

BEYOND THE HEADLINES

At a Glance: Jobs, Workers & the Economy



APRIL 2013 | FOCUS: U.S.

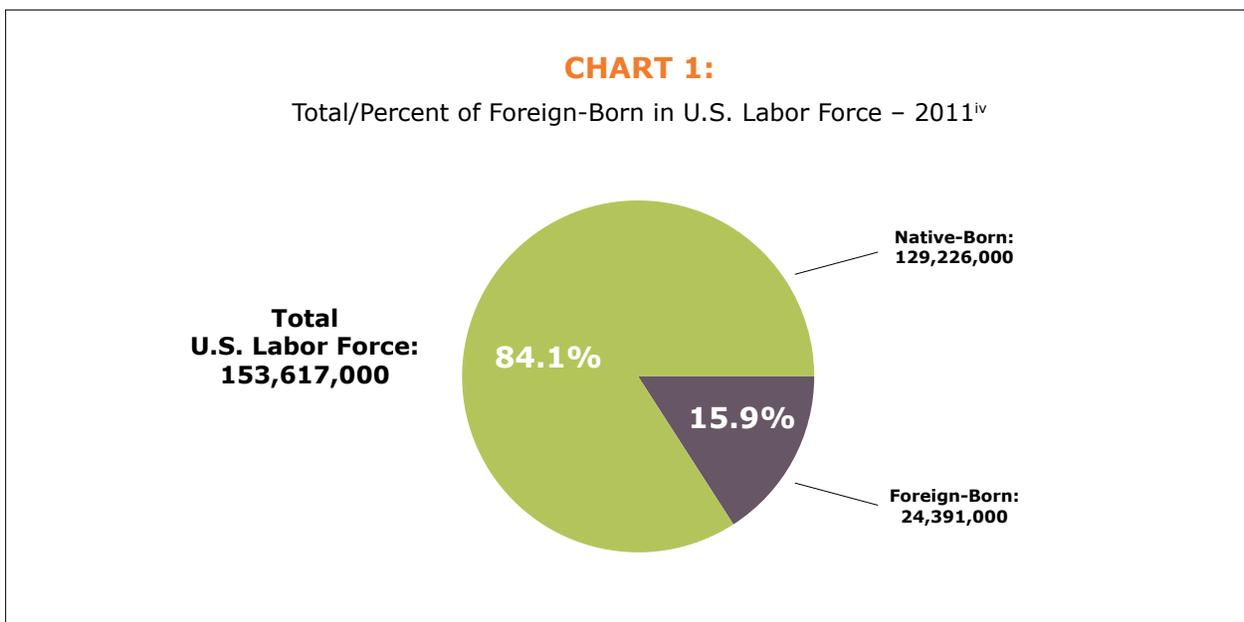
A Snapshot of Immigrants in the U.S. Labor Force

What impact do immigrants have on native-born U.S. workers? This important question is at the crux of the debate surrounding the Senate's recent immigration reform legislation. Economists focusing on the labor market implications of immigrationⁱ tend to disagree on such important questions as:

- Whether immigrants diminish job opportunities for native-born workers;
- Whether immigrants fill essential jobs that are shunned by native-born workers;
- Whether immigrants impact the wages earned by native-born workers.

This edition of *Beyond the Headlines* utilizes data from the Bureau of Labor Statistics as well as research by the Brookings Institutionⁱⁱ to provide a picture of immigrants in the U.S. labor force today and to shed some light on the numbers underlying these questions.

Chart 1 shows the total number and percentage of immigrants within the U.S. labor force in 2011. The 15.9% share represents a substantial increase from 1970, when immigrants made up only 4.9% of the labor force.ⁱⁱⁱ This increase is largely reflective of growth in the total foreign-born population during this time period.



Charts 2a and **2b** compare the demographic make-up of immigrants in the labor force with native-born workers. Nearly half of the foreign-born labor force is Hispanic. In addition, the two groups have different educational profiles. Immigrant workers are much more likely to be either low-skilled (less than a high school diploma) or high-skilled (BA or higher), and much less likely to be middle-skilled.

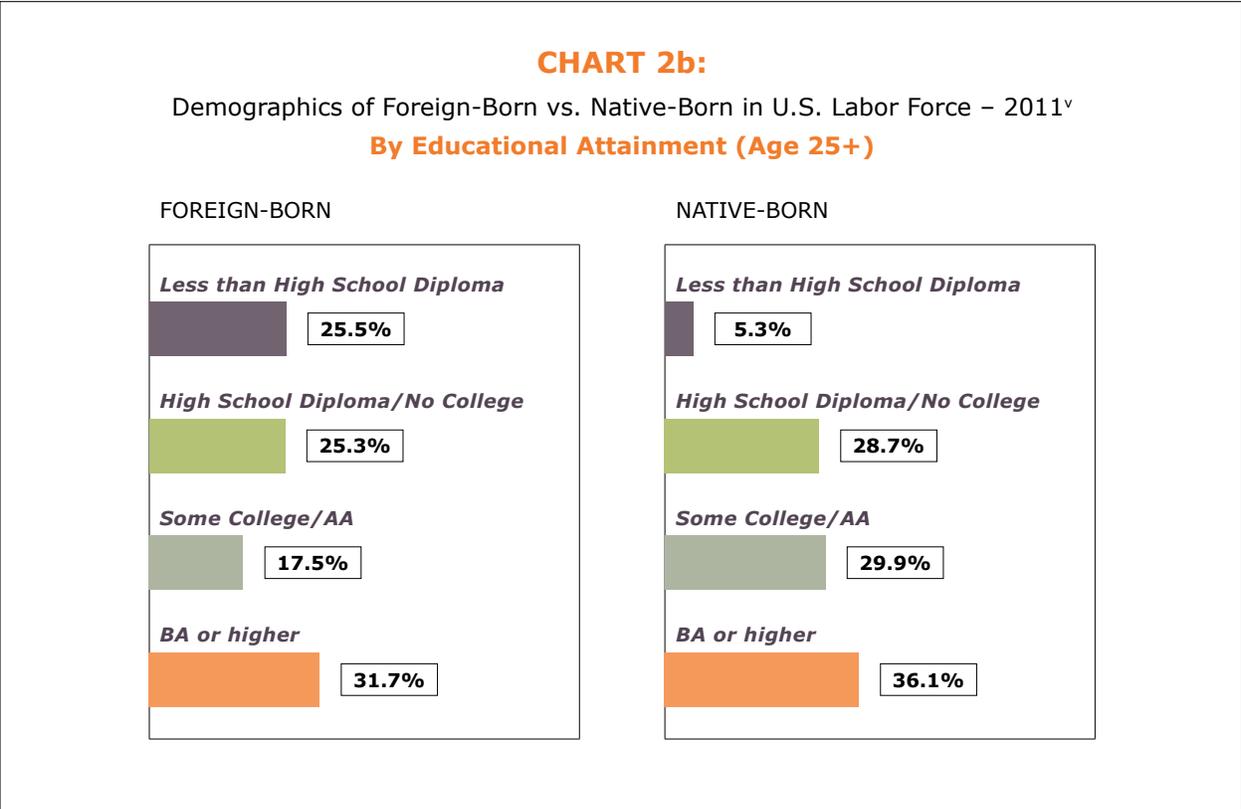
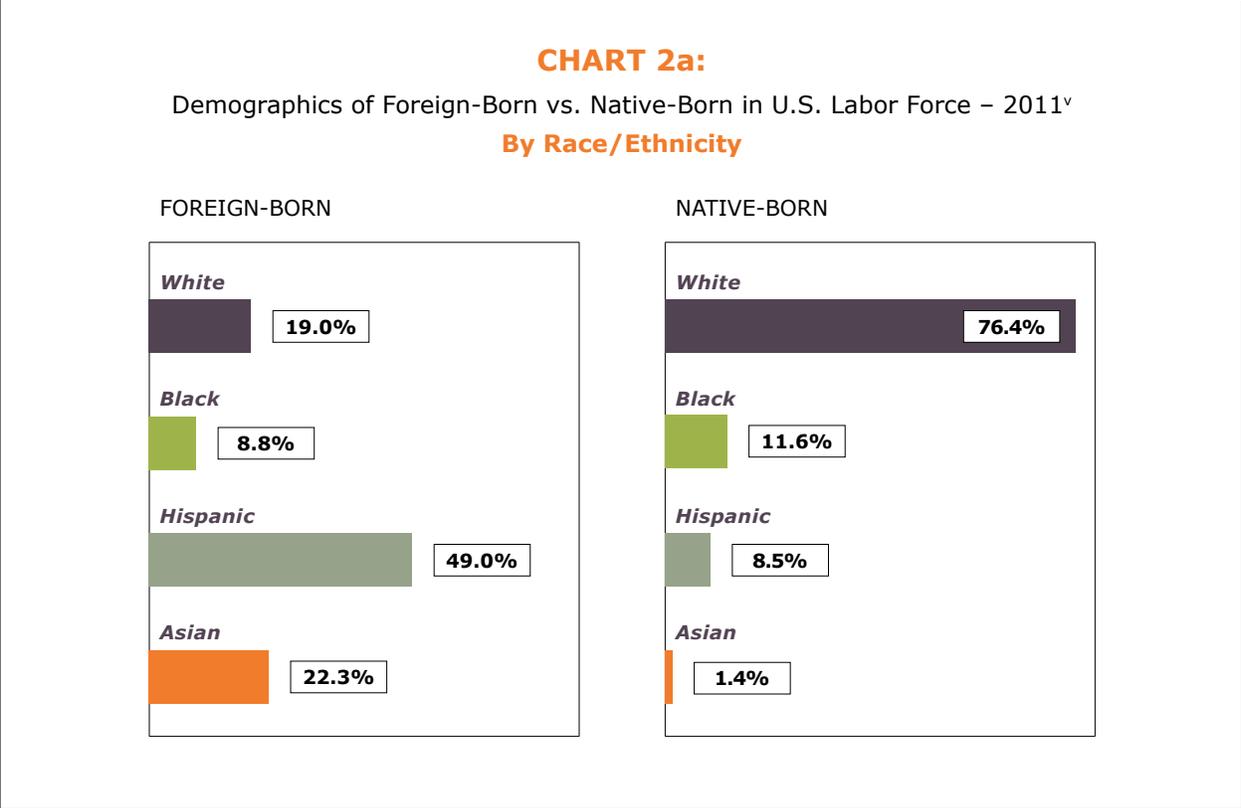
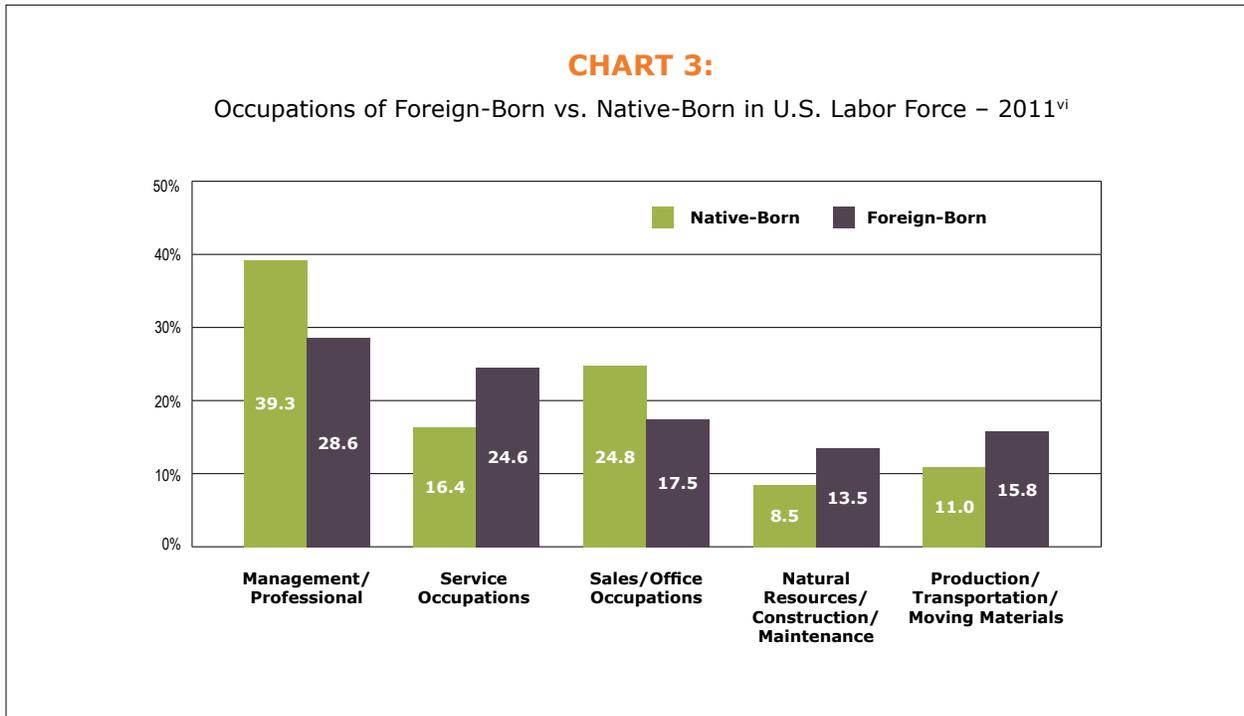


Chart 3 depicts the major occupational groupings in which foreign-born and native-born members of the labor force work. Immigrant workers are more highly concentrated in service occupations (and two-thirds of foreign-born service workers are employed in food preparation and serving related occupations in addition to building and grounds cleaning and maintenance occupations). They are also more likely to be employed in “blue collar” occupations, and less likely to be employed in management/professional and sales/office occupations.



Brookings Institution found that **foreign-born workers are over-represented in certain sectors**, typically thought of as either low-skilled (private households, accommodation, agriculture, food services, construction) or high-skilled (information technology, high-tech manufacturing). And within these sectors, **immigrant and native-born workers tend to cluster in different occupations**, as depicted in **Chart 4** (which also shows that immigrants tend to be more concentrated within their specific occupations than are native-borns in theirs).

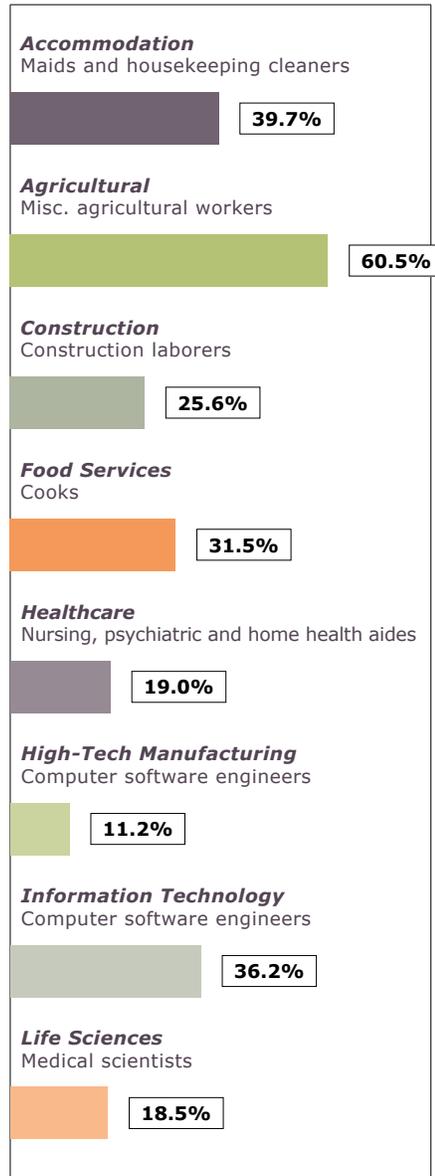
Brookings’ conclusion is well-summarized by Catherine Rampell of the New York Times:

Immigrants and native-born workers are generally complements, rather than perfect substitutes: lower-skilled immigrants largely sort into farming and other manual low-paid jobs that the native-born don’t want to do, and higher-skill immigrants provide labor [for] high-tech companies [that] cannot find enough trained American-born workers.”^{vii}

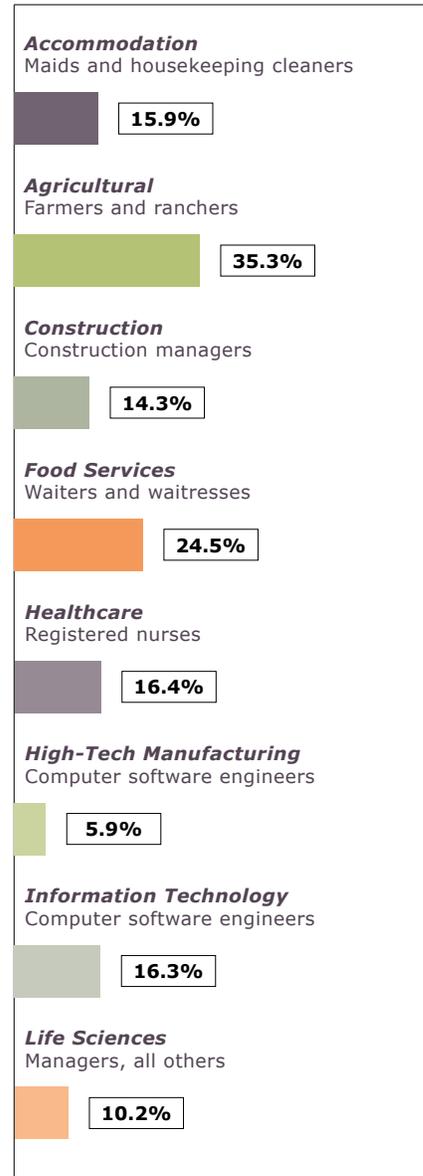
CHART 4:

Sectors with High Concentrations of Immigrant Workers:
Foreign-Born and Native-Born Workers Don't Cluster in Same Jobs^{viii}

Top Job For Foreign-Born In Sector/ % Workers In Sector In This Job



Top Job For Native-Born In Sector/ % Workers In Sector In This Job



Finally, **Charts 5** and **6** compare the median weekly earnings of immigrant and native-born workers by both **race/ethnicity** and **educational attainment**, respectively. Here we see that Hispanic immigrants have the lowest earnings, a result of overall low educational attainment levels and attendant clustering into low-wage occupations.^{ix} **Chart 6** shows that, in general, higher-skilled immigrant workers earn nearly as much as higher-skilled native-born workers, while lower-skilled immigrant workers earn less than native-born workers with the same level of skills.

CHART 5:

Median Weekly Earnings of Foreign-Born vs. Native-Born
in U.S. Labor Force – 2011*:

By Race/Ethnicity

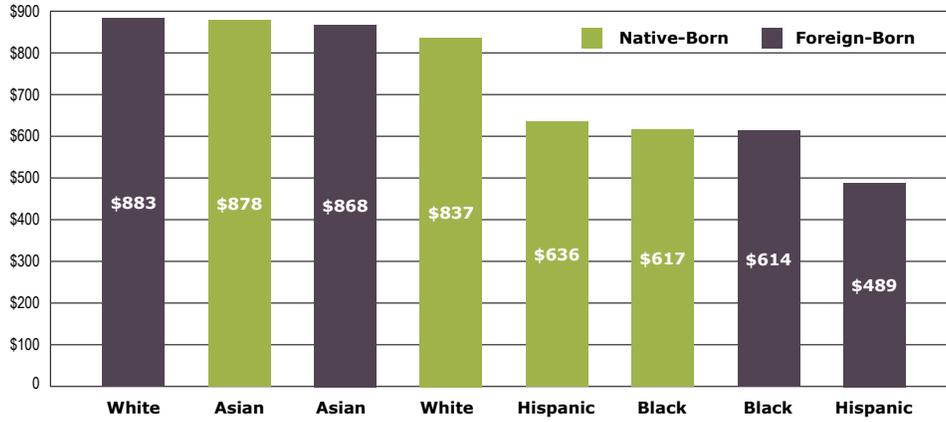
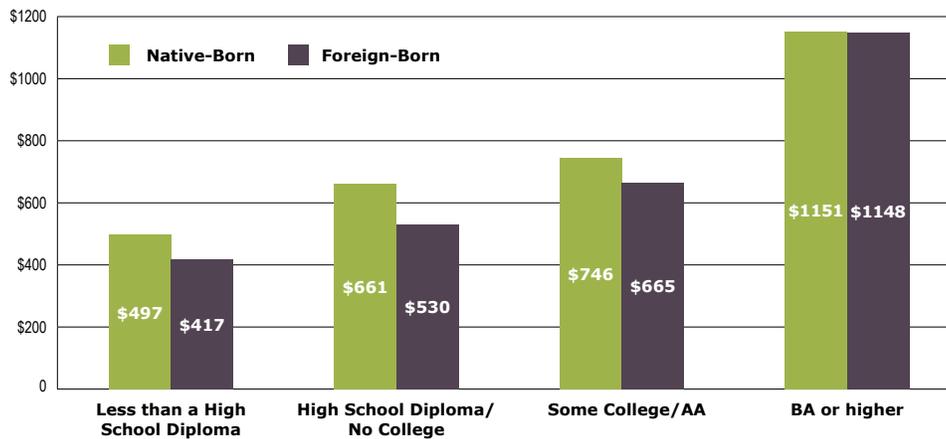


CHART 6:

Median Weekly Earnings of Foreign-Born vs. Native-Born
in U.S. Labor Force – 2011*:

By Educational Attainment (Age 25+)



There is sharp debate on whether immigration has impacted the wages of American workers, either positively or negatively and, if so, which workers have been most impacted (e.g., high-skilled or low-skilled).^{xi} There appears to be more solid evidence that immigrants have a significant positive impact on the U.S. economy.^{xii} One clear example of this is provided by a recent Kauffman Foundation study, which found that in 2012, immigrant-founded companies employed 560,000 U.S. workers and had \$63B in sales. The study also found that in a random sample of engineering and technology companies founded in the U.S. between 2006 and 2012, nearly one-quarter had at least one foreign-born founder.^{xiii}

-
- i. See: Camarota, Steven A. "Amnesty for Illegal Immigrants and the Employment Picture for Less-Educated Americans." Center for Immigration Studies. February 2013; Borjas, George. "Immigration and the American Worker." Center for Immigration Studies. April 2013; Peri, Giovanni. "The Effect of Immigrants on U.S. Employment and Productivity." Federal Reserve Bank of San Francisco Economic Letter 2010-26, August 30, 2010; Card, David. "Immigrant Inflows, Native Outflows, and the Local Labor Market Impacts of Higher Immigration." *Journal of Labor Economics* 19(1), pp. 22-64. January 2001.
 - ii. Brookings Institution, *Immigrant Workers in the U.S. Labor Force*, March 2012.
 - iii. *Immigrant Workers*, 2012.
 - iv. U.S. Department of Labor, Bureau of Labor Statistics, *Foreign-Born Workers: Labor Force Characteristics – 2011*, May 24, 2012.
 - v. *Ibid.*
 - vi. *Ibid.*
 - vii. Rampell, Catherine. 2013. "Are Immigrants Taking Your Job? A Primer." *The New York Times Economix*, February 5. <http://economix.blogs.nytimes.com/2013/02/05/are-immigrants-taking-your-job-a-primer/>
 - viii. *Immigrant Workers*, 2012.
 - ix. Lowenstein, Roger. 2006. "The Immigration Equation." *The New York Times*, July 9.
 - x. *Foreign-Born Workers*, 2012.
 - xi. Rampell 2013; Peri 2010.
 - xii. Porter, Eduardo. 2012. "Immigration and American Jobs." *The New York Times Economix*, October 19. <http://economix.blogs.nytimes.com/2012/10/19/immigration-and-american-jobs/>
 - xiii. Wadhwa, Saxenian and Siciliano. "America's New Immigrant Entrepreneurs: Then and Now." Kaufmann Foundation. October 2012.

BEYOND THE HEADLINES: Policy & Labor Market Updates for Those Working to Help Low-Income and Low-Skill Individuals Advance through Education, Training & Living-Wage Jobs

About Seattle Jobs Initiative

Seattle Jobs Initiative creates opportunities for students, workers and business to succeed by helping education and job training programs meet the demands of a new economy. We find and apply solutions for people to gain the skills they need for good jobs that create prosperity for all in today's marketplace.

Supported by the City of Seattle Office of Economic Development

Contact Information

For questions or suggestions, please email David Kaz, SJI Director of Policy and Development at: dkaz@seattlejobsinit.com

