

### Low Wage Worker Myth & Facts<sup>1</sup>

**Myth:** Foreign low wage workers depress the wages of U.S. workers

**Fact:** Immigrants don't have a negative impact on the majority of native born workers, and often exact a positive impact.

- The primary reason that immigrants don't have a negative impact on the majority of native-born workers is that they aren't competing for the same jobs.
- The U.S. population is growing older and better educated, while the U.S. economy continues to create a large number of low skill jobs that favor younger workers with little formal education. As a result, immigrants increasingly are filling jobs at the less-skilled end of the occupational spectrum for which relatively few native-born workers are available.
- Even among workers with the same level of formal education, the foreign-born tend to be employed in different occupations than U.S. natives. Less-educated foreign-born workers, for instance, are found mostly in agricultural and personal service jobs, while less-educated natives are found mostly in manufacturing and mining.
- Immigration raised the average wage of the native-born worker by 1.1 percent during the 1990s. Among native-born workers with a high-school diploma or more education, wages increased between 0.8 percent and 1.5 percent.
- 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.

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<sup>1</sup> *Immigrants, Skills, and Wages: Reassessing the Economic Gains from Immigration*, by Giovanni Peri, Associate Professor of Economics at the University of California, Davis, and Faculty Research Fellow at the National Bureau of Economic Research in Cambridge, MA., Immigration Policy in Focus, March 2006 ([http://www.aifl.org/ipc/infocus/2006\\_skillswages.pdf](http://www.aifl.org/ipc/infocus/2006_skillswages.pdf)); *The Growth and Reach of Immigration: New Census Bureau Data Underscore Importance of Immigrants in the U.S. Labor Force*, by Rob Paral ([http://www.aifl.org/ipc/policybrief/policybrief\\_2006\\_81606.shtml](http://www.aifl.org/ipc/policybrief/policybrief_2006_81606.shtml)); *Essential Workers: Immigrants are a Needed Supplement to the Native-Born Labor Force*, by Rob Paral ([http://www.aifl.org/ipc/policy\\_reports\\_2005\\_essentialworkers.asp](http://www.aifl.org/ipc/policy_reports_2005_essentialworkers.asp)).

