

Immigrants and Workforce Development

April 2004

Immigrants comprise a large portion of the U.S. workforce.

- ◆ In 2000, immigrants constituted 11 percent of the population,¹ nearly 15 percent of the nation's labor force,² and headed 20 percent of low-income households in the U.S.³
- ◆ New immigrants (immigrants who entered the U.S. after 1990) accounted for 50.3 percent of the growth in the civilian labor force between 1990 and 2001.⁴
- ◆ Assuming that today's levels of immigration remain constant, immigrants will account for half of the working-age population growth between 2006 and 2015 and for all of the growth between 2016 and 2035.⁵
- ◆ 23 percent of immigrants work in managerial and professional occupations; 21 percent work in technical, sales, or administrative support occupations; 21 percent in service occupations; 18 percent work as fabricators, operators and laborers; and 4 percent work in farming, forestry and fishing occupations.⁶

Immigrants are critical to the current and future growth of the U.S. economy.

- ◆ The number of native-born workers ages 35-44 will be smaller in the next 30 years than it is today. More than 60 million current employees will likely retire during this period.⁷
- ◆ Without the contribution of immigrant labor, the output of goods and services in the U.S. would be at least \$1 trillion smaller than it is today⁸ and the civilian labor force would have grown only 5 percent (versus 11.5 percent) between 1990 and 2001.⁹
- ◆ The total net benefit to the Social Security system if immigration levels remain constant will be nearly \$500 billion for the 1998–2022 period, and nearly \$2 trillion through 2072.¹⁰

Immigrant workers are critical to local economies across the country.

- ◆ Immigrants are no longer settling only in the six states (California, New York, Florida, Texas, New Jersey, and Illinois) in which they have traditionally lived, but are moving to nontraditional states, such as Georgia, Nebraska, North Carolina, and Idaho. In the 1990s the immigrant



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population in nontraditional immigrant states grew twice as fast as in the traditional states (61 percent versus 31 percent).¹¹

- ◆ Between 1990 and 2001, new immigrants (immigrants who entered the U.S. after 1990) generated all of the labor force growth in the Northeast, 30 percent of the growth in the Midwest, 36 percent of the growth in the South, and 50 percent of the growth in the West.¹²

The current workforce system has been ineffective in serving immigrants and persons who are “limited English proficient” (LEP) . . .

- ◆ Approximately 15.5 million adults between the ages of 18 and 64 are considered limited English proficient (LEP), and 62 percent of low-wage immigrant workers are LEP.¹³
- ◆ While many immigrant workers hold advanced and post-secondary degrees (almost 30 percent of immigrants hold a bachelor’s degree or higher), another 30 percent have less than a high school education, and 18 percent have less than a 9th grade education.¹⁴
- ◆ Most immigrants and LEP persons are prevented from enrolling in training under the Workforce Investment Act (WIA) because of the perceived “work-first” mandate. As a result, immigrants do not have the opportunity to improve their English proficiency and occupational skills. These skills are essential to entering or re-entering the job market, or securing living-wage jobs.
- ◆ Even when immigrants enter training programs, outcomes that focus solely on employment and earnings effectively exclude them from the system. For example, many one-stop centers provide training services to the individuals most likely to get a job. Similarly, training providers exclude LEP persons by imposing minimum participation requirements (e.g., 8th grade reading level) that many LEP persons cannot meet.

. . . and, therefore, despite immigrants’ high rate of labor force participation, generally their wages and job benefits are low.

- ◆ Although between 1996 and 1999, immigrants’ unemployment rates fell faster than native-borns’, median wages for natives rose more than 50 percent faster than median wages for immigrants.¹⁵
- ◆ In 2001, nearly half of all immigrant workers earned less than 200 percent of the minimum wage, in comparison to 32 percent of native-born workers.¹⁶
- ◆ Only 26 percent of immigrants have job-based health insurance.¹⁷

Programs that integrate job training with language acquisition help immigrants improve their earnings.

- ◆ Immigrants and refugees who are fluent in oral and written English earn about 24 percent more than those who lack fluency, regardless of their qualifications.¹⁸

- ◆ The final report to the U.S. Dept. of Education on the National Workplace Literacy Program, which integrated job training with language acquisition, found that after employees participated in the program, employers reported drops in attendance problems, better production, increased job retention, and increased quality control.
- ◆ EXAMPLE: The Help In Re-Employment (HIRE) Center in Milwaukee has a bilingual curriculum to train LEP workers in the use of computerized milling machines that create complex parts for high-end processing machines. HIRE's 16-week training program has a successful completion rate of 87 percent, and 90 percent of those who completed the course moved into higher-paying jobs. The average starting wage for graduates of the program is nearly \$11 an hour.¹⁹

¹ Capps, Fix, Passel, et al., *A Profile of the Low-Wage Immigrant Work Force*, Urban Institute, 2003.

² Sum, Khatiwada, Harrington, et al., *New Immigrants in the Labor Force and the Number of Employed New Immigrants in the U.S. from 2000 through 2003: Continued Growth Amidst Declining Employment Among Native Born Population*, Center for Labor Market Studies, Northeastern University, December 2003.

³ Michael Fix, *Urban Institute Tabulations of Current Population Survey* (November 2001).

⁴ Sum, Fogg, Harrington, et al., *Immigrant Workers and the Great American Job Machine: The Contributions of New Foreign Immigration to National and Regional Labor Force Growth in the 1990s* (National Business Roundtable, August 2002).

⁵ *Reforming Immigration: Helping Meet America's Need for a Skilled Workforce* (a statement by the Research and Policy Committee of the Committee for Economic Development, 2001).

⁶ Elizabeth Grieco, *What Kind of Work Do Immigrants Do? Occupation and Industry of Foreign-Born Workers in the United States*, Migration Policy Institute, January 2004.

⁷ Employment Policy Foundation, *Policy Backgrounder*, June 11, 2001 (available at www.epf.org/research/newsletters/2001/pb20010608.pdf).

⁸ Employment Policy Foundation.

⁹ Sum, Fogg, Harrington, et al.

¹⁰ *The New Americans: Economic, Demographic, and Fiscal Effects of Immigration* (National Academy of Sciences, 1997).

¹¹ Fix, Zimmermann, and Passel, *The Integration of Immigrant Families in the United States* (The Urban Institute Immigration Studies Program, Washington D.C., July 2001).

¹² Sum, Fogg, Harrington, et al.

¹³ Capps, Fix, Passel, et al.

¹⁴ U.S. Census Bureau, *Current Population Survey*, March 2000.

¹⁵ Fix, Zimmerman, and Passel.

¹⁶ Capps, Fix, Passel, et al.

¹⁷ Ku and Blaney, *Health Coverage for Legal Immigrant Children: New Census Data Highlight Importance of Restoring Medicaid and SCHIP Coverage* (Center on Budget and Policy Priorities, October 2000).

¹⁸ A. Gonzalez, *The Acquisition and Labor Market Value of Four English Skills: New Evidence from NALS* (Contemporary Economic Policy, July 2000). The estimated impact of oral fluency alone is 17 percent. Analyses for immigrants in destinations other than the U.S. produce generally similar estimates for oral fluency; for example, 12 percent for fluency in English or French in Canada and for Hebrew fluency in Israel (Chiswick & Miller, 1998).

¹⁹ Milwaukee Spanish Tech Track Outcomes Summary, Help In Re-Employment (HIRE) Center, Milwaukee, Wisconsin, July 2002.