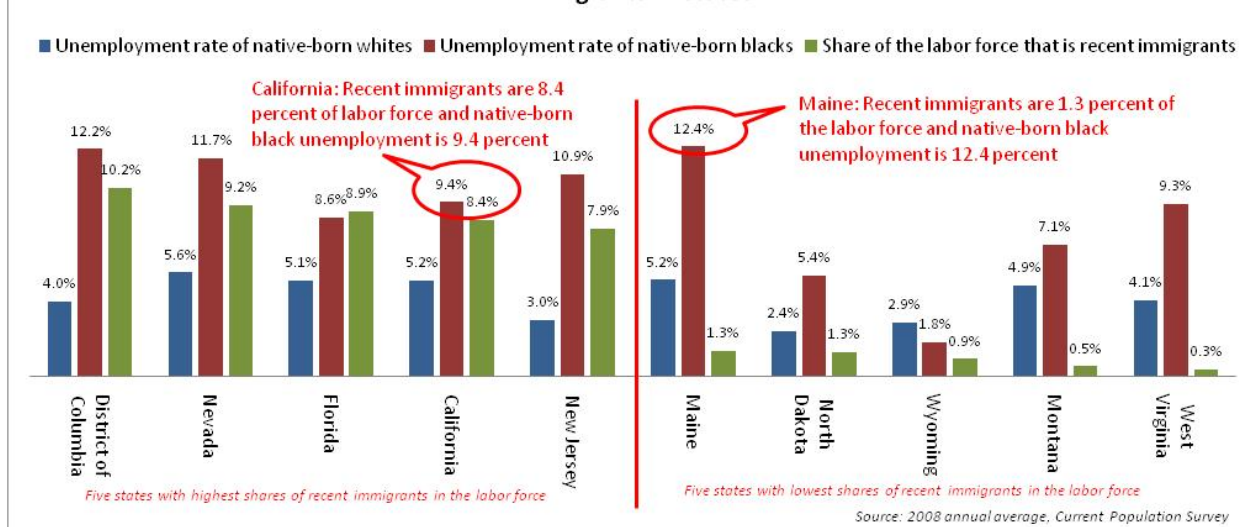


Comparing native-born unemployment rates of different native-born racial/ethnic groups in the five states with the highest shares of recent immigrants in the labor force and the five states with the lowest shares yields the same result {Figure 3}:³

- In California, recent immigrants are just over 8 percent of the labor force, while in Maine they are just over 1 percent of the labor force. Yet native-born blacks in California have an unemployment rate that is about 3 percentage points *lower* than native-born blacks in Maine.

³ To simplify this portion of the analysis, we focus on the unemployment rates of native-born whites and native-born blacks.

Figure 3: Little pattern between unemployment rates and presence of recent immigrants in states



Metropolitan Area Findings

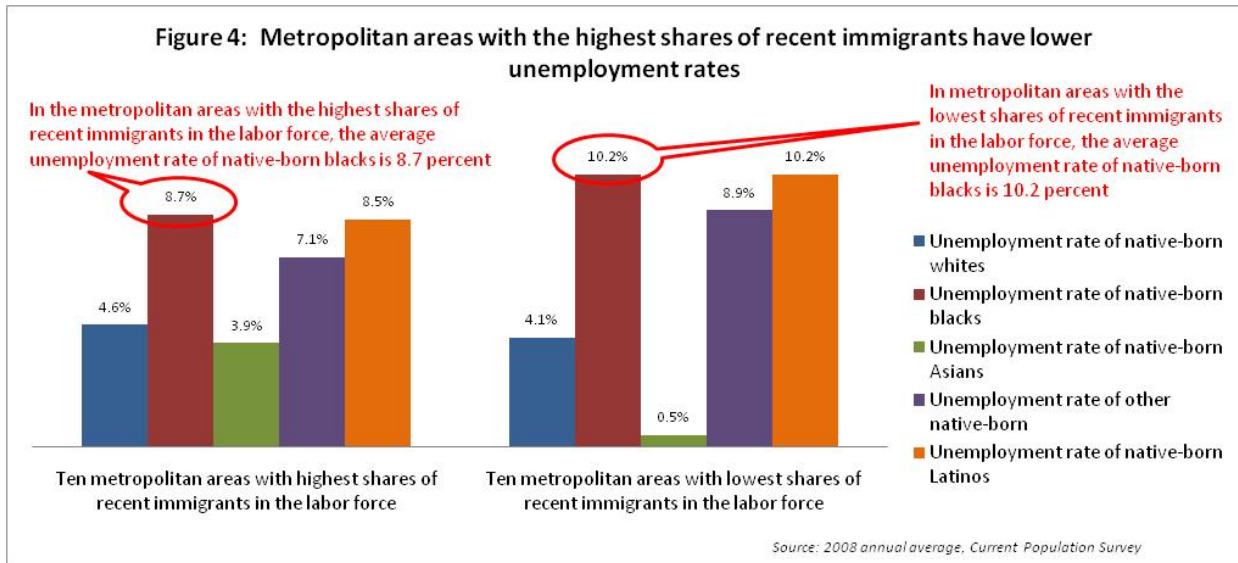
We also examined the relationship between the presence of recent immigrants and the unemployment of native-born whites and blacks in metropolitan areas.⁴ This provides special insight because recent immigrants tend to reside in metropolitan areas and are therefore more likely to come into direct contact with native-born whites and blacks in these areas.

We grouped together the 10 metropolitan areas with the highest shares of recent immigrants in the labor force and the 10 metropolitan areas with the lowest shares, and then compared these two groups in terms of the average unemployment rates among different native-born racial/ethnic groups. It is clear that average unemployment rates for native-born whites and blacks are *not* higher in metropolitan areas with high levels of recent immigration {Figure 4}:⁵

- In the 10 metropolitan areas with the highest shares of recent immigrants in the labor force, the average unemployment rate for native-born whites is nearly the same as in the 10 states with the lowest shares of recent immigrants.
- In the 10 metropolitan areas with the highest shares of recent immigrants in the labor force, the unemployment rate for native-born blacks is about 1.5 percentage points *lower* than in the 10 states with the lowest shares of recent immigrants.

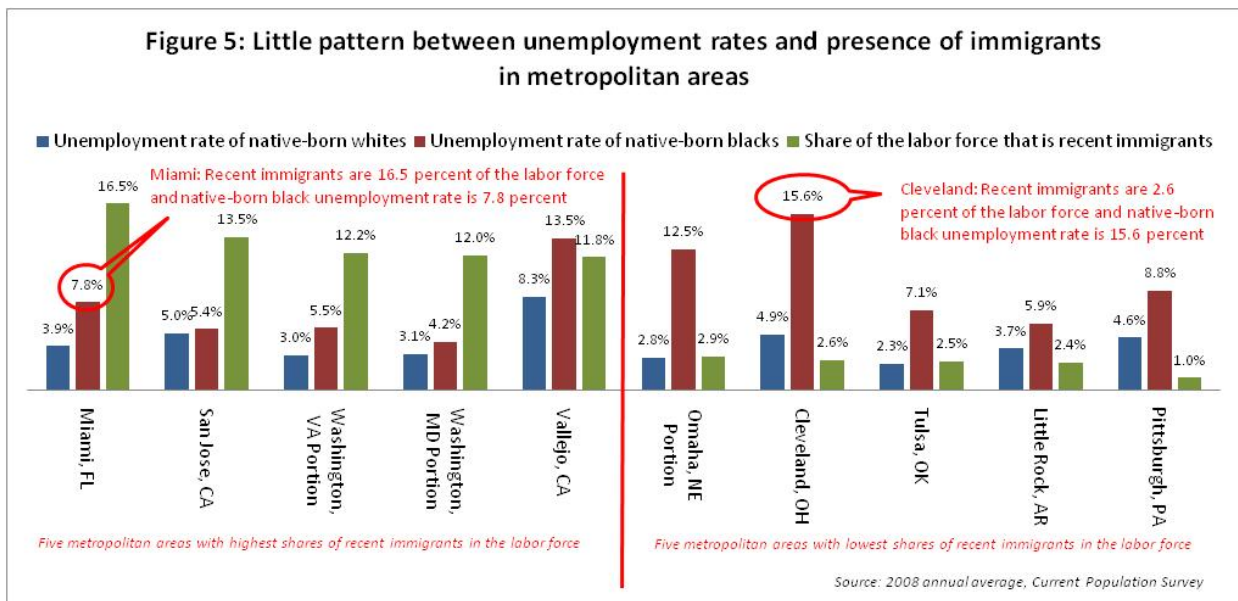
⁴ The Office of Management and Budget’s June 2003 definition of metropolitan areas is used. The metropolitan areas in this report consist of state-specific components.

⁵ The top 10 metropolitan areas in terms of portion of recent immigrants are Miami (FL), San Jose (CA), Washington (VA portion), Washington (MD portion), Vallejo (CA), New York (NJ portion), San Francisco (CA), Los Angeles (CA), Charlotte (NC portion), and Las Vegas (NV). The bottom 10 metropolitan areas in terms of portion of recent immigrants are Richmond (VA), Wichita (KS), Oklahoma City (OK), Louisville (KY portion), Omaha (NE portion), Cleveland (OH), Tulsa (OK), Little Rock (AR), and Pittsburgh (PA).



Comparing native-born unemployment rates in the five metropolitan areas with the highest shares of recent immigrants in the labor force and the five metropolitan areas with the lowest shares produces the same result.⁶ Unemployment rates are *higher* for native-born whites and blacks in metropolitan areas with *fewer* recent immigrants {Figure 5}.⁷

- Recent immigrants are only 3 percent of the labor force in Cleveland, and 17 percent of the labor force in Miami. Yet the unemployment rate for native-born blacks in Cleveland is double that of native-born blacks in Miami. Native-born whites in Cleveland have an unemployment rate that is nearly the same as in Miami.



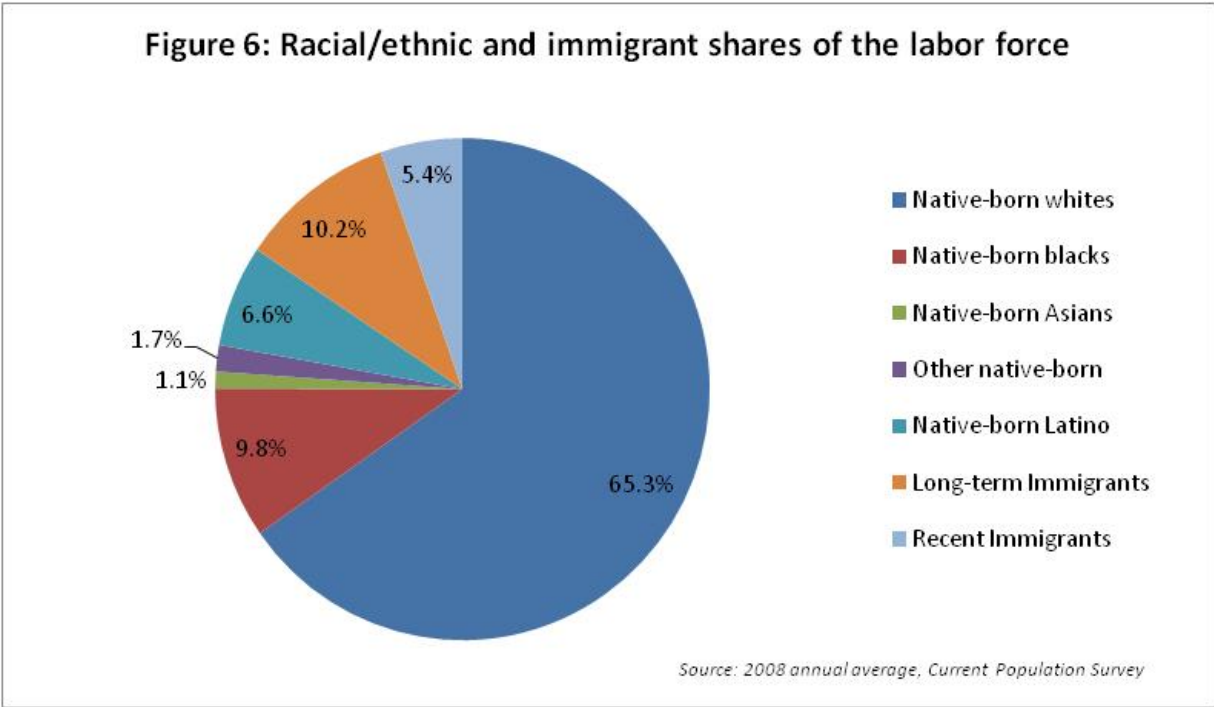
⁶ The chart focuses on unemployment of native-born whites and blacks to simplify the analysis.

⁷ To simplify this portion of the analysis, we focus on the unemployment rates of native-born whites and native-born blacks.

RECENT IMMIGRANTS ARE A SMALL PORTION OF THE U.S. LABOR FORCE

The main reason that recent immigration has little apparent impact on the unemployment rates of different native-born racial/ethnic groups is that most of the U.S. labor force is native-born {Figure 6}:

- Recent immigrants are only 5.4 percent of the labor force.
- The foreign-born population as a whole is 15.6 percent of the labor force.
- The native-born population is 84.4 percent of the labor force.



CONCLUSION

The question of how immigrant workers impact the unemployment rates of native-born workers is complex and difficult to answer fully. A more detailed analysis would need to take into account the different skill sets of different workers, the effects of racial/ethnic discrimination in the labor market, the types of jobs available in various locales, and other structural factors related to the “marketability” of workers and the economic milieu in which they search for jobs.

Nevertheless, the fact that immigrants are concentrated disproportionately in certain areas of the country provides a natural experiment of sorts in which we can gauge whether or not the

employment outcomes of native-born workers are significantly affected by contact with recent immigrant workers. Since areas with few immigrants have high native-born unemployment rates, while areas with many immigrants have relatively low native-born unemployment rates, it is difficult to conclude that the presence of recent immigrant workers has a major adverse impact on employment opportunities for native-born workers. In the end, the causes of native unemployment involve structural issues much larger than the simple presence or absence of recent immigrants in the labor market.

Appendix 1

Metro Area Definitions

Following is a detailed list of the geographic components of the metropolitan areas referred to in this report:

Top Ten Metro Areas (in percent of their population made up of recent immigrants):

Charlotte-Gastonia-Concord, NC-SC [NC part]

Anson, Cabarrus, Gaston, Mecklenburg, Union counties

NOTE: Anson county not in sample

Las Vegas-Paradise, NV

Clark county

Los Angeles-Long Beach-Santa Ana, CA

Los Angeles, Orange counties

Miami-Fort Lauderdale-Miami Beach, FL

Broward, Miami-Dade, Palm Beach counties

New York-Northern New Jersey-Long Island, NY-NJ-PA [NJ part]

Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union counties

San Francisco-Oakland-Fremont, CA

Alameda, Contra Costa, Marin, San Francisco, San Mateo counties

San Jose-Sunnyvale-Santa Clara, CA

San Benito, Santa Clara counties

Vallejo-Fairfield, CA

Solano county

Washington-Arlington-Alexandria, DC-VA-MD-WV [MD part]

Calvert, Charles, Frederick, Montgomery, Prince George's counties

Washington-Arlington-Alexandria, DC-VA-MD-WV [VA part]

Arlington, Clarke, Farifax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford, Warren counties; and Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, Manassas Park independent cities

Bottom Ten Metro Areas (in percent of their population made up of recent immigrants):

Cleveland-Elyria-Mentor, OH

Cuyahoga, Geauga, Lake, Lorain, Medina counties

Jacksonville, FL

Baker, Clay, Duval, Nassau, St. Johns counties

Little Rock-North Little Rock, AR

Faulkner, Grant, Lonoke, Perry, Pulaski, Saline counties

NOTE: Perry county not in sample

Louisville, KY-IN [KY part]

Bullitt, Henry, Jefferson, Meade, Nelson, Oldham, Shelby, Spencer, Trimble counties

NOTE: Henry, Nelson, Shelby, and Trimble counties not in sample

Oklahoma City, OK

Canadian, Cleveland, Grady, Lincoln, Logan, McClain, Oklahoma counties

Omaha-Council Bluffs, NE-IA [NE part]

Cass, Douglas, Sarpy, Saunders, Washington counties

Pittsburgh, PA

Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, Westmoreland counties

Richmond, VA

Amelia, Caroline, Charles City, Chesterfield, Cumberland, Dinwiddie, Goochland, Hanover, Henrico, King and Queens, King William, Louisa, New Kent, Powhatan, Prince Georges, Sussex counties; and Colonial Heights, Hopewell, Petersburg, Richmond independent cities

NOTE: Cumberland county not in sample

Tulsa, OK

Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa, Wagoner counties

NOTE: Okmulgee county not in sample

Wichita, KS

Butler, Harvey, Sedgwick, Sumner counties

ABOUT US

The Immigration Policy Center

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IMMIGRATION POLICY CENTER
SPECIAL REPORT

A thick, yellow, braided rope is laid horizontally across a blue wooden surface. The rope is knotted on the left side, with the knot being a reef knot (square knot). The ends of the rope hang down from the knot. The blue wood has a vertical grain and some darker staining or knots.

THE DISPARITY BETWEEN
IMMIGRANT WORKERS AND
UNEMPLOYED NATIVES:

UNTYING THE
KNOT
PART III OF III

Produced By Rob Paral & Associates

AUGUST 2009

Photo from flickr.com. By azrainman.

This report was prepared for the Immigration Policy Center of the American Immigration Law Foundation by Rob Paral and Associates, with writing by Rob Paral and Madura Wijewardena, and data programming by Michael Norkewicz.

EXECUTIVE SUMMARY

Even during a time of economic recession and high unemployment, most native-born workers do not compete with most immigrants for the same jobs. This is apparent even when we compare unemployed natives with employed “recent” immigrants who came to the United States within the past decade. Unemployed natives and employed recent immigrants tend to have different levels of education, to live in different parts of the country, to have experience in different occupations, and to have different amounts of work experience. As a result, they could not simply be “swapped” for one another.

More importantly in the long run, the recession-inspired sense of economic desperation that might motivate laid-off, experienced native-born workers to take low-level food-service jobs will not last forever. As soon as the economy begins to grow again, these native workers will likely return to their former occupations, or move into higher-paying ones. As our economy recovers, employers in many industries will find themselves in the same quandary as the 1990s: with more jobs to fill than there are well-suited native-born workers available to fill them. The U.S. economy will not be lifted out of recession by *removing* immigrant workers from the labor force. Rather, the key to recovery is *creating* jobs. Encouraging unemployed machinists on the East Coast to become food servers on the West Coast is not a recipe for long-term economic growth.

Unemployed Natives and Employed Recent Immigrants Tend to Have Different Educational Profiles

- Nearly one-third (30.6 percent) of all employed recent immigrants had a bachelor’s degree or more education in 2008 and were unlikely to be in the same job markets as unemployed natives, of whom only 14.1 percent had a bachelor’s degree or more education.
- Over one-quarter (27.4 percent) of all unemployed natives had some college short of a bachelor’s degree in 2008 and were unlikely to be in the same job markets as

A Note on Definitions and Data Sources

“Recent immigrants” and unemployment

This report focuses on the impact of recent, as opposed to long-term, immigrants. Recent immigrants are defined as those who entered the United States between 1998 and 2008. Recent immigrants are of particular interest because most of the debate concerning the economic impact of immigration centers on the effect of newer arrivals rather than on persons who came here decades ago. Immigrants who arrived many years ago are more likely to be naturalized and to be deeply integrated into the economy.

2008 Current Population Survey (CPS) Data

This report uses 2008 annual averages from the Current Population Survey of the Bureau of Labor Statistics in estimating both the unemployment rates of different native-born racial/ethnic groups and the share of the labor force comprised of recent immigrants.

employed recent immigrants, of whom only 14.4 percent had some college short of a bachelor's degree.

Even Among Workers without a High-School Diploma, Unemployed Natives and Employed Recent Immigrants Tend to Differ in Location, Occupation, and Work Experience

They Live in Different Parts of the Country

- The largest share (26.9 percent) of all employed recent immigrants without a high-school diploma lived in the Pacific states of Alaska, California, Hawaii, Oregon, and Washington in 2008.
- But the largest share (18.9 percent) of unemployed natives without a high-school diploma lived in the East North Central states of Illinois, Indiana, Michigan, Ohio, and Wisconsin.

They work in different occupations

- The largest share (26.4 percent) of employed recent immigrants without a high-school diploma worked in construction and extraction occupations in 2008.
- But the largest share (23.5 percent) of unemployed natives without a high-school diploma had no occupation because they were "new entrants" to the labor market.

They differ in years of work experience

- The largest share (42.1 percent) of employed recent immigrants without a high-school diploma were 25-34 years old in 2008; meaning that they probably had several years of work experience.
- But the largest share (60.8 percent) of unemployed natives without a high-school diploma were 16-24 years old; meaning that they probably had very little, if any, work experience.

Immigrants often fit into the labor force in areas and occupations where there are insufficient numbers of comparable native workers. The fact that immigrants are often complements to the native labor force illustrates the absurdity of suggesting that removing immigrants would automatically lead to job openings for natives. This is based on the unrealistic view that all workers are the same and that workers are easily substitutable without regard to their location, occupation, and work experience. The substantially different characteristics of immigrant and native workers mean that the two populations are not simple substitutes for one another. Even if, in today's economy, unemployed native workers were willing to travel across the country or take jobs for which they are overqualified, that is hardly a long-term strategy for economic recovery.

NOT ALL WORKERS ARE THE SAME

Even during a time of economic recession and high unemployment, most native-born workers do not compete with most immigrants for the same jobs. This is apparent even when we compare unemployed natives with employed “recent” immigrants who came to the United States within the past decade—many of whom are unauthorized and may be willing to work for lower wages and under worse conditions than either native workers or long-term immigrants. Unemployed natives and employed recent immigrants tend to have different levels of education, to live in different parts of the country, to have experience in different occupations, and to have different amounts of work experience. As a result, they could not simply be “swapped” for one another.

One fundamental difference among all workers, be they immigrants or native-born, is their level of education. A worker with a college degree, for instance, is unlikely to compete for the same job as a worker without a high-school diploma. In the event these workers do find themselves competing for the same job, they probably possess very different job skills given their different educational backgrounds. Even workers with the same level of education are unlikely to compete for the same jobs if they live in different parts of the country. And job-seekers who live in the same place and have the same level of education often have very different skills depending upon the particular occupations in which they have worked in the past, as well as how many overall years of work experience they have.

Even among workers without a high-school diploma, there are significant differences between unemployed natives and employed recent immigrants. Native-born workers in this group experience the highest rates of unemployment, and presumably experience the greatest job competition from immigrants—especially recent immigrants. Yet when unemployed natives and employed recent immigrants without a high-school diploma are compared in terms of location, occupation, and age/experience, it is clear that they differ in important ways.

For instance, a 20-year-old native-born worker in Michigan who has two years of experience in auto-parts manufacturing is unlikely to compete directly with a 40-year-old foreign-born worker in Arizona who has 15 years of experience in drywall installation. Moreover, should the auto-parts worker in Michigan become unemployed, it is very unlikely that he would benefit from a job opening for an experienced drywaller in Arizona. In other words, native-born and immigrant workers are not readily interchangeable.

More importantly in the long run, the recession-inspired sense of economic desperation that might motivate laid-off, experienced native-born workers to take low-level food-service jobs will not last forever. As soon as the economy begins to grow again, these native workers will likely return to their former occupations, or move into higher-paying ones. As our economy recovers, employers in many industries will find themselves in the same quandary as the 1990s: with more jobs to fill than there are well-suited native-born workers available to fill them. The U.S. economy will not be lifted out of recession by *removing* immigrant workers from the labor

force. Rather, the key to recovery is *creating* jobs. Encouraging unemployed machinists on the East Coast to become food servers on the West Coast is not a recipe for long-term economic growth.

Unemployed Natives and Employed Recent Immigrants Have Different Educational Profiles

The 7.5 million unemployed native-born workers in the United States at the end of 2008 differed significantly in their educational profiles from the 7.7 million employed recent immigrants. As a result of their differing educational profiles, most unemployed natives are probably not even competing for the same jobs as most employed recent immigrants—and those who are competing for the same jobs frequently possess different skills {Figures 1 and 2}:¹

- 30.6 percent of all employed recent immigrants had a bachelor’s degree or more education, compared to only 14.1 percent of all unemployed natives.
- 27.4 percent of all unemployed natives had some college education short of a bachelor’s degree, compared to only 14.4 percent of all employed recent immigrants.

Figure 1: Educational Profile of Unemployed Natives, 2008

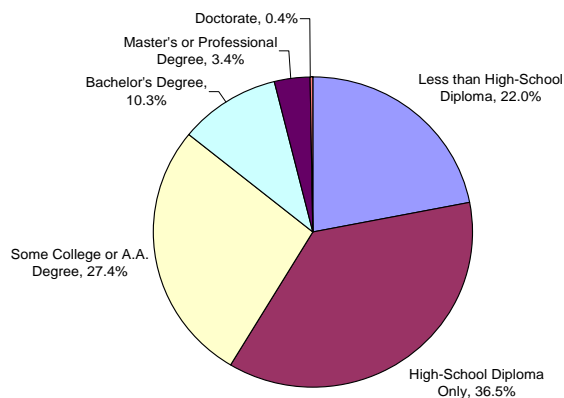
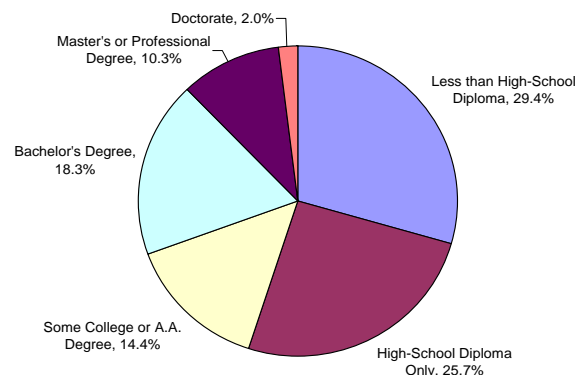


Figure 2: Educational Profile of Employed Recent Immigrants, 2008

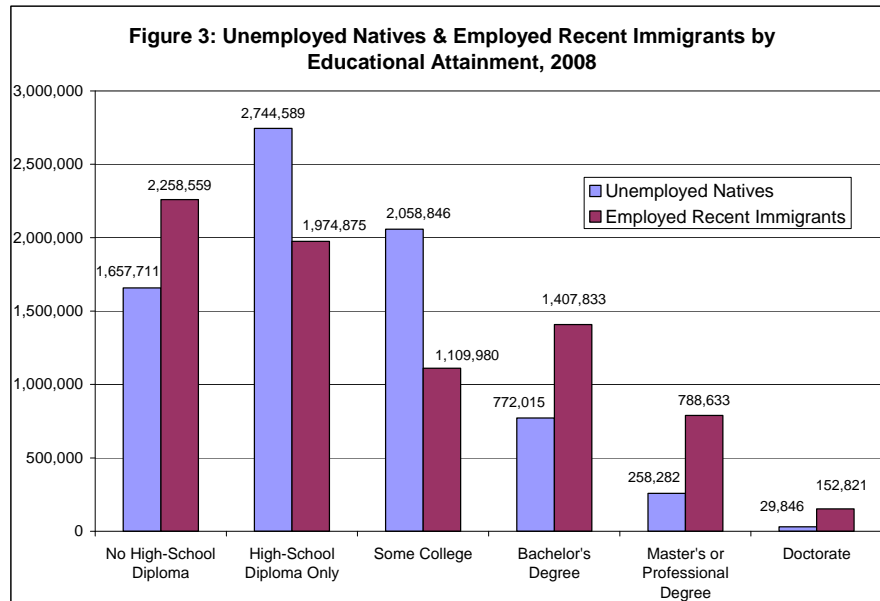


The numbers behind the foregoing percentages further illustrate the mismatch between unemployed natives and employed recent immigrants {Figure 3}. The sheer numbers of each group are out of sync with one another, showing that the two groups are not neat substitutes for one another:

- There were 2.3 million employed recent immigrants with a bachelor’s degree or more education, compared to 1.1 million unemployed natives.

¹ This analysis includes all unemployed and employed workers 16 years of age or older in the civilian labor force. It is customary to examine educational levels for persons 25 years of age and older. If that more narrow population were examined, the observed educational distribution would likely be somewhat different, because the population would be older and would have had more time, on average, to attain a higher education.

- There were 2.1 million unemployed natives with some college education short of a bachelor's degree, compared to 1.1 million employed recent immigrants.



Even Among Workers without a High-School Diploma, There Are Pronounced Differences Between Unemployed Natives and Employed Recent Immigrants

There were approximately 1.7 million unemployed natives without a high-school diploma at the end of 2008, and 2.3 million employed recent immigrants without a high-school diploma. It might be tempting to think that if 2.3 million immigrants were to leave the country, those 1.7 million Americans would have jobs. However, this argument is overly simplistic. Although unemployed native workers who lack a high-school diploma would seem to be in tight competition for jobs with recent immigrants who have a similar level of education, an analysis of differences between these two groups in terms of where they live, their job experience, and their age shows that they are far from being substitutes for one another.

Census Divisions:

New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Middle Atlantic: New Jersey, New York, Pennsylvania.

South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia.

East South Central: Alabama, Kentucky, Mississippi, Tennessee.

West South Central: Arkansas, Louisiana, Oklahoma, Texas.

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin.

West North Central: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota.

Mountain: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming.

Pacific: Alaska, California, Hawaii, Oregon, Washington.

They Often Live in Different Parts of the Country

Unemployed natives and employed recent immigrants without a high-school diploma differed significantly in where they lived in 2008 {Figures 4 & 5}:

- The largest share of employed recent immigrants without a high-school diploma (26.9 percent) lived in Pacific states, compared to only 14.0 percent of unemployed natives without a high-school diploma.
- The largest share of unemployed natives without a high-school diploma (18.9 percent) lived in East North Central states, compared to only 8.4 percent of employed recent immigrants without a high-school diploma.

Figure 4: Geographical Profile of Unemployed Natives Without a High-School Diploma, 2008

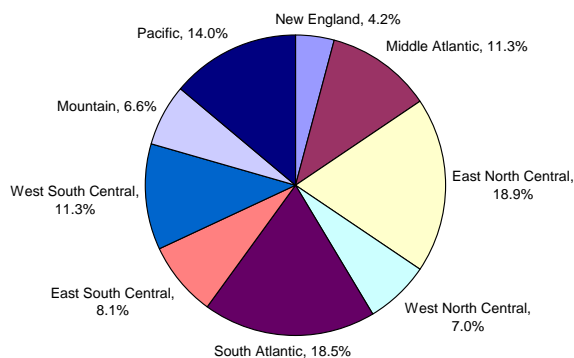
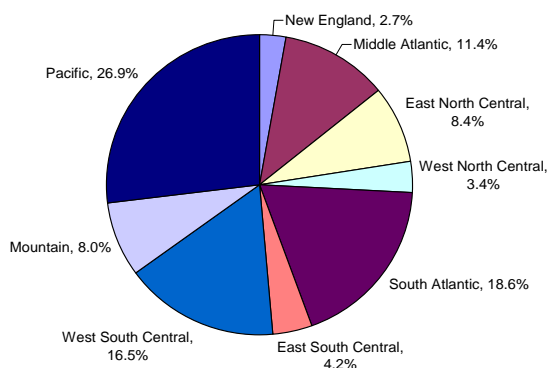


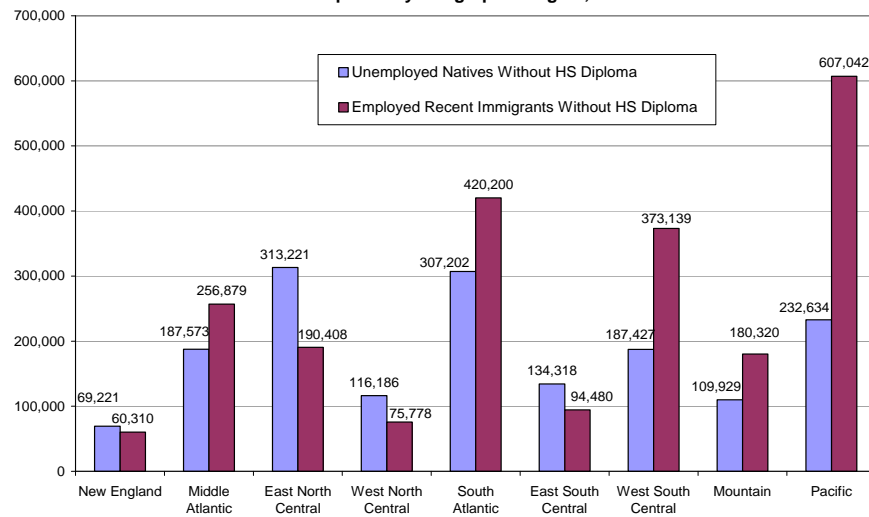
Figure 5: Geographical Profile of Employed Recent Immigrants Without a High-School Diploma, 2008



Because of their different geographic distributions, the actual numbers of unemployed natives and employed recent immigrants without a high-school diploma are far from being a one-to-one match in most parts of the country {Figure 6}:

- There were 607,000 employed recent immigrants without a high-school diploma in the Pacific states, compared to 233,000 unemployed natives without a high-school diploma.
- There were 313,000 unemployed natives without a high-school diploma in the East North Central states, compared to 190,000 employed recent immigrants without a high-school diploma.

Figure 6: Unemployed Natives & Employed Recent Immigrants Without a High-School Diploma by Geographic Region, 2008



They work in different occupations

Among workers without a high-school diploma, unemployed natives and employed recent immigrants also differed significantly in terms of their occupational experience in 2008 {Figures 7 & 8}:

- The largest share of employed recent immigrants without a high-school diploma (26.4 percent) worked in construction and extraction occupations, compared to only 11.7% of unemployed natives without a high-school diploma.
- The largest share of unemployed natives without a high-school diploma (23.5 percent) did not have an occupation because they were defined as “new entrants” by the Current Population Survey²—compared to virtually none of the employed recent immigrants without a high-school diploma.

² These include both individuals who were in the labor market but had never held a job and persons who had not held a job for at least three years. It is impossible to determine what occupation these individuals may eventually attain, but 72 percent of them were 16 or 17 years old. See U.S. Bureau of Labor Statistics, [Unemployed New Entrants and Reentrants to the Labor Force](#), June 2004 (revised December 2004).

Figure 7: Occupational Profile of Unemployed Natives Without a High-School Diploma, 2008

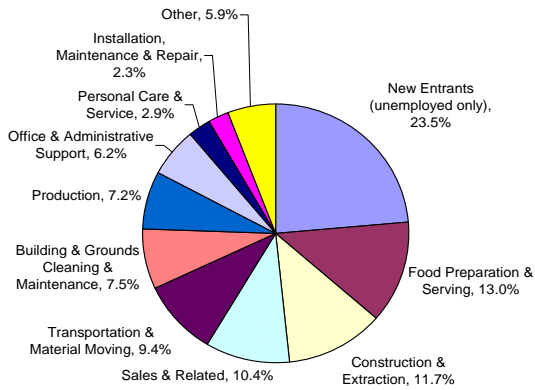
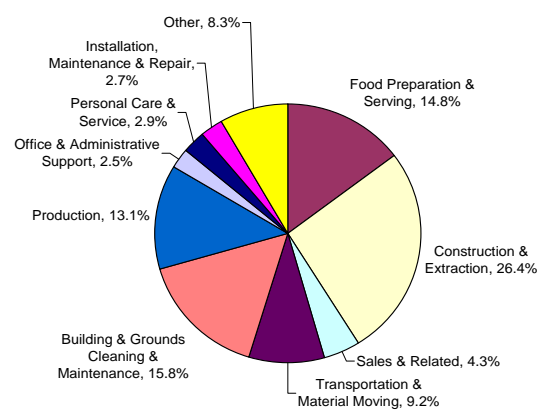


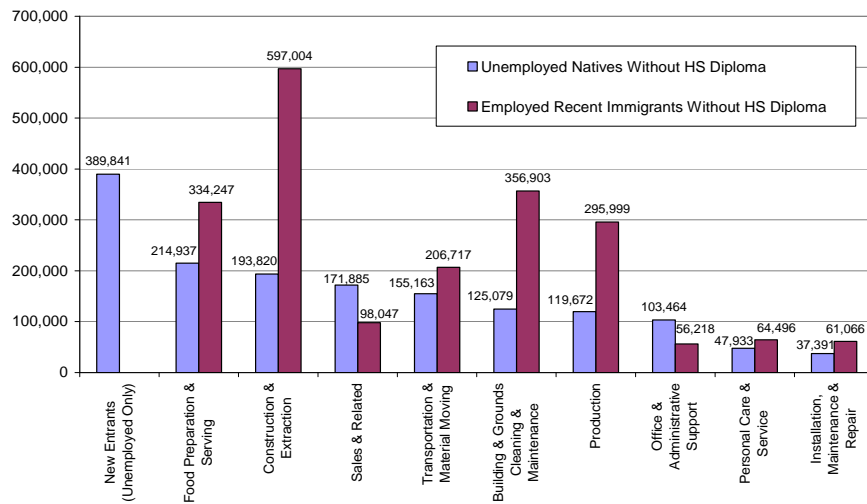
Figure 8: Occupational Profile of Employed Recent Immigrants Without a High-School Diploma, 2008



As a result of their different occupational profiles, there is not a one-to-one relationship between the actual numbers of unemployed natives and employed recent immigrants without a high-school diploma who work (or worked) in a particular occupation {Figure 9}:

- There were 597,000 employed recent immigrants without a high-school diploma working in construction and extraction occupations, compared to 194,000 unemployed natives without a high-school diploma.
- There were 390,000 unemployed natives without a high-school diploma who had no occupation, compared to zero employed recent immigrants without a high-school diploma.

Figure 9: Unemployed Natives & Employed Recent Immigrants Without a High-School Diploma by Occupation, 2008



They differ in years of work experience

Among workers without a high-school diploma, unemployed natives were much younger than employed recent immigrants in 2008, which suggests that unemployed natives in this educational group have far less work experience than their recent-immigrant counterparts {Figures 10 & 11}:

- The largest share of employed recent immigrants without a high-school diploma (42.1 percent) were 25-34 years old, compared to only 15.8 percent of unemployed natives without a high-school diploma.
- The largest share of unemployed natives without a high-school diploma (60.8 percent) were 16-24 years old, compared to only 21.2 percent of employed recent immigrants without a high-school diploma.

Figure 10: Age Profile of Unemployed Natives Without a High-School Diploma, 2008

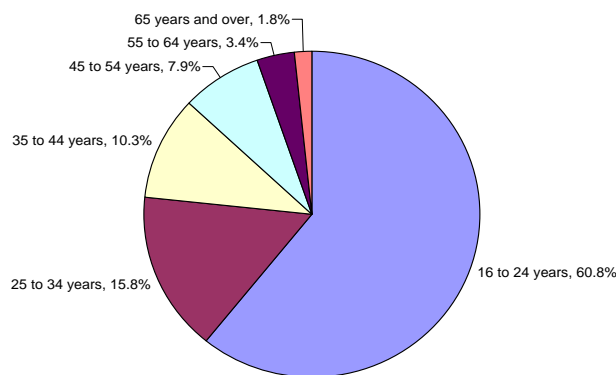
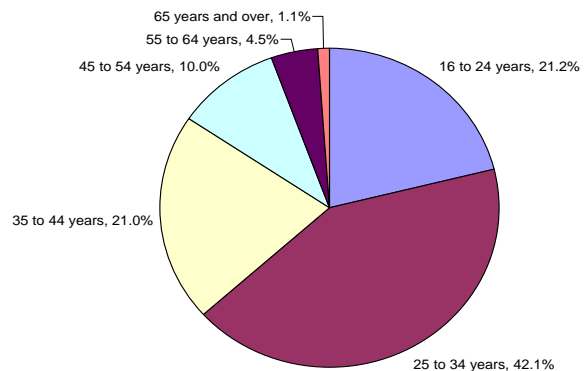


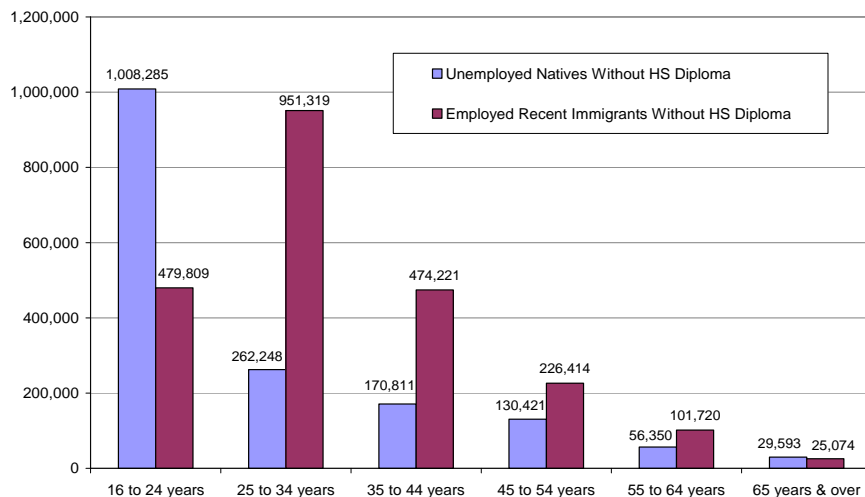
Figure 11: Age Profile of Employed Recent Immigrants Without a High-School Diploma, 2008



Due to their drastically different age profiles, the numbers of unemployed natives without a high-school diploma who fall into any particular age group tend to be quite different from the numbers of employed recent immigrants without a high-school diploma in the same age group {Figure 12}:

- There were 951,000 employed recent immigrants without a high-school diploma who were 25-34 years old, compared to 262,000 unemployed natives without a high-school diploma who were in the same age group.
- There were 1 million unemployed natives without a high-school diploma who were 16-24 years old, compared to 480,000 employed recent immigrants without a high-school diploma who were in the same age group.

Figure 12: Unemployed Natives & Employed Recent Immigrants Without a High-School Diploma by Age Group, 2008



Case Studies: Less-Skilled Unemployed Natives and Employed Recent Immigrants in Food Service and Construction

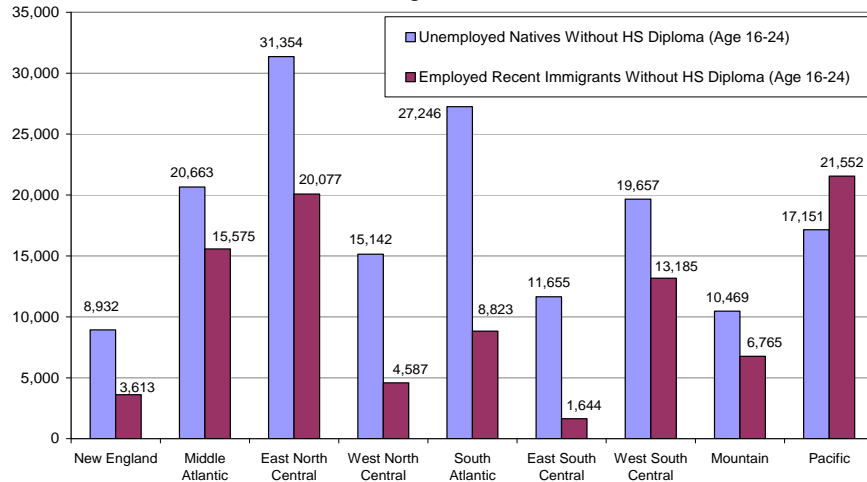
Marked differences between the number of unemployed natives and employed recent immigrants are apparent when simultaneously controlling for all the critical factors of education, age, occupation, and geography. For instance, consider the two occupations that accounted for the largest shares of unemployed natives without a high-school diploma in 2008: food service (13 percent of all unemployed natives in this educational group) and construction (12 percent of all unemployed natives in this educational group).

Food Service

In food service, unemployed natives without a high-school diploma who were in the youngest age group (16-24), and therefore had the least work experience, substantially outnumbered employed recent immigrants of comparable characteristics in the East North Central, West North Central, South Atlantic, and East South Central areas of the country at the end of 2008 {Figure 13}.³

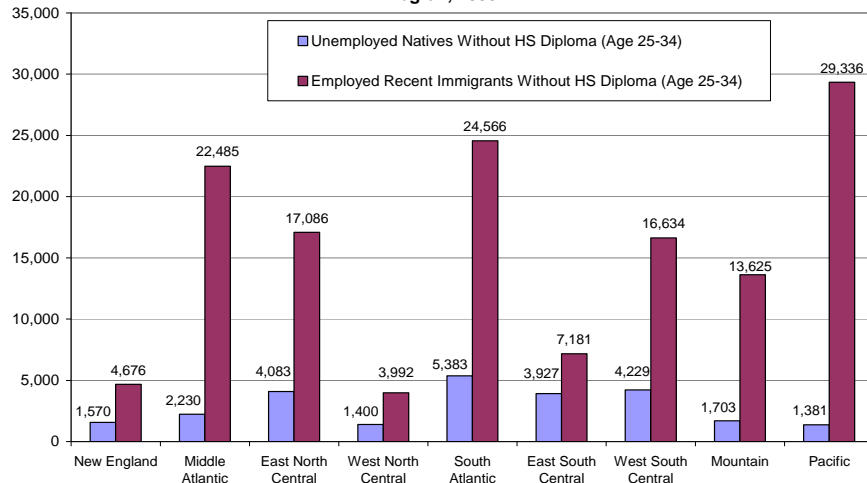
³ At the national level, this age group accounted for 61 percent of all unemployed natives without a high-school diploma and, therefore, covered the vast majority of native unemployed in this educational category.

Figure 13: Unemployed Natives & Employed Recent Immigrants Without a High-School Diploma, Age 16-24, in Food Preparation & Serving, by Geographic Region, 2008



Unemployed natives aged 25 to 34 years without a high-school diploma, however, were substantially outnumbered by employed immigrants with comparable age and education in the Middle Atlantic, East North Central, South Atlantic, West South Central, Mountain, and Pacific areas {Figure 14}.

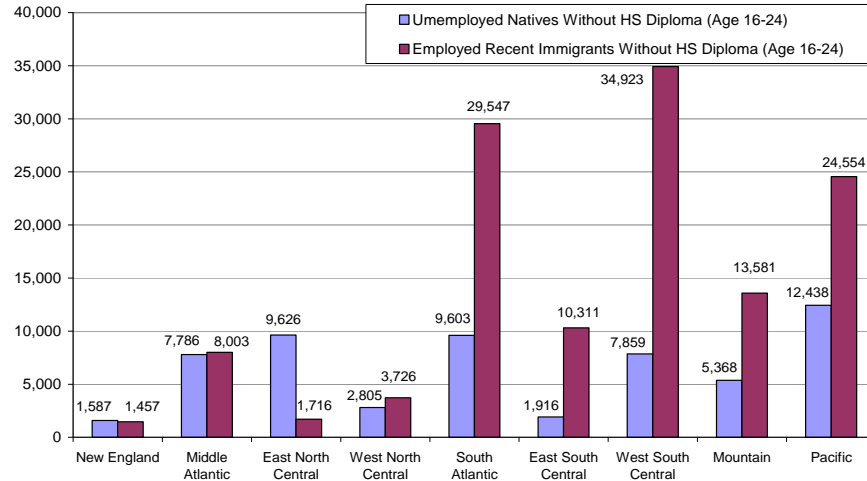
Figure 14: Unemployed Natives & Employed Recent Immigrants Without a High-School Diploma, Age 25-34, in Food Preparation & Serving, by Geographic Region, 2008



Construction

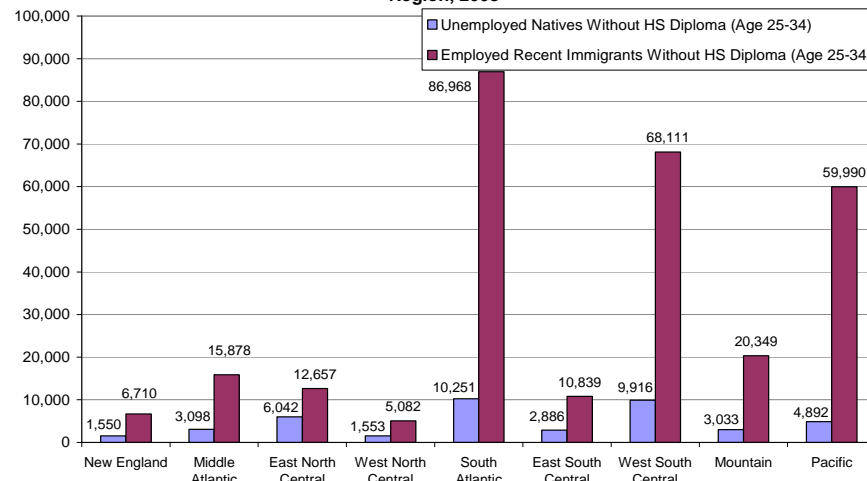
In construction, unemployed natives aged 16-24 without a high-school diploma were significantly outnumbered by employed recent immigrants of similar characteristics in the South Atlantic, East South Central, West South Central, Mountain, and Pacific areas at the end of 2008 {Figure 15}.

Figure 15: Unemployed Natives & Employed Recent Immigrants Without a High-School Diploma, Age 16-24, in Construction & Extraction, by Geographic Region, 2008



Unemployed natives aged 25-34 years without a high-school diploma were significantly outnumbered in every area of the country by recent immigrants of similar characteristics, especially the South Atlantic, West South Central, Mountain, and Pacific areas {Figure 16}.

Figure 16: Unemployed Natives & Employed Recent Immigrants Without a High-School Diploma, Age 25-34, in Construction & Extraction, by Geographic Region, 2008



CONCLUSION

The data in this report illustrate that immigrants, including recent arrivals, are largely complementary to the native labor force. Although natives and immigrants do “overlap” to some extent in terms of their demographic and socioeconomic characteristics, they often fit into the labor force in areas and occupations where there are insufficient numbers of comparable native workers. The fact that immigrants are often complements to the native labor force illustrates the absurdity of suggesting—as we may read in the blogosphere and hear on talk radio—that removing immigrants would automatically lead to job openings for natives. This is based on the unrealistic view that all workers are the same and that workers are easily substitutable without regard to their location, occupation, and age/experience. The substantially different characteristics of immigrant and native workers mean that the two populations are not simple substitutes for one another. Even if, in today’s economy, unemployed native workers were willing to travel across the country or take jobs for which they are overqualified, that is hardly a long-term strategy for economic recovery. Asking unemployed auto-workers to move to California to pick tomatoes may be a short-term solution for some desperate workers, but it is not a strategy for economic recovery.

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