

IMMIGRANTS, JOBS & THE LABOR FORCE

Many Americans fear that immigrants take away jobs and lower the wages of native-born workers. However, national research shows that this is not true and the fears are unfounded. Alan Krueger, Professor of Economics at Princeton University, speculates that there is a complex array of reasons for this. Some likely factors he identifies are:

- In addition to increasing the supply of labor, immigrants increase the demand for goods and services produced in the U.S. In other words, they are buying food and other goods for daily living, paying rents and buying all kinds of services. This leads to higher wages and employment for all workers in the U.S.
- Many immigrants become entrepreneurs creating jobs for other immigrants and natives. Immigrant entrepreneurs may be particularly likely to develop export opportunities for American products given their connections abroad and language skills. (1)

There is widespread agreement among economists that immigrants are needed to expand the labor force and keep U.S. productivity growing. Immigrants tend to be young and in their prime working years and likely to be in the labor force for a long time. Moreover, their skills, both high and low, complement skills of native-born workers and are not in direct competition.

Researcher Tarrabox notes that “it is a well known fact that many of the jobs immigrants come here to fill are jobs Americans are not taking. And when we prevent immigrants from taking those jobs, American producers and consumers suffer the consequences...Less well known is that many jobs immigrants take are jobs that would have been outsourced. Nearly one-third of U.S. garment workers are immigrants...if it were not for immigration, we’d likely be importing even more clothing.” (2)

Immigrants often create their own jobs. Think of the nail business that is dominated by the Vietnamese. Ten years ago not many people had their nails done on a regular basis. Today, this is mainstream service even among lower income women. A whole new industry has been born.

Some people have asserted that immigrants have a particularly negative effect on young African American men. But economist Gerald D. Jaynes, Professor of Economics and African American Studies at Yale University, found that “To our surprise, no matter how we approached the data, our

results showed either no effects or very modest effect for the least-educated black men. Intellectual honesty required that we report our findings as we found them, and my opinion about the effects of immigration on African American employment and wages changed.” (3)

National Statistics

Importance to the Labor Force

- The Center for Labor Market Studies at Northeastern University (2006) found that in the 1990s decade, new immigrants made up 40% of the growth in the nation’s entire civilian workforce. Most of these immigrants are young persons in the prime of life without aged dependents and a relatively small number of children already born. (4)
- They also found that immigrants filled both the high and low ends of the market with high-skill jobs in engineering, information technology as well as the sciences and low-skill jobs in manufacturing and service.
- The Bureau of Labor Statistics projects that between 2002 and 2012, the number of U.S. jobs will increase by 21 million for a total of 56 million. While the recent recession may diminish these numbers, there will still be many jobs that will be less skilled and unsuitable for American workers who are growing older and are better educated. Many immigrants with their younger age profile and lower education levels will be needed to fill these jobs. (5)
- Immigrants who are highly skilled in engineering, information technology and the sciences are needed to keep the U.S. globally competitive. A 2008 study by the Bureau of Economic Research found that skilled immigrants increase innovation in the U.S. A 2006 study by Duke University and the University of California at Berkeley found 25% of Tech/Engineering companies had at least one foreign-born founder. (6)
- Immigrants will be critical to filling future labor gaps. Nationally, 76 million baby boomers will retire by 2030 while only 46 million native-born workers will enter the workforce. (7)

Do immigrants take away jobs from native-born workers?

- Immigrant labor tends to be complementary to native-born workers rather than competitive. For example, a March 2009 study “Immigrant Workers in the Massachusetts Health Care Industry” found that immigrant workers filled critical job vacancies at the high-skill and low-skill end of the health care workforce where there are critical vacancies. (8)
- A 2009 study by Rob Paral & Associates for the Immigration Policy Center reinforces this finding. The found that 1) there is little apparent relationship between unemployment and the presence of recent immigrants at the regional, state or county level in the United States.; 2) unemployed natives and employed recent immigrants tend to have different educational profiles and, therefore, are in different job markets; 3) even among workers without a High-School diploma, unemployed natives and employed recent immigrants tend to differ in location, occupation and work experience. In short, immigrant labor is complementary rather than competitive. (9)
- A Pew Hispanic Center research study found that rapid increases in the foreign-born population at the state level are not associated with negative effects on the employment of native-born workers. (10)
- Alexander Tabarrok, Research Director of The Independent Institute, compared the unemployment rates in the 10 states with the highest immigrant presence to unemployment rates in the 10 states with the lowest immigrant presence. He found that unemployment is lower in the 10 states with the highest immigrant presence. Thus, there is no evidence to indicate that immigration is at all correlated with unemployment rates. (2)
- Alan Krueger, Professor of Economics at Princeton University, asserts that “the best available evidence does **not** support the view that large waves of immigrants in the past have had a detrimental effect on the labor market opportunities of natives including the less skilled and minorities.” (1)

Do immigrants lower wages paid to native-born workers?

- A 2005 National Bureau of Economic Research study found that immigration raised the average wage of the native-born worker by 1.1 percent during the 1990s. Since workers with different levels of education perform different tasks and fill different roles in production, the majority of native-born workers (those with intermediate educational levels) experience benefits, more than competition, from foreign-born workers concentrated in high and low educational groups. (11)
- David Card of the University of California at Berkeley studied effects of large influxes of immigrants in a number of U.S. cities and concluded that an unanticipated influx of immigrants does not have a harmful effect on the employment or wages of natives. (12)

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