



IMMIGRATION POLICY CENTER
SPECIAL REPORT

A thick yellow rope is tied in a knot on a blue wooden surface. The rope extends horizontally across the top of the image, then loops back to form a knot. Two strands of the rope hang down from the knot, ending in frayed, frayed ends. The background is a blue wooden plank wall.

THE DISPARITY BETWEEN
IMMIGRANT WORKERS AND
UNEMPLOYED NATIVES:

UNTYING THE
KNOT
PART III OF III

Produced By Rob Paral & Associates

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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

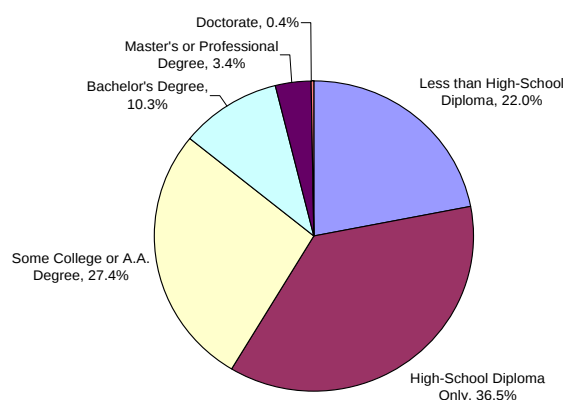
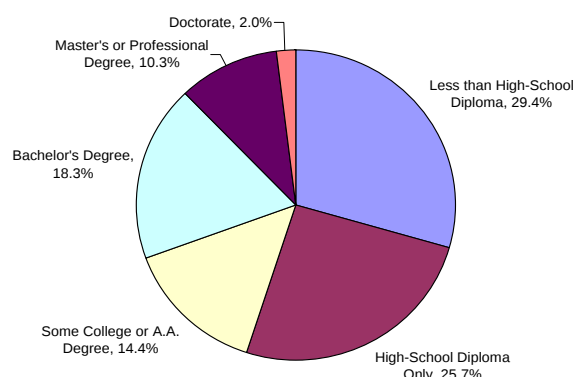


Figure 2: Educational Profile of Employed Recent Immigrants, 2008

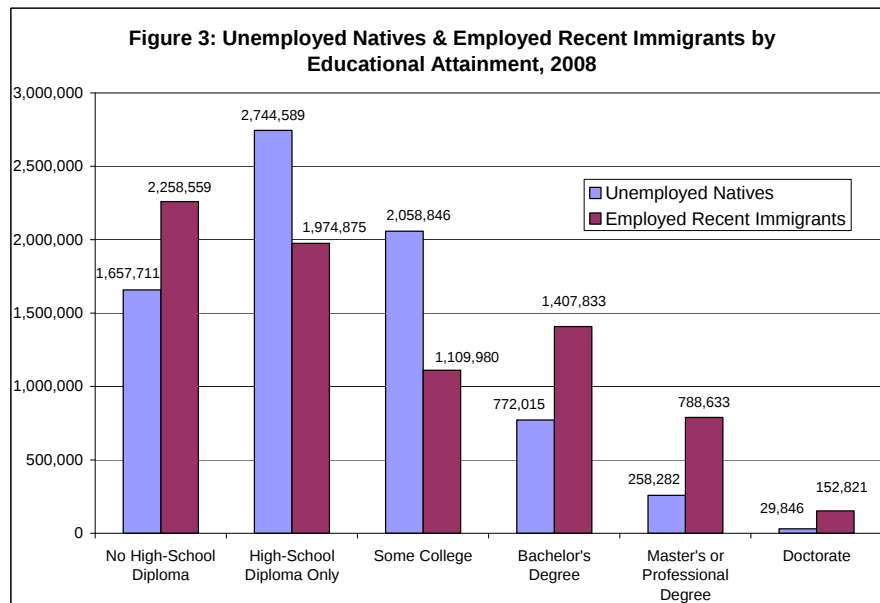


The numbers behind the foregoing percentages further illustrate the mismatch between unemployed natives and employed recent immigrants {Figure 3}. The sheer numbers of each group are out of sync with one another, showing that the two groups are not neat substitutes for one another:

- 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

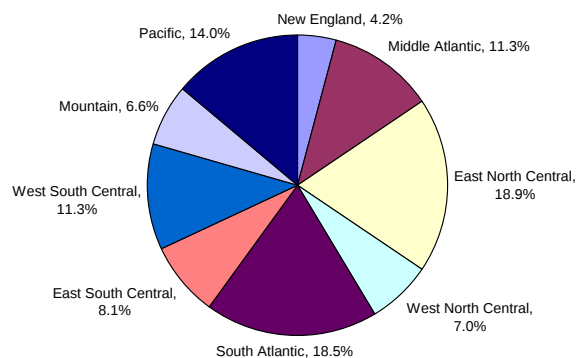
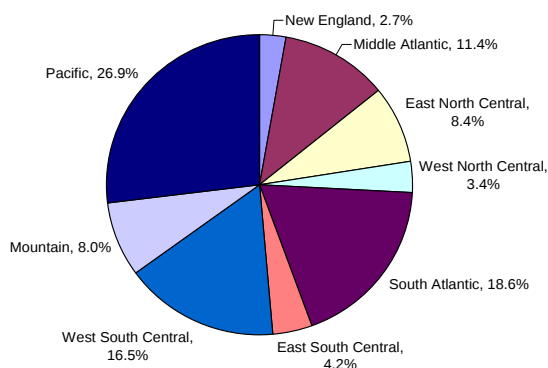


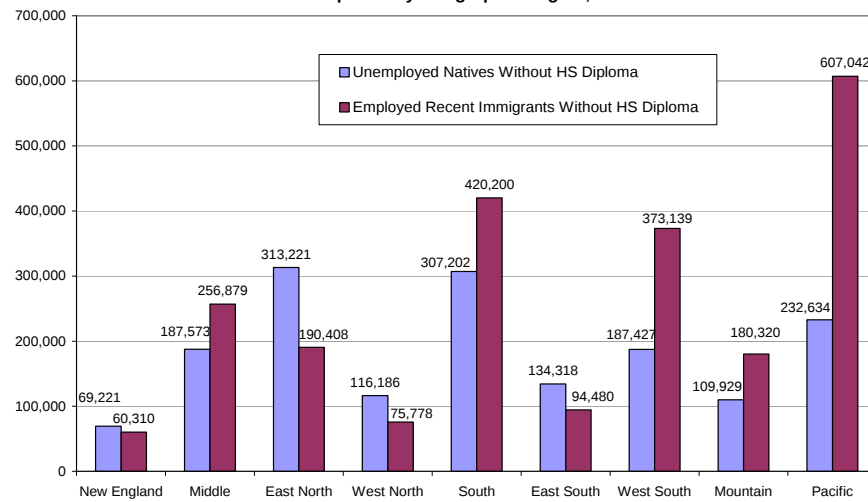
Figure 5: Geographical Profile of Employed Recent Immigrants Without a High-School Diploma, 2008



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

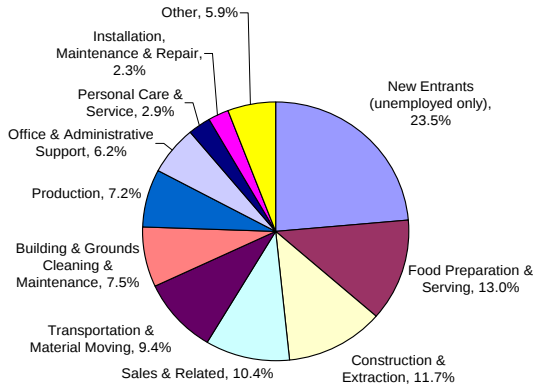
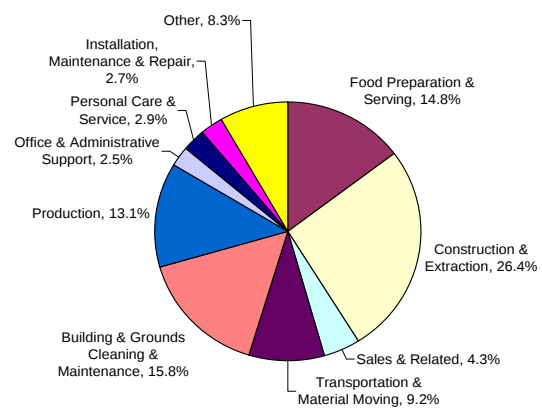


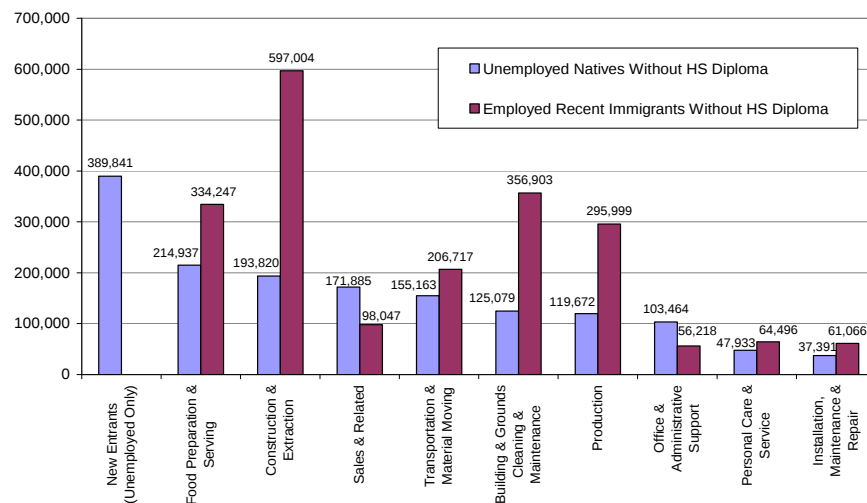
Figure 8: Occupational Profile of Employed Recent Immigrants Without a High-School Diploma, 2008



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

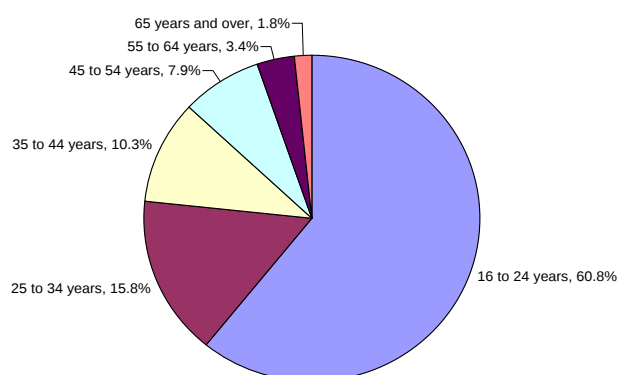
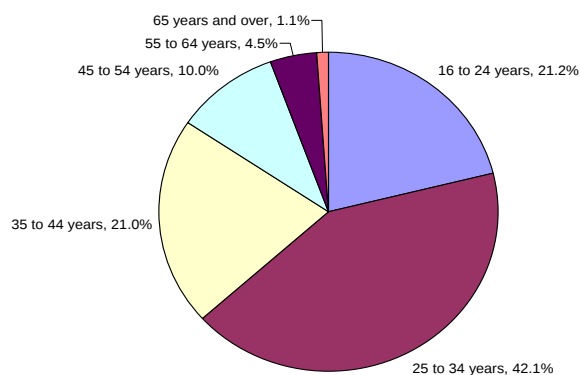


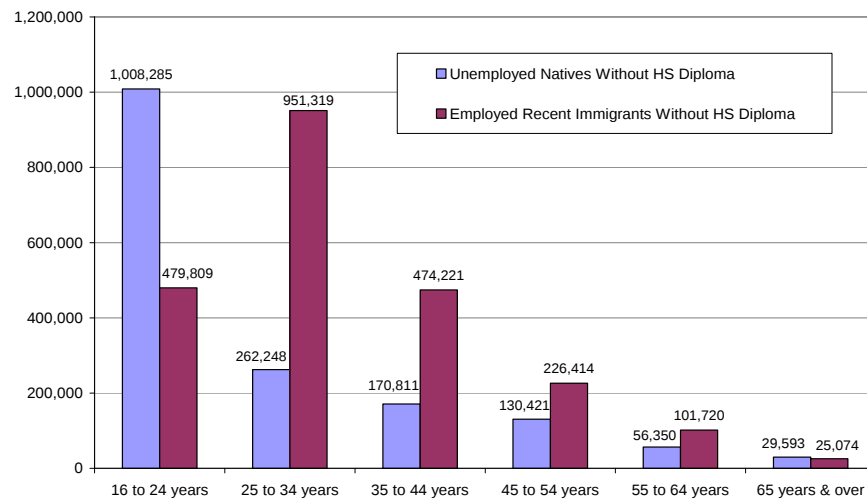
Figure 11: Age Profile of Employed Recent Immigrants Without a High-School Diploma, 2008



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

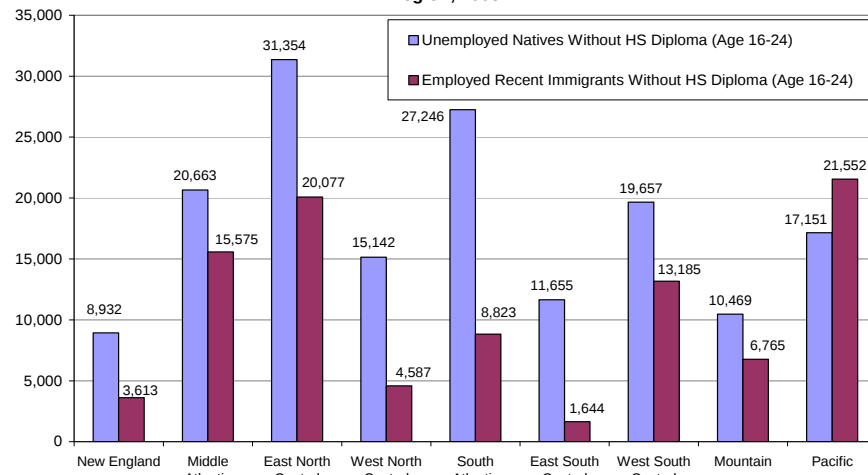
Marked differences between the number of unemployed natives and employed recent immigrants are apparent when simultaneously controlling for all the critical factors of education, age, occupation, and geography. For instance, consider the two occupations that accounted for the largest shares of unemployed 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

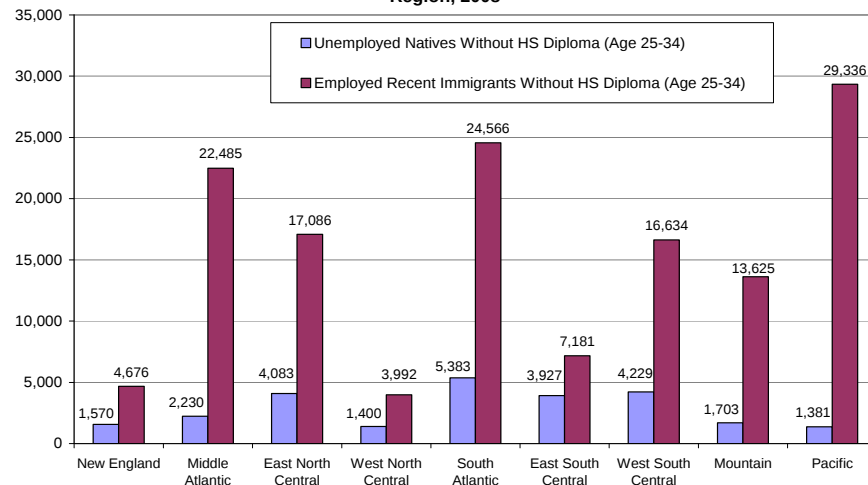
³ At the national level, this age group accounted for 61 percent of all unemployed natives without a high-school diploma and, therefore, covered the vast majority of native unemployed in this educational category.

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



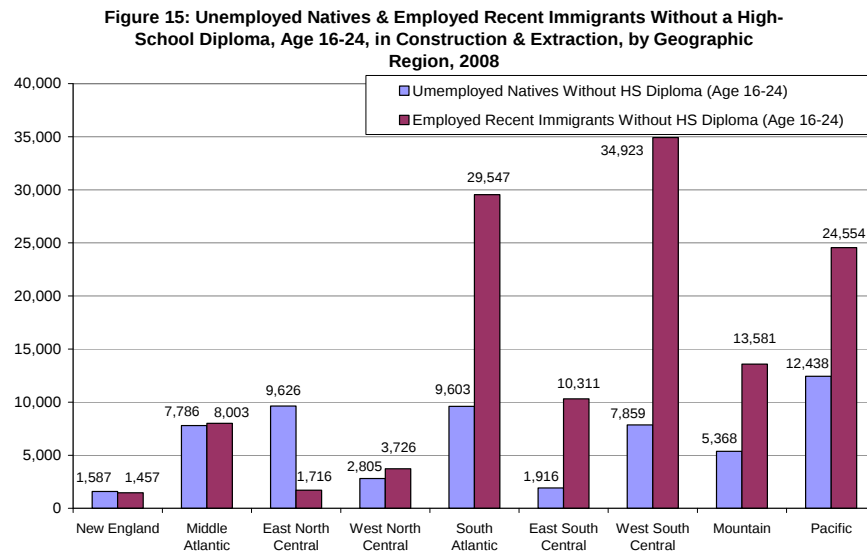
Unemployed natives aged 25 to 34 years without a high-school diploma, however, were substantially outnumbered by employed immigrants with comparable age and education in the Middle Atlantic, East North Central, South Atlantic, West South Central, Mountain, and Pacific areas {Figure 14}.

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

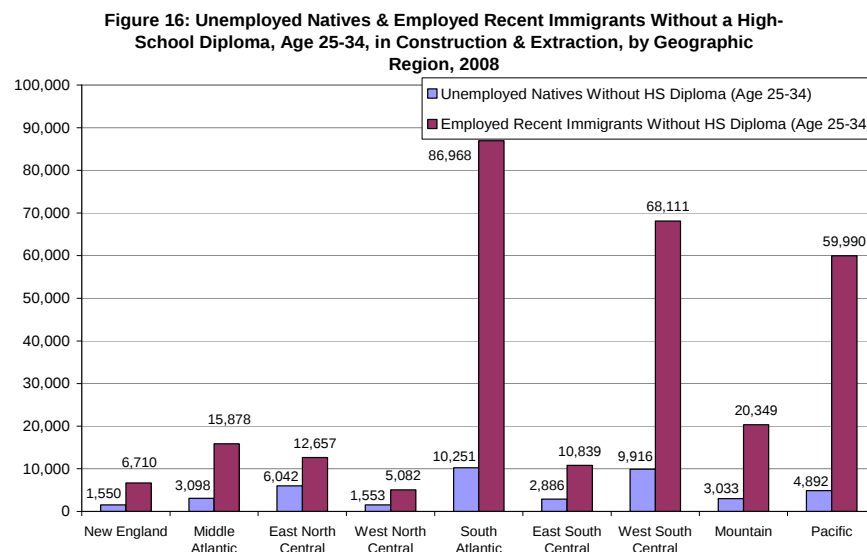


Construction

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}.



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}.



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.

ABOUT US

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.