

The Integration of Immigrants in Maryland's Growing Economy

Randy Capps, Karina Fortuny
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Immigrants are an integral part of Maryland's economy. Immigrants are neighbors, parents, and consumers. And they are even more likely than other Maryland residents to be workers. In 2006, 12 percent of all Marylanders were born outside the United States, but a higher share, 15 percent, of workers were immigrants.ⁱ Immigrants are about one out of three workers in Montgomery County, one of four workers in Prince George's County, and one of five workers in Howard County, but only 11 percent of workers in Baltimore County and 8 percent in Baltimore City. Immigrants' share of the Maryland labor force is growing rapidly.

Maryland has benefited from an expanding economy and growing opportunities for workers in recent years. Immigrants accounted for half of the state's total population growth and more than half of its workforce growth from 2000 to 2006.ⁱⁱ

In summary, our research reveals that:

- Maryland's immigrants come from around the world—almost equal shares arrived from Latin American countries as from Asia, and many are from African, Caribbean and European countries;
- Maryland's immigrants have higher levels of education than the national average for immigrants, and fill many vital jobs in the scientific, high-tech, and health sectors;
- Maryland's immigrants who lack high levels of education fill many important service-sector and blue-collar jobs;
- Maryland's labor market is growing for foreign and native-born workers, and across racial groups;
- Providing educational and training opportunities for immigrant as well as native-born workers, particularly those with limited formal education and English proficiency, is likely to reap benefits not only for these workers but also for the state's economy and tax base.

Maryland's Immigrants Are Diverse

Maryland's diverse workforce is a key asset in the increasingly competitive global economy, and immigrants from a wide variety of origins are contributing to the state's diversity. Nationally, Hispanics are over half of all immigrant workers, but in Maryland no single ethnic group predominates. In 2006, almost equal shares of the state's immigrant workers were Hispanic (29 percent), Asian (28 percent), and Black (25 percent). Mexico accounted for almost a third of immigrant workers in the United States, but in Maryland no country accounted for over 10 percent.

A Large Share of Maryland's Immigrant Workers Are Highly Skilled

Despite common stereotypes, many Maryland immigrants are highly skilled and well educated. Nationally, immigrant workers were less likely than U.S.-born workers to have a four-year college degree or more education in 2006 (28 versus 30 percent). But Maryland's immigrant workers were *more likely* than U.S.-born workers to have a college education (43 versus 36 percent). In short, Maryland's immigrants are very highly educated.

Immigrants are doctors, nurses, teachers, computer specialists, and researchers at important facilities such as the National Institutes of Health and John Hopkins University. In 2006, 27 percent of Maryland's scientists, 21 percent of health care practitioners, and 19 percent of mathematicians and computer specialists were foreign-born. In Montgomery County, immigrants were over 40 percent of scientists, over a third of architects, engineers, computer specialists, and mathematicians, and about a quarter of business and financial officers and managers. Immigrants were over a third of doctors and other healthcare practitioners in Montgomery, Prince George's and Howard Counties. They were almost a quarter of scientists and healthcare practitioners in Baltimore County.

Immigrants with Less Education Fill Important Blue Collar Jobs

Immigrants also fill many important blue collar jobs that require less formal education. Seventeen percent of immigrants lacked a high school degree in 2006—above the share of U.S.-born workers in Maryland (7 percent) but far below the national average for immigrants (28 percent).

Large numbers of immigrants work alongside native-born Marylanders in key jobs that support the economy and help build the state's infrastructure, for instance: building and maintaining homes and office parks, growing and serving food, driving trucks and buses, and providing health care in homes, clinics and hospitals. In 2006, immigrants were a third of Maryland building and grounds maintenance workers, a quarter of construction and agricultural workers, and almost a quarter of food preparation and healthcare support workers. They were over half of healthcare support, food preparation, construction, building maintenance, manufacturing, and transportation workers in Montgomery County.

Maryland's Labor Market Is Expanding for Immigrants and U.S.-Born Workers

Maryland's labor market continues to absorb more and more workers, despite the current national downturn, and recent labor force growth has included native as well as foreign-born workers. In December 2007, unemployment in Maryland was just 3.8 percent, well below the national rate of 5 percent, and the number of jobs grew by 1.4 percent during 2007, over three times the national rate.ⁱⁱⁱ Studies of other states have shown that immigrant labor contributes strongly to economic growth, because immigrants—like other workers and consumers—spend their incomes on goods and services that generate additional jobs.^{iv} In Maryland, immigrants are no doubt contributing to the state's recent growth.

Between 2000 and 2006, Maryland's native-born and foreign-born labor forces grew by almost equal amounts: 100,000 and 120,000 respectively.^v The labor force participation rate increased for both immigrants (from 75 to 80 percent) and natives (from 79 to 80 percent), and among all native-born racial and ethnic groups except non-Hispanic whites, whose labor force participation remained the same.

Labor force growth was most notable among African Americans. From 2000 to 2006, the number of African Americans in Maryland's labor force grew by over 79,000, and their labor force participation rate rose from 73 to 78 percent. The number of African Americans not in the labor force *fell* by over 30,000, and their unemployment rate rose only slightly.

The number of less-skilled natives in the Maryland labor force declined, but this was due to a decline in their overall population, not lower labor force participation. Between 2000 and 2006, the number of native-born adults ages 18 to 64 with less than high school education declined by 80,000. Some of the drop occurred because natives in this age group became better educated—their share without a high school degree fell from 13 percent in 2000 to 10 percent in 2006. The labor force participation of this population increased from 58 to 60 percent, but their unemployment rate rose by 4 percentage points.

Investments in Education and Training Are Needed for Immigrant and Native-Born Workers

Maryland will need to tap the full potential of all workers—both foreign and U.S.-born—to keep the state's economy strong and prosperous during challenging times. Particularly important will be preparing workers without much formal education for the growing number of skilled jobs in the state's economy. In 2006, the labor force participation rate was over 87 percent for natives with a college education, but only 60 percent for natives without a high school education. Both native and foreign born workers earned more than twice as much if they had a college degree than if they had less than a high school degree.

Immigrant workers with limited English proficiency (LEP) earned substantially less than fully proficient immigrants at all levels of education.^{vi} In 2005, median earnings were \$24,000 for LEP immigrant workers with a high school degree or some college, but just as high for English-proficient immigrants *without* a high school degree.^{vii} English-proficient immigrants with a college degree or more education out-earned LEP immigrant workers by \$15,000: \$55,000 versus \$40,000. Thus, English proficiency may be at least as important as formal schooling when it comes to immigrants' earnings.

Education and training programs, if effective and tailored to the needs of Maryland's employers, could help tap the potential and raise the incomes of workers, both immigrants and natives. Many immigrants may need a combination of English instruction, adult education and job training to improve their job prospects. Others may have high levels of formal education and training from their home country but not the requisite English language ability to apply their skills in Maryland; many of these immigrants will also need assistance in obtaining U.S. credentials.

A recent study of tax payments in the Washington, D.C., suburbs showed that households headed by college graduates—whether they are immigrants or natives—not only have substantially higher incomes but also pay substantially higher federal, state and local taxes than those headed by workers without college or high school degrees.^{viii} Overall, immigrants paid 18 percent of the personal state taxes collected in the Maryland suburbs in 2000. This suggests that investments in education and training—for both immigrant and U.S.-born workers—would yield higher incomes and tax revenues for state and local governments. In an increasingly competitive world and uncertain economic future, Maryland cannot afford to leave behind any worker, regardless of where they were born.

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Notes:

ⁱ Workers are defined as people ages 18 to 64 that are in the civilian workforce, worked at least 25 weeks or 700 hours during the prior year, and reported positive wage, salary or self-employment earnings. Unless otherwise noted, data in this brief are averaged between the 2005 and 2006 American Community Survey Public Use Microdata Samples.

ⁱⁱ Data for 2000 are taken from the 2000 Census of Population and Housing 5 percent Public Use Microdata Sample.

ⁱⁱⁱ See Maryland Department of Labor, Licensing and Regulation, “State of Maryland Employment Report—December 2007,” Baltimore, January 2008.

^{iv} See for instance, Kasarda, John D., and James H. Johnson, Jr., *The Economic Impact of the Hispanic Population on the State of North Carolina* (Research Report), Chapel Hill: Kenan-Flagler Business School, The University of North Carolina, January 2006; Kasarda, John D., James H. Johnson, Jr., Stephen J. Appold, and Derrek L. Croney, *A Profile of Immigrants in Arkansas Volume 2: Impacts on the Arkansas Economy* (Research Report), Little Rock: Winthrop Rockefeller Foundation, April 2007; Strayhorn, Carole Keeton, “Undocumented Immigrants in Texas: a Financial Analysis of the Impact to the State Budget and Economy,” Austin: Office of the Comptroller, State of Texas, December 2006.

^v We define the labor force here as adults ages 18 to 64 who were working or looking for work at the time of the survey. Figures for 2000 are based on the 2000 Census of Population and Housing, 5 percent Public Use Microdata Sample, and for 2006, from the 2006 American Community Survey.

^{vi} Limited English proficient workers are those who speak a language other than English at home and speak English less than very well. Here workers are again defined as people ages 18 to 64 that are in the civilian workforce, worked at least 25 weeks or 700 hours during the prior year, and reported positive wage, salary or self-employment earnings.

^{vii} Median personal earnings were calculated based on wage, salary, and self-employment earnings for the prior year. We averaged data from 2004 and 2005, using the 2005 and 2006 American Community Survey.

^{viii} The Maryland suburban counties included in this analysis are: Calvert, Charles, Frederick, Montgomery, Prince George’s and St. Mary’s. See Capps, Randy, Everett Henderson, Jeffrey S. Passel, and Michael Fix, *Civic Contributions: Taxes Paid by Immigrants in the Washington, DC, Metropolitan Area* (Research Report), Washington, DC: The Urban Institute, May 2006.