New Foreign Immigrants and the U.S. Labor Market

The Unprecedented Effects of New Foreign Immigration
on the Growth of the Nation's Labor Force and
Its Employed Population, 2000 to 2004

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Introduction

Foreign immigration into the U.S. became one of the most powerful demographic, social, and economic forces in the nation over the past two decades, and substantial controversy over its labor market, economic, and social impacts, both favorable and unfavorable, remains.[1] During the decade of the 1990's, foreign immigration played a very important role in generating population, labor force, and employment growth in the United States.[2] Over the decade, 13.65 million new immigrants came to the United States and were living in the nation at the time of the 2000 Census, accounting for 41 percent of the growth in the nation's resident population.[3] This group of new immigrants constituted the largest pool of immigrants ever to arrive on our shores during a given decade, substantially exceeding the numbers of immigrants who came to the U.S. during the Great Wave of Immigration from 1890-1910. The contributions of foreign immigration to population growth over the 1990's, however, varied quite considerably across the nation by geographic region, state, and metropolitan area. In the Mid-Atlantic, New England, and Pacific regions, new immigration generated between two-thirds and 120 percent of the growth in the resident population while it accounted for only 11 to 20 percent of population growth in the East South Central and Rocky Mountain regions.[4]

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[1]For examples of such studies on the impacts of foreign immigration,
See: (i) Roy Beck, The Case Against Immigration, W.W. Norton and Company, New York, 1996; (ii) George J. Borjas, Heaven's Door: Immigration Policy and the American Economy, Princeton University Press, Princeton, New Jersey, 1999; (iii) Patrick J. Buchanan, The Death of the West, St. Martin's Press, New York, 2002; (iv) Nicolaus Mills, Arguing Immigration: Are New Immigrants A Wealth of Diversity or A Crushing Burden?, Simon and Schuster, New York, 1994; (v) James P. Smith and Barry Edmonston (Editors), The New Americans: Economic, Demographic, and Fiscal Effects of Immigration, Washington, D.C., 1997; (vi) Andrew Sum, W. Neal Fogg, et.al., The Changing Workforce: Immigrants and the New Economy in Massachusetts, Massachusetts Institute for A New Commonwealth and Citizen's Bank, Boston, 1999; (vii) Sanford J. Ungar, Fresh Blood: The New American Immigrants, Simon and Schuster, New York, 1995; (viii) Michael Barone, The New Americans: How the Melting Pot Can Work Again, Regency Publishing Inc., Washington, D.C., 2001.

[2] Our definitions of the immigrant or foreign born population and labor force include persons born in the outlying territories of the U.S., including Puerto Rico, the American Virgin Islands, Guam, and Samoa. While immigrants from the outlying territories are citizens, persons migrating to the U.S. from one of the territories add to the population and labor force of the nation as any other foreign immigrant would.

[3] See: (i) Andrew Sum, Neeta Fogg, Paul 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, Report Prepared for The Business Roundtable, Washington, D.C., August 2002; (ii) Andrew Sum, Ishwar Khatiwada, Nathan Pond and Jacqui Motroni, The New Great Wave: Foreign Immigration in Massachusetts and the U.S. During the Decade of the 1990s, Paper Prepared for the Teresa and H. John Heinz III Foundation, Washington, D.C., 2002.

[4]See: Andrew Sum, Ishwar Khatiwada, Kamen Madjarov, et al., The Impacts of Foreign Immigration on Population Growth, the Demographic Composition of the Population, Labor Force Growth, and the Labor Markets of the

New immigration played an even more powerful role in generating growth in the nation's resident labor force and its employed population over the 1990's. An analysis of findings from the 2000 Census of Population and Housing revealed that 47 percent of the increase in the nation's civilian labor force between 1990 and 2000 was due to new foreign immigrants, with nearly two-thirds of the growth in the male labor force being produced by new male immigrant workers.[5] The influence of immigration on labor force growth also varied considerably by geographic region with the Pacific, New England, and Middle Atlantic divisions being entirely dependent on new waves of immigration for their labor force growth over the decade.[6]

The 1990's decade was characterized by ten consecutive years of real economic growth (from 1991-2000), strong increases in both civilian employment and wage and salary payroll employment especially from 1993-2000, and declining levels of unemployment that pushed the nation's overall unemployment rate down to 4.0% in 2000 for the first time in 31 years. However, both real output and employment growth came to an immediate halt in early 2001. A national recession set in during March of 2001, lasted through November of that year and was followed by continued losses in the number of wage and salary jobs and rising unemployment through the summer of 2003.

Between 2002 and 2004, total civilian employment (persons 16+) increased by more than 2.5 million persons, and the number of nonfarm wage and salary jobs has grown by about 2.3 million between August of 2003 and December 2004. How did the growth of the nation's immigrant labor force and the number of employed new immigrants change over the past four years; i.e., from 2000 to early 2004? How much of the nation's labor force and employment growth in recent years was generated by new immigrant arrivals, i.e., those coming into the U.S. since 2000? Who were these new immigrant labor force participants? What do we know about their demographic and socioeconomic characteristics and their countries of origin? How did these new immigrants fare in obtaining employment when they did seek work and what types of

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Northeast Region During the Decade of the 1990s, Report Prepared by the Center for Labor Market Studies, Northeastern University, Boston, for Fleet Bank, October 2003.

[5] See: Andrew Sum, Neeta Fogg, Paul Harrington, et.al., Immigrant Workers and the Great American Job Machine....

[6] In both the New England and the Mid-Atlantic divisions, the resident labor force would have declined over the past decade in the absence of new immigration.
See: Andrew Sum, Ishwar Khatiwada, Kamen Madjarov, et.al., The Impacts of Foreign Immigration.

jobs did they secure? Building on previous research work on immigrant labor force developments by the Center for Labor Market Studies, this research paper is designed to answer these key research questions.

An Outline of the Report's Findings

The study's findings will begin with a review of the key definitions, measures, and data sources underlying the estimates of the new immigrant population and labor force appearing in the paper. This will be followed by estimated findings on the contributions of net international migration (foreign immigration-emigration) to U.S. population growth over the 2000-2004 period and to the growth in the resident population of selected states over the same four years. The third section of the paper will examine the age composition of the new immigrant population (those arriving in the U.S. between 2000 and 2004) and their labor force behavior at the time of the monthly CPS surveys in calendar year 2004. The fourth section of the paper will present estimates of the share of national civilian labor force and employment growth over the 2000-2004 period that was generated by new immigrants and provide similar estimates for selected states.

The fifth section will examine the demographic and socioeconomic characteristics of new immigrant labor force participants in 2004 and describe patterns of labor force participation and unemployment rates for new immigrants by educational attainment subgroup. The sixth section will review key findings of our analysis of the characteristics of the jobs held by employed new immigrants (class of worker status,[7] industries of their employers, occupations) and compare their job characteristics with those of native born workers across the nation. The final section will provide a brief summary of key findings of our analysis and discuss a few of their implications for future labor market, immigration, and workforce development policies.

[7] Class of worker status refers to the type of employment relationship of the worker (self-employed, wage and salary, unpaid family member) and the public/private nature of the employers of the immigrant wage and salary workers.

Key Definitions and Data Sources

The definition of a "foreign immigrant" in this paper is an individual who was born outside of the 50 states and the District of Columbia.[8] Persons born in one of the outlying territories of the United States (U.S. Virgin Islands, Puerto Rico, Guam) are considered to be "foreign born". A person who emigrates from Puerto Rico to the United States adds to the population of nation in the same manner as an immigrant from Canada, Mexico, or Brazil. Besides, previous analyses of the demographic/socioeconomic characteristics and labor market, income, and poverty problems of immigrants from the U.S. territories have revealed that they are quite similar to those of many other immigrants from Central and South America and the Caribbean.[9] The report also refers to "new immigrants". A "new immigrant" is a foreign born person who arrived in the U.S. between 2000 and the time of the monthly CPS household surveys in calendar year 2004.[10]

The estimates of the numbers, characteristics, and labor force behavior of new immigrants over the 2000-2004 period are primarily based on the findings of the monthly CPS household surveys for the January-October period of 2004. The CPS public use files are files provided by the U.S. Bureau of Labor Statistics.[11] The CPS household survey is a national labor force survey of approximately 60,000 households that is conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics. It is the basis for the monthly national estimates of the U.S. civilian labor force and the employed and unemployed populations. The U.S. Census Bureau's annual estimates of the annual size of the population of the nation and individual states and the sources of population change are the basis for our estimates of the contribution of net international migration to population growth over the 2000-2004 period.

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[8] Persons born outside the U.S. but to U.S. parents temporarily living abroad are classified as native born individuals in this paper.

[9] See: Andrew M. Sum, W. Neal Fogg, et.al., The Changing Workforce: Immigrants and the New Economy in Massachusetts, Massachusetts Institute for a New Commonwealth, Boston, 1999.

[10] The CPS questionnaire collects information from each foreign born person on the timing of their arrival in the United States. Persons arriving from 2000 onward can be identified on the public use tapes.

[11] For details on the design features of the CPS survey,
See: U.S. Bureau of Labor Statistics, Employment and Earnings, January 2003, "Appendix A", Washington, D.C., 2003.

Immigration's Impacts on Population Growth, 2000-2004

Each year, the U.S. Census Bureau provides estimates of the size of the resident population of the nation, geographic regions and divisions, and individual states. Growth of the population is tracked annually as well as components of population growth. At the national level, population growth is generated by an excess of births over deaths (i.e., natural increase) and net international migration, i.e., the difference between foreign immigrants into the U.S. and emigrants from the U.S. to countries abroad. At the regional and state level, population change is also generated by net domestic migration, the difference between migrants into a state from other states and out-migration to other states.

For the nation as a whole, between April 2000 and July 2004, the U.S. Census Bureau has estimated that the population increased from 281.4 million to nearly 293.7 million, a gain of 12.3 million or 4.3% (Table 1). Net international migration was 5.330 million over the same four-year period, contributing nearly 44 percent of the growth in the nation's population. Nearly half of this immigrant population growth, however; is believed to be due to undocumented immigration, i.e., illegals.[12] Population estimates for the two most recent years (July 1, 2002 – July 1, 2003 and July 2003 – July 2004) indicate a very similar role played by net international immigration. Net immigration is estimated to have generated 45 percent of the nation's population growth for the 2002-2003 period and 43 percent of the growth over the 2003-2004 period (Table 1).

Table 1
The Contributions of Net Foreign Immigration to Population Growth in the U.S., April 2000 – July 2004
(Numbers in 1000s)

Time Period	(A) Base Period Population	(B) Ending Period Population	(C) Change in Population	(D) Net International Immigration	(E) Net Immigration as % of Population Change
April 2000 – July 2004	281,422	293,655	12,233	5,330	43.6
• July 2002 – July 2003	287,941	290,789	2,848	1,286	45.2
• July 2003 – July 2004	290,789	293,655	2,866	1,221	42.6

[12] See: Steven A. Camarota, Economy Slowed, But Immigration Didn't: The Foreign-Born Population, 2000-2004, Center for Immigration Studies, Washington, D.C., November 2004.

Source: U.S. Census Bureau, web site, "Annual Estimates of the Components of Population Change for the United States, April 2001 – July 2004, July 2002 – July 2004."

Net international immigration represents the difference between foreign immigration into the country and emigration abroad (movement of both the native born and the foreign born to other countries during a given time period). Earlier, we noted that during the decade of the 1990s, 41 percent of the nation's population growth came from new foreign immigration alone, excluding the effects of emigration abroad. Our estimate of the number of new immigrants into the U.S. between 2000 and October 2004 who were living in the U.S. at the time of the January-October 2004 CPS survey is 6.184 million.[13] This group of new immigrants, thus, accounted for 50 percent of the growth of the U.S. population between 2000 and 2004, a new historical high for the nation. During the Great Wave of Immigration in the 1890-1900 and 1900-1910 decades, new immigrants contributed only 25 and 35 percent of the nation's population growth, respectively.[14]

As was the case in the 1990s, the share of population growth due to net international immigration over the 2000-2004 period varied considerably across the 50 states (Table 2). In the 10 states most dependent on foreign immigration for its population growth over the 2000-2004 period, immigration contributed 59 to 224 percent of population growth. States in the Northeast region and in the Midwest dominated this top ten list.[15] All of the population growth in Massachusetts and New York was due to new foreign immigration. Both states experienced high levels of domestic out-migration over the four years and would have faced population declines in the absence of these new waves of immigration. In Connecticut, New Jersey, and Pennsylvania, two-thirds to 86 percent of resident population growth over the 2000-2004 period was generated by new foreign immigration. In the Midwest region, Iowa and Illinois had 90 percent or more of their population's growth produced by foreign immigration while Michigan and Ohio had 60 percent of the increase in their resident population generated by new immigrants. California was the only state in the Western region to make the top ten list, with 59 percent of its growth being

[13] The midpoint of our estimates for 2004 are June 1, 2004, and we are capturing new immigrants from January 2000 onward. Our time period is, thus, only two months longer than the April 1, 2000 – July 1, 2004 population estimates of the U.S. Census Bureau.

[14] See: Andrew Sum, Ishwar Khatiwada, Nathan Pond, and Jacqui Motroni, The New Great Wave: Foreign Immigration in Massachusetts and the U.S. During the Decade of the 1990s, Paper Prepared for the Teresa and H. John Heinz Foundation, Washington, D.C., June 2002.

the result of new foreign immigration. Not one state in the South made the top ten list. Florida, however, was a major recipient of new immigrants over the 2000-2004 period.

Table 2:
Foreign Immigration's Contributions to the Population Growth of Selected States, April 2000 – July 2004

State	Percent of Population Growth Due to Net International Immigration
California	59
Connecticut	65
Illinois	94
Iowa	89
Massachusetts	204
Michigan	60
New Jersey	86
New York	224
Ohio	60
Pennsylvania	69

Source: U.S. Census Bureau, "Cumulative Estimates of the Components of Population Change for the United States and States: April 1, 2000 to July 1, 2004".

The Age Structure of the New Immigrant Population

The impacts of new immigrants on the labor force of the nation will be dependent on the age characteristics of these new immigrants and their labor force participation behavior. The civilian labor force statistics of the U.S. Bureau of Labor Statistics are based upon the working-age population; i.e., those 16 and older. Of the 6.184 million new immigrants residing in the U.S. between January – October of 2004, nearly 5 million of them or 81% were of working-age (Table 3). Many of these working-age immigrants were quite young. A slight majority (51%) were under age 30, and two-thirds of them were under the age of 35 (Table 4). Only six percent of these new immigrants were 55 years of age or older. Thus, not only were the vast majority of these new immigrants of working-age, but many of these working-age individuals were in those age groups where labor force participation rates are typically the highest. For example, 70 of every 100 new immigrants between the ages of 25-34 were actively participating in the civilian labor force in 2004 versus only 31 of every 100 new immigrants 55 and older.[16]

[15] The Northeast region as defined by the U.S. Census Bureau consists of the six New England states and the three Mid-Atlantic states of New Jersey, New York, and Pennsylvania.

[16] These estimated civilian labor force participation rates were based upon immigrants' behavior during the January-October period of 2004.

Table 3:
Estimates of the Number of New Immigrants and Working-Age Immigrants in the U.S., 2004
(January – September Averages)

Group	Number (In 1000s)	Percent of New Immigrants
All new immigrants	6,422,570	100
Working-age immigrants	5,172,800	80.5

Source: Monthly 2004 CPS surveys, public use files, tabulations by authors.
Note: (1) New immigrants are those who arrived in the U.S. between 2000 and 2004. Immigrants include persons who arrived from Puerto Rico, Guam, the U.S. Virgin Islands, and other outlying territories of the United States.

The Age Distribution of the Working-Age New Immigrant
Population in the U.S, January – October 2004

Age Group	Number in 1000s	Percent
All	5,173	100.0
16-24	1,561	30.2
25-29	1,987	21.0
30-34	856	16.6
35-44	932	18.0
45-54	397	7.7
55-64	177	3.4
65 +	162	3.1

Source: Monthly 2004 CPS surveys, public use files, tabulations by authors

The Labor Force Behavior of New Immigrants and their Contributions to U.S. Labor Force Growth Between 2000 and 2004

The monthly CPS surveys are used to collect information on the labor force behavior of all working-age respondents at the time of the survey. The monthly 2004 CPS survey data were analyzed to identify the labor force status of new working-age immigrants during the year Of the 5.172 million new immigrants of working age, we estimate that 3.396 million were actively participating in the civilian labor force, on average, during 2004, yielding a civilian labor force participation rate of 65.7% (Table 5). Of the 3.396 million immigrants in the labor force, 3.130 million were employed, producing an unemployment rate of 7.8% on average for this group during 2004. While this unemployment rate was about 2.4 percentage points higher than that of the native born, a substantial majority of these immigrant labor force participants were able to

secure some type of job. Findings indicate that 92 of every 100 new immigrants actively participating in the labor force in 2004 were able to find employment.

Table 5:
The Civilian Labor Force Participation Status of New Working Age Immigrants in the U.S., January – September 2004
(Numbers in 1000s)

Working Age Population (16+)	Civilian Labor Force	Labor Force Participation Rate (in %)	Employed	Unemployed	Unemployment Rate
					Rate
5,173	3,396	65.7	3,130	266	7.8

Source: Monthly 2004 CPS surveys, public use files, tabulations by authors

How did the arrival of these new immigrants over the past four years influence the growth of the U.S. labor force? To begin to answer this question, we first compared the number of new immigrant labor force members with the growth of the overall civilian labor force of the U.S. between 2000 and 2004. Over 2000 and 2004, the number of participants in the U.S. civilian labor force increased by 4.830 million (Table 6). During 2004, there were on average, 3.396 million new immigrants in the U.S. labor force, representing slightly more than two-thirds of the growth in the U.S. civilian labor force over the past four years (Table 6).

Table 6:
Comparisons of Growth in the Overall U.S. Civilian Labor Force with the Number of New Immigrant Labor Force Participants, 2000 – 2004
(With and Without adjustments for 2000 Arrivals)

Scenario	Overall Labor Force Growth, 2000-2004	New Immigrants in Civilian Labor Force	Percent of Labor Force Growth Due to New Immigrants
Base Scenario	4,830	3,396	70.3
Alternative Scenario # 1	4,830	2,717	56.3
Alternative Scenario # 2	4,830	2792	57.8

Sources. U.S. Bureau of Labor Statistics Website and Monthly 2004 CPS surveys, public use files, tabulations by authors

Features of Alternative Scenarios on New Immigrant Labor Force Growth

Alternative Scenario #1:	The number of new immigrant labor force participants in 2004 by year of arrival in the U.S. was the same for all five years over the 2000 – 2004 period.
Alternative Scenario #2:	The number of new immigrant labor force participants in 2004 by year of arrival in the U.S. fell by five percentage points per year between 2000 and 2004.

The 3.396 million new immigrants in the labor force in 2004 include all persons who claimed in the CPS interview that they had arrived in the U.S. at some time between 2000 and 2004. Some of these immigrants would have come to the U.S. in 2000 and joined the labor force in that same calendar year; thus, they would have been included in the 2000 civilian labor force totals. We, thus, need to adjust the 3.396 million new immigrant estimate to exclude those individuals who arrived in the U.S. in 2000 and joined the labor force that year. We make these adjustments under two sets of assumptions about the timing of the arrival and departure of these new immigrants who came to the U.S. between 2000 and 2004. Under the first set of assumptions (Alternative Scenario #1), we distribute the 3.396 million labor force participants evenly across the five years from 2000 to 2004. The U.S. Census Bureau's estimates of annual net international migration over that four-year period suggest a fairly uniform annual level of net immigration. Under this assumption, we allocate one fifth of new immigrant labor force participants to calendar year 2000 and re-estimate the number of new immigrants in the labor force in 2004 at 2.717 million. They represent 56% of the increase in the nation's entire civilian labor force between 2000 and 2004 (Table 6).

Under the second set of assumptions, we assume that a given share of the new immigrants will leave the nation each year. Reliable, independent estimates of emigration rates are difficult to come by since there is no worldwide data base that tracks arrivals of immigrants from the U.S. to other countries. The U.S. Census Bureau had estimated annual emigration levels of about 280,000 in the late 1990s or somewhat less than one percent of the nation's overall immigrant

population.[17] Independent estimates of return migration by Mexican immigrants from the Western regions of the country reveal very high return rates of nearly 40 percent over a two year period.[18] Given that newer arrivals are much more likely to leave than long established immigrants, we assume under Alternative Scenario #2 that 5% of the new immigrants leave each year during their first four years following their initial arrival in the U.S. Thus, only 80% of those who arrived in 2000 will still be here in 2004 versus 90% of those who arrived in 2002 and 100% of those who came in 2004. Under this set of assumptions, there were 2.792 million new immigrants in the civilian labor force in 2004. They represented nearly 58% of the growth in the nation's civilian labor force between 2000 and 2004 (Table 6). Whether one uses the findings from Alternative Scenario #1 or #2, the results are quite similar: somewhere between 56 and 58 percent of the nation's labor force growth between 2000 and 2004 was attributable to new foreign immigration. This share exceeds the estimated 47% share of labor force growth accounted for by new immigrants over the decade of the 1990s. At no time since the end of World War II and likely since the beginning of the twentieth century have new immigrants produced such a large share of the nation's labor force growth.[19] Unfortunately, a high share of this recent labor force growth is likely due to undocumented immigration.

As a consequence of high and rising levels of foreign immigration into the U.S. over the past few decades, the immigrant share of the nation's civilian labor force has grown steadily and sharply (Chart 1). At the time of the 1980 Census, only 8 percent of the members of the U.S. labor force were immigrants. Their share of the labor force rose to nearly 10 percent by 1990, to 13% by 2000, and to 15% during 2004. This 15% share is the highest at any time since the end of World War II.

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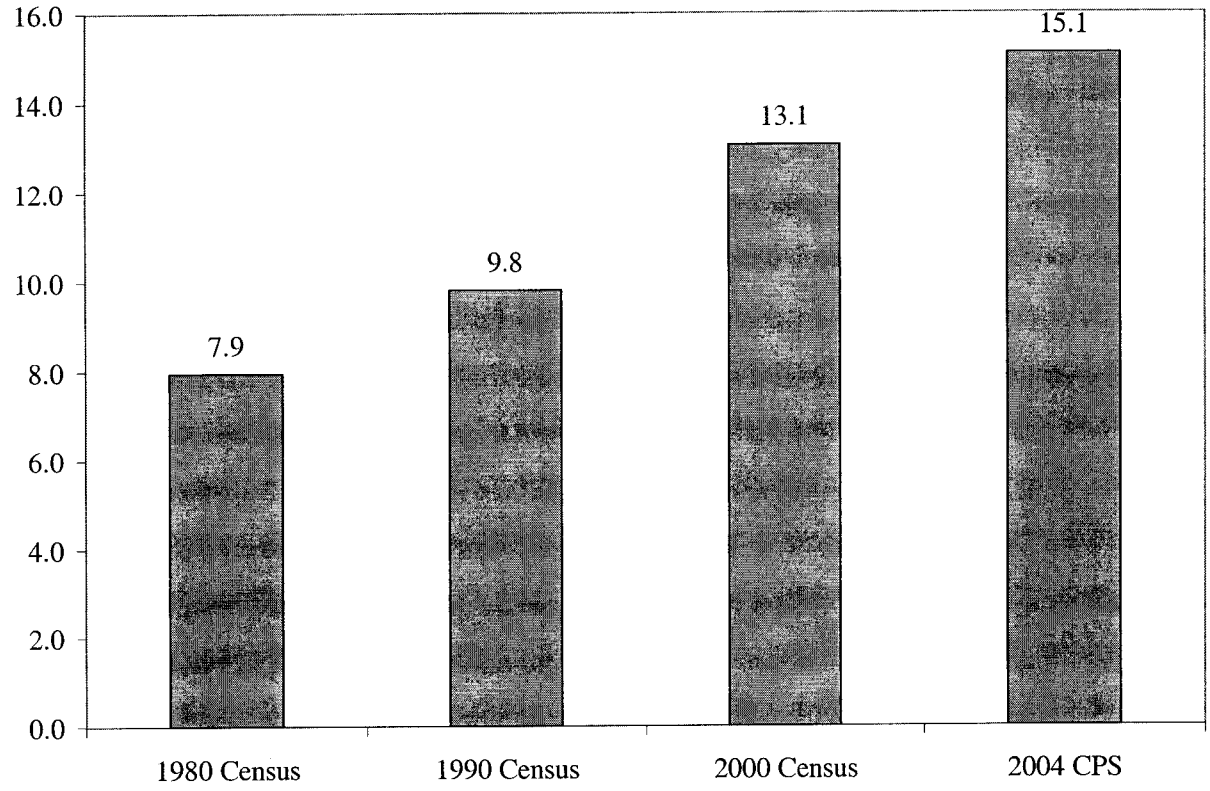
[17] The U.S. Census Bureau estimate of 280,000 emigrants per year for the 1998-99 period would represent an annual leaving rate of slightly below 1% of the nation's total immigrant population. Recent arrivals are more likely to return home each year. For a review of the U.S. Census Bureau's estimates of emigration from the U.S., See: U.S. Census Bureau, Population Division, Measurement of Net International Migration to the U.S., 1990 – 2000, Washington, D.C., December 2001.

[18] Previous studies of Mexican immigrants in the U.S. reveal that nearly half of the immigrants from Western Mexico return home in two years.
See: Public Policy Institute of California, Vast Majority of Mexican Immigrants to the United States Do Not Stay, Study Finds, January 1997 Press Release.

[19] Labor force statistics from the decennial Censuses have only been available since 1940. Some of the prior censuses had collected data on the gainful employed, but analyses of new immigrants in the gainful employment pool are not available.

Chart 1:
Foreign Born Labor Force Participants as a Percent of the U.S. Labor Force, Selected Years, 1980 – 2004



The impact of new foreign immigration on labor force growth over the 2000-2004 period varied widely across states. In twelve states, new foreign immigrants generated 60 percent or more of their labor force growth between 2000 and 2004, with eight states (including southern states) being totally dependent on immigration for their labor force growth over the past four years (Table 7). In addition to these 12 states, there were five other states whose resident labor forces are estimated to have declined between 2000 and 2004 despite new foreign immigration.[20] These five states include Michigan and West Virginia whose population growth over these past four years was strongly dependent on new foreign immigration.

[20] These six states were Alabama, Kentucky, Michigan, Mississippi, and West Virginia. The estimated sizes of their labor force declines ranged from a low of –2,000 in Kentucky to –43,000 in the state of West Virginia.

Table 7:
Twelve States with 60 Percent or More of Their Labor Force Growth Between 2000 and 2004[(1)] Due to New Immigrants

State	Percent of Labor Force Growth
Illinois	1,050.6
Maryland	116.8
Missouri	116.5
California	105.5
Delaware	101.8
Tennessee	101.0
New Jersey	80.3
Virginia	67.6
Massachusetts	66.5
District of Columbia	65.8
Oregon	61.4
New York	59.6

Note: [(1)] Civilian labor force estimates for 2004 are based on the findings of the CPS household surveys for. These estimates are not seasonally adjusted.

New Immigrants and Their Share of the Gains in Employment in the U.S., 2000-2004

In early 2001, the U.S. economy entered a recession that, according to estimates of the National Bureau of Economic Research, lasted from March through November of that year. Though real output began to recover in the last quarter of 2001, the number of employed civilians continued to decline through most of 2002, and the aggregate unemployment rate rose from 4.0% in 2000 to a peak of 6.3% in June of 2003. Total national civilian employment (16+) began to increase in late 2002.[21] During 2004, civilian employment in the U.S. averaged 139.248 million, a rise of 2.346 million over the 2000 annual average employment level of 136.9 million (Table 8). Yet, the number of new immigrants employed in the first nine months of 2004 was 3.130 million, equivalent to 133% of the gain in national employment between 2000 and 2004. In other words, all of the modest net increase in the number of employed civilians over the past four

[21] We distinguish CPS civilian employment from the CES payroll employment count. Payroll employment as measured by the number of wage and salary jobs on the official payrolls of nonfarm private sector firms and government agencies continued to decline through the late summer of 2003 before recovering. Nearly 2.5 million wage and salary jobs were added between August of 2003 and December 2004.

years was attributable to the employment of immigrants who arrived in the U.S. between 2000 and 2004. This is an astonishing finding, with similar results reported for an earlier period by the authors of this report and in many key respects by Steven Camarota of the Center for Immigration Studies, but largely ignored by the national media and both political parties.[22]

Table 8:
The Estimated Share of the Gain in National Civilian Employment (16+) Between 2000 and 2004 Attributable to New Immigrants in the U.S. Under Alternative Assumptions About the Timing of Their Arrival in the U.S.

Scenario	2000 Total Employed	2004 Total Employed	Change in Employment, 2000-2004	Number of New Immigrant Employed (In 1000s)	New Immigrant Share of Gain in Employment (%)
Base Scenario	136,902	139,248	2,346	3,130	133
Alternative Scenario # 1	136,902	139,248	2,346	2,504	107
Alternative Scenario # 2	136,902	139,248	2,346	2,574	110

The estimated 3.130 million new immigrants employed in 2004 include some immigrants who arrived in the U.S. in 2000 and became employed during that year. As was the case for our earlier estimates of immigrants' contributions to national labor force growth, we need to adjust the estimates of the new immigrant employed to exclude those individuals who would have been counted in the ranks of the employed in 2000. Using the same two sets of assumptions as in our earlier estimates of the contributions of new immigrants to national labor force growth between 2000 and 2004, we estimate that the number of new immigrants employed in 2004 was some where between 2.504 million and 2.574 million (Table 8). Under either of these two scenarios or under the baseline scenario, all of the growth in national civilian employment between 2000 and 2004 was due to the hiring of new immigrants. For the first time in the post-WWII era, new immigrants accounted for all the growth in employment over a four year period. Over the same time period, the number of employed native born and established immigrant workers is estimated to have declined by anywhere between 158,000 and 784,000 (Table 8).[23]

[22] See: (i) Andrew Sum, Ishwar Khatiwada, and Paul Harrington, The Contributions of Foreign Immigration to Labor Force and Employment Growth in the U.S.; 2000-2004, Center for Labor Market Studies, Northeastern University, Boston, 2004; (ii) Steven A. Camarota, A Jobless Recovery? Immigrant Gains and Native Losses, Center for Immigration Studies, Washington, D.C., 2004.

[23] Established immigrants are those who arrived in the U.S. prior to 2000. Their unemployment rates rose between 2000 and 2004, reducing their E/P ratios and employment levels.

While these new immigrant workers can be found in every state across the country, they are heavily concentrated in a number of large states. The ten states with the largest number of new immigrant workers are displayed in Table 9. The number of new immigrant workers in these ten states ranged from 94,000 in Massachusetts to nearly 600,000 in the state of California. Four states (New York, Florida, Texas, and California) were home for 249,000 or more new immigrant workers in 2004. The combined number of new immigrant workers in these ten states was 2.101 million, accounting for two-thirds of the total number of new immigrant workers across the entire country.

Table 9:
Ten States with the Largest Number of New Immigrant Workers in 2004
(In 1000s)

State	Number
California	599,559
Texas	296,553
Florida	290,259
New York	249,157
New Jersey	148,671
Maryland	117,871
Illinois	111,149
North Carolina	99,468
Arizona	94,892
Massachusetts	94,059
Grand Total	2,101,638

Source: Monthly 2004 CPS surveys, public use files, tabulations by authors

Not all states had achieved resident civilian employment levels in 2004 that were above those prevailing in 2000. Twelve states (including Illinois, Indiana, Michigan, Missouri, Ohio, and West Virginia) and the District of Columbia still had not recovered their 2000 peak employment levels despite increases in new immigrant employment, clearly suggesting the displacement of native born workers in those states. There were 15 other states where new immigrant workers accounted for all of the growth in resident employment between 2000 and 2004. Among these fifteen states were five of the nine Northeastern states (Massachusetts, New Jersey, New York, Pennsylvania, and Rhode Island) but also five Southern states, including Georgia, Texas, and Virginia.

Table 10:
Fifteen States Where New Immigrant Workers Accounted for 100% or More of the Growth in Employment Between 2000 and 2004

State	Share of Employment Growth Due to New Immigrants (in %)
Tennessee	15,296.0
Massachusetts	1767.3
Iowa	1141.3
Delaware	224.6
New Jersey	193.6
New York	172.9
Georgia	120.2
Maryland	113.4
Wisconsin	108.2
California	106.9
Virginia	105.7
Rhode Island	99.3
Texas	82.9
Kansas	70.4
Arkansas	63.3

Source: CPS monthly public use files, 2004 Annual Average, tabulations by authors.

The Demographic Characteristics of New Immigrant Labor Force Participants in the U.S.

Who are these new immigrant members of the nation's civilian labor force? The monthly CPS questionnaire collects information on the demographic and socioeconomic characteristics of all household members in the sample. We have combined this demographic and socioeconomic background data with information on the labor force status of the working-age new immigrant population to produce a demographic profile of the new immigrant labor force. Findings of our analysis of the gender, age, race-ethnic and educational attainment backgrounds of these new immigrant workers are displayed in Table 11.

Table 11:
Gender, Age, Race-Ethnic and Educational Attainment
Characteristics of the New Immigrant Labor Force in the U.S., 2004
(January – October Averages)

Demographic Traits	Percent
Gender	
• Men	66
• Women	34
Age Group	
• 16 – 24	28
• 25 – 34	41
• 35 – 44	20
• 45 – 54	9
• 55 – 64	2
• 65+	<1
Race-Ethnic Origin	
• Asian	19
• Black	6
• Hispanic	56
• Other, mixed race	1
• White, not Hispanic	18
Educational Attainment	
• <12 or 12 no diploma	35
• High School diploma/GED	26
• 13 – 15 years, including Associate's Degree	11
• Bachelor's or Higher Degree	27

Of the 3.3 million new immigrants who were actively participating in the nation's civilian labor force in 2004, 2.167 million, or nearly two-thirds were men. The high share of immigrant workers who are male is due in large part to the substantial gender difference in labor force participation rates among new immigrants. The male share of new immigrant labor force members was well above that for the native born labor force among whom men were only 52 percent of the civilian labor force in 2004. The gender composition of new immigrant labor force participants, however, varied considerably by country of origin. Overall, there were 190 immigrant men in the labor force for every 100 women. Among new immigrants from Mexico, El Salvador, Guatemala and India, there were 230 to 300 men for every 100 women in the labor

force. In contrast, there were somewhat more women than men in the labor force from the Philippines, Colombia, Jamaica, and a few African countries (Ghana, Ethiopia).

Many of these new immigrant workers were relatively young and few were older than 55. Twenty-eight percent of these new labor force participants were under the age of 25 and nearly 70 percent were under age 35. There appears to be substantial competition for many entry-level jobs between younger native born workers and immigrants. There has been a substantial drop in the employment/population ratios of teens and young adults (20-29 year olds) without college degrees in the U.S. since 2000, indicating clear displacement of some native born workers by newly employed immigrants.[24] Relatively few (under 3%) of these new immigrant workers were 55 and older. Native born workers in this age group (55+) were the only demographic group to experience a rise in its E/P ratio over the past four years.

Given the high levels of new immigration from Mexico, Central America and South America, it come as no surprise to discover that Hispanics were the largest race-ethnic group of new immigrant labor force participants (Table 11). A majority (56%) of the new immigrant workers were reported to be Hispanic. Asians (19%) were the second largest group closely followed by White non-Hispanics (18%). Only 6% of these new immigrant workers were Black, non-Hispanics from the Caribbean and Africa.

The educational attainment levels of these new immigrant labor force participants were quite diverse (Table 11). The largest single group (35%) were those immigrants who lacked a high school diploma from both their native country and the U.S. Another one-fourth of these immigrant labor force participants reported that they had graduated from high school but did not complete any years of post-secondary schooling. At the upper end of the educational attainment distribution, 27 percent of the new immigrant labor force members held a Bachelor's or advanced academic degree.

To examine the simple statistical associations between the educational attainment of new immigrants and their labor force behavior, we estimated the 2004 labor force participation rates, unemployment rates, and employment/population ratios of new 20-65 year old immigrants in six

[24] See: Andrew Sum, Ishwar Khatiwada, with Sheila Palma, The Age Twist in Employment Rates in the U.S., 2000-2004; The Steep Tilt in the Labor Market Against Young Workers, Prepared for Jobs for America's Graduates, Alexandria, Virginia, January 2005.

educational subgroups, ranging from those lacking a high school diploma to those holding a Master's or higher academic degree (Table 12). For members of both gender groups combined, 70 percent were actively participating in the civilian labor force. There were typically only modest differences in the labor force participation rates of these new immigrants across educational groups. New immigrants lacking a high school diploma were modestly more likely than high school graduates (73% vs. 70%) to be actively participating in the civilian labor force in 2004 and were just as likely to be doing so as their peers with a Master's or other advanced degree.[25] Overall 7.5% of the new immigrant labor force participants were unemployed. Immigrant dropouts encountered the highest unemployment rate (9.4%), but the unemployment rate of high school graduates (6.9%) was only modestly higher than that of their counterparts with Associate, Bachelor, or advanced college degrees.

Table 12:
Labor Force Participation Rates, Unemployment Rates, and Employment/Population Ratios of 20-65 Year Old New Immigrants in the U.S., by Educational Attainment
(January – October Averages)

Educational Attainment	(A) Labor Force Participation Rates	(B) Unemployment Rates	(C) E/P Ratios
<12 or 12, no diploma/GED	73.0	9.4	66.1
H.S. Diploma/GED	70.6	6.9	65.7
13 – 15 Years, no Degree	64.0	8.6	58.5
Associate's Degree	65.8	6.6	61.4
Bachelor's Degree	66.6	5.8	62.7
Master's or Higher Degree	72.9	5.7	68.8
All 20-65 Year Olds	70.1	7.5	64.8

Source: January – October 2004 CPS public use files, tabulations by authors.

During 2004, just under 65 percent of the working-age new immigrants were employed, with these E/P ratios ranging from a low of 58 percent among those with 13-15 years of schooling to a high of nearly 69 percent for those with a Master's or more advanced degree. Among these new immigrants, E/P ratios of men and women varied considerably, both overall and across educational subgroups. Just under 82 of every 100 immigrant males were employed

[25] The below average participation rate of those with 13-15 years of school is partly related to their higher college enrollment rate in 2004. We can identify the school enrollment status of immigrant youth under age 25, but not for

in 2004, including 85 of every 100 male immigrants lacking a high school diploma, versus only 46 of every 100 immigrant women, a 36 percentage point difference, or 80 percent in relative terms. The 85 percent employment rate for immigrant males with no high school diploma is extraordinarily high particularly in comparison to the E/P ratio for native born, male dropouts in the same age group. The high levels of employment among poorly educated and young immigrant males accompanied by sharp declines in E/P ratios among native born males in similar schooling and age groups also provide evidence of labor market displacement effects from new immigration in recent years. For example, the male teen E/P ratio in the U.S. had declined by nearly 10 percentage points between 2000 and 2004, and male 20-24 year olds lacking four year college degree saw their E/P ratio drop by nearly six percentage points over the same time period.[26]

Table 13:
Employment/Population Ratios of 20-64 Year Old,
New Immigrants by Gender and Educational Attainment,
January – October 2004
(In %)

Educational Attainment	(A) Men	(B) Women	(C) Men – Women
<12 or 12, no diploma/GED	84.8	41.6	43.2
High school diploma/GED	81.3	48.8	32.5
13-15 years, no degree	70.0	47.5	22.5
Associate's degree	85.1	43.4	41.7
Bachelor's degree	83.1	45.1	38.0
Master's or higher degree	81.9	49.9	32.0
All	81.8	45.7	36.1

Source: January – October 2004 CPS public use files, tabulations by authors.

The Countries of Origin of New Immigrant Labor Force Participants in 2004

The monthly CPS questionnaire also captures information on the countries of origin of foreign immigrants as well as the timing of their arrival in the U.S. A substantial majority (59%) of the new immigrant workers had come from Mexico, Central America, and South America,

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those 25 and older.

[26] The male teen E/P ratio fell from 45.4 percent in 2000 to 35.9 percent in 2004, a decline of 9.5 percentage points. The E/P ratio for the entire 16-19 year old population declined to 36.4% in calendar year 2004, the lowest E/P ratio in the 57 years for which national teen employment data are available.

with Mexico alone accounting for 37% of the group (Table 14). Another 21 percent of the new immigrant workers came from Asia. Only 8 percent of these new immigrants migrated from Europe, including Russia. Africa was home for another 4 percent and only 1 percent came from Canada.[27]

Table 14
Percentage Distribution of New Immigrant Labor Force Participants in the U.S. by Region of World from Which They Migrated, January – October 2004

Region of World	Percent of Immigrant Workers
Latin America, including Mexico	59
Asia	21
Europe, excluding Russia	7
Africa	4
Outlying territories of U.S.	2
Canada	1
Russia	1
All Other	4

Source: CPS surveys, January – October 2004 public use files, tabulations by authors.

The individual countries from which these new immigrants had originated were identified and ranked in order by size from highest to lowest. The names of the top ten sending countries together with estimates of the number of labor force participants from each of these ten countries are displayed in Table 15. Mexico tops the list, with 1.163 million labor force participants, representing 3 of every 8 new immigrant labor force members. Of the nine remaining countries four (India, El Salvador, the Philippines, and China) sent between 106 and 165 thousand workers to the U.S. Of these nine other countries, three were from Central America (El Salvador, Guatemala, Honduras) two (Brazil and Colombia) from South America, and three from Asia (China, India, the Philippines). Not one European country, the dominant source of new immigrants into the U.S. during the Great Wave of Immigration (1890-1914), made the top ten list.

[27] As noted earlier, we classified immigrants from the outlying territories of the U.S. (Puerto Rico, U.S. Virgin Islands, Guam) as foreign born. Only 2% of the new immigrant labor force members were from one of the outlying territories.

Table 15:
Ten Countries Accounting for the Largest Number of New Immigrant Labor Force Participants, U.S.: 2004

Country	Number (in 1000s)
Mexico	1,163
India	165
El Salvador	116
Philippines	113
China	106
Guatemala	75
Brazil	62
Cuba	61
Colombia	55
Honduras	55
Total, Top 10	1,971

Source: CPS surveys, January – October 2004 public use files, tabulations by authors.

The educational backgrounds of the new immigrants varied dramatically across regions of the world and individual countries. Of the new immigrant labor force participants arriving from Latin America (including Mexico), a majority (52%) had not graduated from high school. Slightly over one-third of those arriving from the outlying territories also lacked a high school diploma. In sharp contrast, only 5 to 8 percent of those coming from Russia, Western Europe, and Asia had failed to complete high school. At the upper end of the educational distribution, slightly under 10 percent of the Latin American immigrants had obtained a Bachelor's or higher degree versus 56 to 65 percent of those emigrating from Europe, Asia, and Canada.

Table 16:
Educational Attainment of New Immigrant Labor Force Participants by Region of World from Which Migrated, U.S.: 2004
(January – October Averages)

Region of World	(A) <12 or 12, no Diploma	(B) High School Graduate, No College	(C) 1 – 3 Years of College, Including Associate Degree	(D) Bachelor's or Higher Degree
Asia	8.5	19.3	12.2	59.9
Canada	9.0	19.9	12.3	58.9
Europe	7.2	22.0	14.7	56.2
Latin America	52.1	29.2	9.0	9.7
Russia	5.3	9.9	20.3	64.5
U.S. Outlying Territories	33.9	30.3	13.6	22.2

To illustrate the diversity of the educational backgrounds of new immigrant workers from individual countries, we analyzed the findings for the top five sending countries: Mexico, India, El Salvador, Philippines, and China (Table 17). Among immigrants from Mexico and El Salvador, 59 to 67 percent had not completed high school. In contrast, only 6 to 7 percent of immigrant workers from the Philippines and India lacked a high school diploma. Very few of the new immigrant workers from El Salvador (3%) and Mexico (5%) held a Bachelor's or higher degree versus 60 to 62 percent of those from China and the Philippines and 84 percent of those from India. Clearly, the geographic mix of new immigrants has profound implications for the educational attainment of new immigrant workers, which in turn influence employment and earnings outcomes for native born workers. Other national research has shown quite convincingly that native born workers with limited schooling and occupational skills were the most adversely affected by high levels of immigration in the 1980s and 1990s.[28]

[28] See: (i) Steven A. Camarota, The Wages of Immigration: The Effect on the Low-Skilled Labor Market, Center for Immigration Studies, Washington, D.C., 1998; (ii) George Borjas, "The Labor Demand Curve Is Downward Sloping: Re-examining the Impact of Immigration on the Labor Market," Quarterly Journal of Economics, November 2003, pp. 1335-1374.

Table 17:
Percentage Distribution of New Immigrant Labor Force Participants Who
Arrived in the U.S. Between 2000 and 2004 by Their Educational Attainment Level, 2004
(10 Month Averages)

Country	(A) Less than 12 or 12 Years	(B) High School Graduate	(C) 1-3 Years of College Including Associate's Degree	(D) Bachelor's or Higher Degree
Mexico	59.1	29.1	6.5	5.3
India	7.3	5.5	3.5	83.6
El Salvador	67.2	18.5	11.6	2.7
Philippines	6.6	15.1	16.3	62.0
China	13.1	23.3	3.9	59.7

The Characteristics of the Jobs Held by the New Immigrant Employed

What types of jobs do these new immigrants hold and how do they differ if at all from those held by the native-born? To identify the types of jobs held by new immigrant workers, we analyzed national CPS data on three sets of job characteristics: their class of worker status, the industrial sectors of their jobs, and the major occupational categories of their jobs. Findings of an analysis of their class of worker status revealed that an above average share of immigrant jobs were private sector, wage and salary positions, with new immigrants heavily under-represented in government jobs and among the self-employed (Table 18). These findings are consistent with the class of worker status of the jobs held by those immigrants who arrived in the U.S. during the 1990s.[29] Nearly 8 out of 9 immigrants in 2004 were working in private sector wage and salary positions. Not all of these jobs, however, will appear on the official payrolls of non-farm employers as reported by surveys of the U.S. Bureau of Labor Statistics. A relatively high share of these immigrant workers are employed as contract workers or work in the informal labor market, frequently paid in cash on a daily basis. Only between 5 and 6 percent of these new immigrants were employed by the government at the federal, state, or local level while 15 percent of native born workers were working in the government sector. Six percent of the new immigrants reported themselves to be self-employed in 2004 compared to 11 percent of native

[29] See: Andrew Sum, Neeta Fogg, Paul Harrington, et al., Immigrants and the Great American Job Machine.....

born workers. More established immigrants (those arriving in the U.S. prior to 2000) were more likely to be self-employed.

Table 18:
Percentage Distribution of New Immigrant and
Native Born Workers in the U.S., by Class of Worker Status, 2004
(Jan.-Oct. Averages)

Class of Worker	New Immigrant	Native Born
Private Sector, Wage and Salary	88.4	73.9
Government Worker	5.5	15.1
Self-Employed	6.0	11.0
Family Worker Without Pay	0.1	0.1

Source: January-October 2004 CPS Surveys, public use files, tabulations by authors.

The monthly CPS labor force questionnaire also collects data on the industries of the employers of all persons working at the time of the survey. The U.S. Bureau of Labor Statistics assigns NAICS industry codes to these employers.[30] We have combined all jobs held by new immigrants into fifteen major industrial sectors. While new immigrant workers can be found in every industrial sector, they are highly concentrated in three sectors: construction and manufacturing, leisure/ hospitality/other service industries, and health/education/professional/ business services.

With modest exceptions, such as farm labor, kitchen work, personal services and cleaning occupations, the vast majority of these jobs are also held by native-born workers. There is little empirical support for the notion that new immigrants are taking large numbers of jobs that American workers refuse to accept. There is direct competition between new immigrants and native-born workers for most of these jobs. In 2004, slightly more than 27 percent of these new immigrant workers were employed in construction and manufacturing industries while only 19% of native born workers were employed in these industries (Table 19). New immigrants are heavily over-represented in the construction sector. Nearly 372,000 new immigrants also obtained employment in the nation's manufacturing industries at a time when total wage and salary employment in these industries declined by more than 2.9 million positions.[31]

[30] The NAICS acronym refers to the North American Industrial Classification System, which replaced the Standard Industrial Classification System (SIC) as the basis for classifying employment by industry in 2003.
[31] Between 2000 and 2004, the estimated number of wage and salary positions in the nation's manufacturing industries fell by 2.9 million.

Approximately another one-fourth of these new immigrants were employed in leisure/hospitality and other service industries. This industrial sector includes eating and drinking establishments, hotels and motels, museums, entertainment, and personal and laundry services. New immigrants were twice as likely as the native born to work in this sector in 2004. Slightly more than 26% of new immigrants were employed in professional, business, education, and health services. This share, however, was five percentage points below the share of native-born workers employed in this sector. New immigrants were over-represented in agriculture/forestry/fishing industries (twice the native-born share), but they were substantially under-represented in public administration. Only 1 percent of employed new immigrants worked in public administration (a segment of government) versus 5 percent of their native born peers.

Table 19:
Percentage Distribution of New Immigrant and
Native Born Workers in the U.S., by Major Industrial Sector, 2004
(Jan.-Oct. Averages)

Industrial Sector	New Immigrant	Native Born
Agriculture, Forestry, Fishing, and Hunting	3.1	1.6
Mining	0.2	0.4
Construction	15.3	7.3
Durable-Manufacturing	6.5	7.3
Non-Durable Manufacturing	5.7	4.2
Wholesale Trade	2.4	3.3
Retail Trade	9.2	11.9
Transportation and Utilities	2.7	5.1
Information	1.1	2.7
Finance and Insurance	3.3	7.5
Professional and Business Services	13.2	9.9
Education and Health Services	13.1	21.3
Leisure and Hospitality	17.2	8.0
Other Services	5.9	4.7
Public Administration	1.1	5.0

Source: January-October 2003 CPS Surveys, public use files, tabulations by authors.

The top ten industries of employment for new immigrant workers and native-born workers were characterized by substantial overlap, but their relative shares varied markedly in a number of cases (Table 20). New immigrant workers were more likely to be employed in such

See: U.S. Bureau of Labor Statistics, Employment, Hours, and Earnings from the Current Employment Statistics

industries as construction, food service and drinking places, administrative and support services, agriculture, and food manufacturing.

Table 20:
Top 10 Individual Industries with the Highest Concentration of
New Immigrant Workers and Native-Born Workers, 2004
(Jan.-Oct. Averages)

Industry of New Immigrant Worker	% Dist.	Industry of Native-Born Worker	% Dist.
Construction	15.3	Retail trade	11.9
Food services and drinking places	13.3	Educational services	9.2
Retail trade	9.2	Construction	7.3
Administrative and support services	8.8	Professional and technical services	6.2
Educational services	5.5	Health care services, except hospitals	5.9
Professional and technical services	4.0	Food services and drinking places	5.1
Health care services, exc. Hospitals	3.4	Public administration	5.0
Hospitals	3.1	Transportation and warehousing	4.2
Agriculture	3.0	Hospitals	4.1
Food manufacturing	2.9	Administrative and support services	3.4

Source: January-October 2004 CPS Surveys, public use files, tabulations by authors.

We also examined the occupational fields of the jobs held by employed new immigrants in 2004. We combined all individual occupations into 11 major occupational groups, with a few separate breakouts for professional and service subgroups (Table 21). Nearly one-third of these new immigrants were employed in blue collar craft, production, and transport operative occupations, with about half of these blue collar workers holding craft-related positions in construction and manufacturing occupations. The share of native-born workers in these occupations was only 21%. Thirty-one percent of new immigrant workers were employed in service occupations, with very high proportions working in food preparation (12%) and building and ground maintenance and cleaning (12%). New immigrants were twice as likely as the native-born to hold these service-related positions. In contrast, immigrants were substantially under-represented in management-related, sales, and clerical occupations. The share of the native-born employed in management-related occupations (15.4%) was more than two times as high as that of new immigrants (6.8%), and new immigrants held clerical/office support positions at a rate only one-third as high as that of the native-born, reflecting their more limited formal schooling and limited English-speaking skills. While new immigrants also were under-

Survey, December 2004.

represented in all professional occupations combined (14% versus 21%), they tended to obtain an above average share of jobs in a few professional specialties, including computer and mathematical science occupations.

Table 21:
Percentage Distribution of New Immigrant and Native Born Workers in the U.S., by Major Occupational Category, 2004
(Jan.-Oct. Averages)

Occupational Category	New Immigrant	Native Born
Management, Business, and Financial Occupations	6.8	15.4
Professional and Related Occupations	14.2	20.9
Computer and Mathematical Science Occupations	3.3	2.1
Life, Physical, and Social Science Occupations	1.2	1.0
Service Occupations	30.6	15.2
Healthcare Support Occupations	2.0	2.4
Food Preparation and Serving Related Occupations	12.5	4.9
Building and Grounds, Cleaning, and Maintenance Occupations	11.7	2.9
Sales and Related Occupations	7.6	11.9
Office and Administrative Support Occupations	5.8	14.8
Farming, Fishing, and Forestry Occupations	2.8	0.5
Construction and Extraction Occupations	14.6	5.5
Installation, Maintenance, and Repair Occupations	2.0	3.7
Production Occupations	9.6	6.1
Transportation and Material Moving Occupations	6.1	6.0

Source: January-October 2004 CPS Surveys, public use files, tabulations by authors.

Summary and Public Policy Implications of Key Findings

This research report was designed to track changes in the levels and demographic composition of foreign immigration in the U.S. over the 2000-2004 period to estimate the influence of this new wave of immigration on population, labor force, and employment growth in the nation. Among the main findings of this research report were the following:

(i) Net international immigration in the U.S. between April 2000 and July 2004 was estimated to be 5.33 million, accounting for 44% of the growth in the resident population over this four year period. In each of the past two years, net international immigration generated between 43 and 45 percent of the nation's population growth. These results represent new

historical highs for the nation.[32] The contributions of net international immigration to state population growth varied markedly across states. In two large states (Massachusetts and New York), net international migration generated more than 100 percent of the state's population growth, and in three other states (Illinois, Iowa, and New Jersey), nearly all of the population growth between 2000-2004 was generated by net international migration. In contrast, only 7 to 14 percent of the population growth of such states as Idaho, Maine, and Montana was generated by foreign immigration.

(ii) The vast majority (81%) of the new immigrants arriving between 2000 and 2004 were of working-age. Among those of working-age, a slight majority was under the age of 30, and nearly two-thirds were under the age of 35.

(iii) Slightly over 65% of the new immigrants of working-age were actively participating in the civilian labor force during 2004. On average, there were 3.396 million new immigrants in the nation's civilian labor force during the January-September period of 2004. These new immigrant labor force participants contributed somewhere between 56 and 58 percent of the nation's civilian labor force growth over the 2000 – 2004 period, the highest such share at any time since the end of World War II.

(iv) There were 12 states (including six of the nation's most populous 13 states) where new immigrants produced 80 percent or more of their labor force growth over the past four years, and five other states whose resident labor force declined despite the presence of new immigrants in their work force.

(v) There were somewhere between 2.504 and 2.574 million new immigrants employed in the U.S. during 2004. The number of new immigrant employed generated all of the net growth in the number of employed civilians over the past four years. At no time in the past 60 years has the country ever failed to generate any net new jobs for native born workers over a four year period. Approximately one-half of these new immigrant workers were undocumented. Ten states accounted for 1.992 million of these new immigrant workers or two-thirds of the total.

[32] Between 2000 and mid-2004, the number of new immigrants arriving in the U.S. was estimated to be 6.184 million, accounting for 50% of the nation's population growth versus 41% in the 1990s, a historical high for the twentieth century.

Four states (New York, Florida, Texas, and California) attracted 200,000 or more new immigrant workers between 2000 and 2004.

(vi) Men accounted for a substantial majority (two-thirds) of the new immigrant labor force participants. Most of these new immigrant workers were young. Twenty-eight percent were under age 25, and nearly 70 percent were under age 35. Fewer than three percent of these immigrant labor force participants were 55 or older. A majority (56%) of the new immigrant labor force members were Hispanic, reflecting the large influx of immigrants from Mexico, Central America, and South America. Asians accounted for another 19 percent of the immigrants while White, non-Hispanics represented only 18%. The educational attainment backgrounds of these new immigrant work force members were quite varied. The largest share of these immigrants (35%) lacked a high school diploma while 27% reported that they held a Bachelor's or higher degree. The educational attainment of these new immigrants varied considerably by country of origin with a sizable majority of Mexican and Central American immigrants lacking a high school diploma. In contrast, a majority of Asian, European, and Russians immigrants held a bachelor's or higher degree.

(vii) Similar to findings during the 1990s, the vast majority of the new immigrant employed (88%) held wage and salary positions in the private sector. New immigrants were under-represented relative to the native born in government jobs (5 vs. 15 percent) and among the self-employed (6 vs. 11 percent). While immigrant workers found jobs in every major industrial sector, they were heavily over-represented in construction and leisure and hospitality industries (restaurants/hotels/motels). One of every three new immigrant workers was employed in one of the above two industrial sectors.

(viii) Immigrant workers also gained employment in every major occupational group, but they were heavily over-represented in service occupations and in key blue-collar occupations (especially construction, extraction, and production occupations). Given their more limited formal schooling and English language proficiencies, they were under-represented in management, business, and professional occupations (21% of new immigrants versus 36% of the native born).

What are the implications of these findings for immigration, labor market and workforce development policy? First, the findings on the continued high levels of immigration into the U.S. despite the existence of a recession in 2001 and a largely jobless recovery through the summer of 2003 clearly indicate that immigration has taken on a life of its own, independent of national labor market conditions. If national immigration policy were labor market driven, then immigration would have slowed considerably over the 2000-2004 period. This clearly did not happen. Now is an opportune time for the U.S. Congress to reflect on the shortcomings of our existing immigration policies. Second, the findings that new foreign immigration contributed more than half of national labor force growth and all of the net gains in civilian employment over the past four years reveal the importance of identifying changes in native born and immigrant employment in the national labor force statistics. The official monthly and annual CPS statistics on employment and unemployment should provide separate breakouts of the data on the native born and immigrant work force to inform both policymakers and the general public as to who is obtaining the new jobs generated by the economy.

Third, a high fraction (at least 50 percent) of the new immigrant employed are believed to be undocumented workers by most national analysts. Combined with the existence of high overall levels of immigration, this finding clearly reveals the complete breakdown in the enforcement of laws regarding the hiring of illegal workers. Over 1.5 million additional illegal immigrants have been hired by U.S. employers over the past four years. Fourth, in contrast to the nation's experiences during the mid to late 1990s when the economy was generating many millions of net new jobs for both the native born and immigrants, the existence of slack labor market conditions in recent years has created more direct competition for available jobs between immigrants and many subgroups of native born workers. Given large job losses among the nation's teens, 20-24 year olds with no four year degree, Black males, and poorly educated, native born men, it is clear that native born workers have been displaced in recent years. It is extremely difficult to justify such a redistribution of jobs. Finally, many of the new immigrant workers and the jobless working-age immigrants have limited educational attainment and English-speaking proficiencies that will reduce their future occupational mobility and earnings potential. For legal immigrants, workforce development policies will be needed to boost their access to basic education, English-as-Second Language, and occupational skills training.

New Foreign Immigrants and the Labor Market in the U.S.: The Unprecedented Effects of New Foreign Immigration on the Growth of the Nation's Labor Force and Its Employed Population, 2000 to 2004

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Introduction

Foreign immigration into the U.S. became one of the most powerful demographic, social, and economic forces in the nation over the past two decades, and substantial controversy over its labor market, economic, and social impacts, both favorable and unfavorable, remains.[1] During the decade of the 1990's, foreign immigration played a very important role in generating population, labor force, and employment growth in the United States.[2] Over the decade, 13.65 million new immigrants came to the United States and were living in the nation at the time of the 2000 Census, accounting for 41 percent of the growth in the nation's resident population.[3] This group of new immigrants constituted the largest pool of immigrants ever to arrive on our shores during a given decade, substantially exceeding the numbers of immigrants who came to the U.S. during the Great Wave of Immigration from 1890-1910. The contributions of foreign immigration to population growth over the 1990's, however, varied quite considerably across the nation by geographic region, state, and metropolitan area. In the Mid-Atlantic, New England, and Pacific regions, new immigration generated between two-thirds and 120 percent of the growth in the resident population while it accounted for only 11 to 20 percent of population growth in the East South Central and Rocky Mountain regions.[4]

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[1]For examples of such studies on the impacts of foreign immigration,
See: (i) Roy Beck, The Case Against Immigration, W.W. Norton and Company, New York, 1996; (ii) George J. Borjas, Heaven's Door: Immigration Policy and the American Economy, Princeton University Press, Princeton, New Jersey, 1999; (iii) Patrick J. Buchanan, The Death of the West, St. Martin's Press, New York, 2002; (iv) Nicolaus Mills, Arguing Immigration: Are New Immigrants A Wealth of Diversity or A Crushing Burden?, Simon and Schuster, New York, 1994; (v) James P. Smith and Barry Edmonston (Editors), The New Americans: Economic, Demographic, and Fiscal Effects of Immigration, Washington, D.C., 1997; (vi) Andrew Sum, W. Neal Fogg, et.al., The Changing Workforce: Immigrants and the New Economy in Massachusetts, Massachusetts Institute for A New Commonwealth and Citizen's Bank, Boston, 1999; (vii) Sanford J. Ungar, Fresh Blood: The New American Immigrants, Simon and Schuster, New York, 1995; (viii) Michael Barone, The New Americans: How the Melting Pot Can Work Again, Regency Publishing Inc., Washington, D.C., 2001.

[2] Our definitions of the immigrant or foreign born population and labor force include persons born in the outlying territories of the U.S., including Puerto Rico, the American Virgin Islands, Guam, and Samoa. While immigrants from the outlying territories are citizens, persons migrating to the U.S. from one of the territories add to the population and labor force of the nation as any other foreign immigrant would.

[3] See: (i) Andrew Sum, Neeta Fogg, Paul 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, Report Prepared for The Business Roundtable, Washington, D.C., August 2002; (ii) Andrew Sum, Ishwar Khatiwada, Nathan Pond and Jacqui Motroni, The New Great Wave: Foreign Immigration in Massachusetts and the U.S. During the Decade of the 1990s, Paper Prepared for the Teresa and H. John Heinz III Foundation, Washington, D.C., 2002.

[4]See: Andrew Sum, Ishwar Khatiwada, Kamen Madjarov, et al., The Impacts of Foreign Immigration on Population Growth, the Demographic Composition of the Population, Labor Force Growth, and the Labor Markets of the

New immigration played an even more powerful role in generating growth in the nation's resident labor force and its employed population over the 1990's. An analysis of findings from the 2000 Census of Population and Housing revealed that 47 percent of the increase in the nation's civilian labor force between 1990 and 2000 was due to new foreign immigrants, with nearly two-thirds of the growth in the male labor force being produced by new male immigrant workers.[5] The influence of immigration on labor force growth also varied considerably by geographic region with the Pacific, New England, and Middle Atlantic divisions being entirely dependent on new waves of immigration for their labor force growth over the decade.[6]

The 1990's decade was characterized by ten consecutive years of real economic growth (from 1991-2000), strong increases in both civilian employment and wage and salary payroll employment especially from 1993-2000, and declining levels of unemployment that pushed the nation's overall unemployment rate down to 4.0% in 2000 for the first time in 31 years. However, both real output and employment growth came to an immediate halt in early 2001. A national recession set in during March of 2001, lasted through November of that year and was followed by continued losses in the number of wage and salary jobs and rising unemployment through the summer of 2003.

Between 2002 and 2004, total civilian employment (persons 16+) increased by more than 2.5 million persons, and the number of nonfarm wage and salary jobs has grown by about 2.3 million between August of 2003 and December 2004. How did the growth of the nation's immigrant labor force and the number of employed new immigrants change over the past four years; i.e., from 2000 to early 2004? How much of the nation's labor force and employment growth in recent years was generated by new immigrant arrivals, i.e., those coming into the U.S. since 2000? Who were these new immigrant labor force participants? What do we know about their demographic and socioeconomic characteristics and their countries of origin? How did these new immigrants fare in obtaining employment when they did seek work and what types of

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Northeast Region During the Decade of the 1990s, Report Prepared by the Center for Labor Market Studies, Northeastern University, Boston, for Fleet Bank, October 2003.

[5] See: Andrew Sum, Neeta Fogg, Paul Harrington, et.al., Immigrant Workers and the Great American Job Machine….

[6] In both the New England and the Mid-Atlantic divisions, the resident labor force would have declined over the past decade in the absence of new immigration.
See: Andrew Sum, Ishwar Khatiwada, Kamen Madjarov, et.al., The Impacts of Foreign Immigration.

jobs did they secure? Building on previous research work on immigrant labor force developments by the Center for Labor Market Studies, this research paper is designed to answer these key research questions.

An Outline of the Report's Findings

The study's findings will begin with a review of the key definitions, measures, and data sources underlying the estimates of the new immigrant population and labor force appearing in the paper. This will be followed by estimated findings on the contributions of net international migration (foreign immigration-emigration) to U.S. population growth over the 2000-2004 period and to the growth in the resident population of selected states over the same four years. The third section of the paper will examine the age composition of the new immigrant population (those arriving in the U.S. between 2000 and 2004) and their labor force behavior at the time of the monthly CPS surveys in calendar year 2004. The fourth section of the paper will present estimates of the share of national civilian labor force and employment growth over the 2000-2004 period that was generated by new immigrants and provide similar estimates for selected states.

The fifth section will examine the demographic and socioeconomic characteristics of new immigrant labor force participants in 2004 and describe patterns of labor force participation and unemployment rates for new immigrants by educational attainment subgroup. The sixth section will review key findings of our analysis of the characteristics of the jobs held by employed new immigrants (class of worker status,[7] industries of their employers, occupations) and compare their job characteristics with those of native born workers across the nation. The final section will provide a brief summary of key findings of our analysis and discuss a few of their implications for future labor market, immigration, and workforce development policies.

[7] Class of worker status refers to the type of employment relationship of the worker (self-employed, wage and salary, unpaid family member) and the public/private nature of the employers of the immigrant wage and salary workers.

Key Definitions and Data Sources

The definition of a "foreign immigrant" in this paper is an individual who was born outside of the 50 states and the District of Columbia.[8] Persons born in one of the outlying territories of the United States (U.S. Virgin Islands, Puerto Rico, Guam) are considered to be "foreign born". A person who emigrates from Puerto Rico to the United States adds to the population of nation in the same manner as an immigrant from Canada, Mexico, or Brazil. Besides, previous analyses of the demographic/socioeconomic characteristics and labor market, income, and poverty problems of immigrants from the U.S. territories have revealed that they are quite similar to those of many other immigrants from Central and South America and the Caribbean.[9] The report also refers to "new immigrants". A "new immigrant" is a foreign born person who arrived in the U.S. between 2000 and the time of the monthly CPS household surveys in calendar year 2004.[10]

The estimates of the numbers, characteristics, and labor force behavior of new immigrants over the 2000-2004 period are primarily based on the findings of the monthly CPS household surveys for the January-October period of 2004. The CPS public use files are files provided by the U.S. Bureau of Labor Statistics.[11] The CPS household survey is a national labor force survey of approximately 60,000 households that is conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics. It is the basis for the monthly national estimates of the U.S. civilian labor force and the employed and unemployed populations. The U.S. Census Bureau's annual estimates of the annual size of the population of the nation and individual states and the sources of population change are the basis for our estimates of the contribution of net international migration to population growth over the 2000-2004 period.

[8] Persons born outside the U.S. but to U.S. parents temporarily living abroad are classified as native born individuals in this paper.

[9] See: Andrew M. Sum, W. Neal Fogg, et.al., The Changing Workforce: Immigrants and the New Economy in Massachusetts, Massachusetts Institute for a New Commonwealth, Boston, 1999.

[10] The CPS questionnaire collects information from each foreign born person on the timing of their arrival in the United States. Persons arriving from 2000 onward can be identified on the public use tapes.

[11] For details on the design features of the CPS survey,
See: U.S. Bureau of Labor Statistics, Employment and Earnings, January 2003, "Appendix A", Washington, D.C., 2003.

Immigration's Impacts on Population Growth, 2000-2004

Each year, the U.S. Census Bureau provides estimates of the size of the resident population of the nation, geographic regions and divisions, and individual states. Growth of the population is tracked annually as well as components of population growth. At the national level, population growth is generated by an excess of births over deaths (i.e., natural increase) and net international migration, i.e., the difference between foreign immigrants into the U.S. and emigrants from the U.S. to countries abroad. At the regional and state level, population change is also generated by net domestic migration, the difference between migrants into a state from other states and out-migration to other states.

For the nation as a whole, between April 2000 and July 2004, the U.S. Census Bureau has estimated that the population increased from 281.4 million to nearly 293.7 million, a gain of 12.3 million or 4.3% (Table 1). Net international migration was 5.330 million over the same four-year period, contributing nearly 44 percent of the growth in the nation's population. Nearly half of this immigrant population growth, however; is believed to be due to undocumented immigration, i.e., illegals.[12] Population estimates for the two most recent years (July 1, 2002 – July 1, 2003 and July 2003 – July 2004) indicate a very similar role played by net international immigration. Net immigration is estimated to have generated 45 percent of the nation's population growth for the 2002-2003 period and 43 percent of the growth over the 2003-2004 period (Table 1).

Table 1:
The Contributions of Net Foreign Immigration to Population Growth in the U.S., April 2000 – July 2004
(Numbers in 1000s)

Time Period	(A) Base Period Population	(B) Ending Period Population	(C) Change in Population	(D) Net International Immigration	(E) Net Immigration as % of Population Change
April 2000 – July 2004	281,422	293,655	12,233	5,330	43.6
• July 2002 – July 2003	287,941	290,789	2,848	1,286	45.2
• July 2003 – July 2004	290,789	293,655	2,866	1,221	42.6

Source: U.S. Census Bureau, web site, "Annual Estimates of the Components of Population Change for the United States, April 2001 – July 2004, July 2002 – July 2004."

[12] See: Steven A. Camarota, Economy Slowed, But Immigration Didn't: The Foreign-Born Population, 2000-2004, Center for Immigration Studies, Washington, D.C., November 2004.

Net international immigration represents the difference between foreign immigration into the country and emigration abroad (movement of both the native born and the foreign born to other countries during a given time period). Earlier, we noted that during the decade of the 1990s, 41 percent of the nation's population growth came from new foreign immigration alone, excluding the effects of emigration abroad. Our estimate of the number of new immigrants into the U.S. between 2000 and October 2004 who were living in the U.S. at the time of the January-October 2004 CPS survey is 6.184 million.[13] This group of new immigrants, thus, accounted for 50 percent of the growth of the U.S. population between 2000 and 2004, a new historical high for the nation. During the Great Wave of Immigration in the 1890-1900 and 1900-1910 decades, new immigrants contributed only 25 and 35 percent of the nation's population growth, respectively.[14]

As was the case in the 1990s, the share of population growth due to net international immigration over the 2000-2004 period varied considerably across the 50 states (Table 2). In the 10 states most dependent on foreign immigration for its population growth over the 2000-2004 period, immigration contributed 59 to 224 percent of population growth. States in the Northeast region and in the Midwest dominated this top ten list.[15] All of the population growth in Massachusetts and New York was due to new foreign immigration. Both states experienced high levels of domestic out-migration over the four years and would have faced population declines in the absence of these new waves of immigration. In Connecticut, New Jersey, and Pennsylvania, two-thirds to 86 percent of resident population growth over the 2000-2004 period was generated by new foreign immigration. In the Midwest region, Iowa and Illinois had 90 percent or more of their population's growth produced by foreign immigration while Michigan and Ohio had 60 percent of the increase in their resident population generated by new immigrants. California was the only state in the Western region to make the top ten list, with 59 percent of its growth being

[13] The midpoint of our estimates for 2004 are June 1, 2004, and we are capturing new immigrants from January 2000 onward. Our time period is, thus, only two months longer than the April 1, 2000 – July 1, 2004 population estimates of the U.S. Census Bureau.

[14] See: Andrew Sum, Ishwar Khatiwada, Nathan Pond, and Jacqui Motroni, The New Great Wave: Foreign Immigration in Massachusetts and the U.S. During the Decade of the 1990s, Paper Prepared for the Teresa and H. John Heinz Foundation, Washington, D.C., June 2002.

[15] The Northeast region as defined by the U.S. Census Bureau consists of the six New England states and the three Mid-Atlantic states of New Jersey, New York, and Pennsylvania.

the result of new foreign immigration. Not one state in the South made the top ten list. Florida, however, was a major recipient of new immigrants over the 2000-2004 period.

Table 2:
Foreign Immigration's Contributions to the Population Growth of Selected States, April 2000 – July 2004

State	Percent of Population Growth Due to Net International Immigration
California	59
Connecticut	65
Illinois	94
Iowa	89
Massachusetts	204
Michigan	60
New Jersey	86
New York	224
Ohio	60
Pennsylvania	69

Source: U.S. Census Bureau, "Cumulative Estimates of the Components of Population Change for the United States and States: April 1, 2000 to July 1, 2004".

The Age Structure of the New Immigrant Population

The impacts of new immigrants on the labor force of the nation will be dependent on the age characteristics of these new immigrants and their labor force participation behavior. The civilian labor force statistics of the U.S. Bureau of Labor Statistics are based upon the working-age population; i.e., those 16 and older. Of the 6.184 million new immigrants residing in the U.S. between January – October of 2004, nearly 5 million of them or 81% were of working-age (Table 3). Many of these working-age immigrants were quite young. A slight majority (51%) were under age 30, and two-thirds of them were under the age of 35 (Table 4). Only six percent of these new immigrants were 55 years of age or older. Thus, not only were the vast majority of these new immigrants of working-age, but many of these working-age individuals were in those age groups where labor force participation rates are typically the highest. For example, 70 of every 100 new immigrants between the ages of 25-34 were actively participating in the civilian labor force in 2004 versus only 31 of every 100 new immigrants 55 and older.[16]

[16] These estimated civilian labor force participation rates were based upon immigrants' behavior during the January-October period of 2004.

Table 3:
Estimates of the Number of New Immigrants and Working-Age Immigrants in the U.S., 2004
(January – September Averages)

Group	(A) Number (in 1000s)	(B) Percent of New Immigrants
All new immigrants[(1)]	6,183,700	100.0
Working-age immigrants	4,983,851	80.6

Source: January – September CPS surveys, public use files, tabulations by authors.
Note: [(1)] New immigrants are those who arrived in the U.S. between 2000 and 2004. Immigrants include persons who arrived from Puerto Rico, Guam, the U.S. Virgin Islands, and other outlying territories of the United States.

Table 4:
The Age Distribution of the Working-Age New Immigrant Population in the U.S, January – October 2004

Age Group	(A) Number in 1000s	(B) Percent
All	5,044	100.0
16 – 24	1,529	30.3
25 – 29	1,065	21.1
30 – 34	847	16.8
35 – 44	891	17.7
45 – 54	383	7.6
55 – 64	168	3.3
65+	161	3.2

Source: January – October CPS surveys, public use files.

The Labor Force Behavior of New Immigrants and their Contributions to U.S. Labor Force Growth Between 2000 and 2004

The monthly CPS surveys are used to collect information on the labor force behavior of all working-age respondents at the time of the survey. The January-September 2004 CPS survey data were analyzed to identify the labor force status of new working-age immigrants over this nine-month period. Of the 4.984 million new immigrants of working age, we estimate that 3.252 million were actively participating in the civilian labor force, on average, during the first nine months of 2004, yielding a civilian labor force participation rate of 65.3% (Table 5). Of the 3.252 million immigrants in the labor force, 2.994 million were employed, producing an unemployment rate of 7.9% for the first nine months of 2004. While this unemployment rate was about 2.5 percentage points higher than that of the native born, a substantial majority of

these immigrant labor force participants were able to secure some type of job. Findings indicate that 92 of every 100 new immigrants actively participating in the labor force in 2004 were able to find employment.

Table 5:
The Civilian Labor Force Participation Status of New Working Age Immigrants in the U.S., January – September 2004
(Numbers in 1000s)

(A)	(B)	(C)	(D)	(E)	(F)
Working Age Population (16+)	Civilian Labor Force	Labor Force Participation Rate (in %)	Employed	Unemployed	Unemployment Rate
4,983.8	3,252.1	65.3	2,994.2	257.8	7.9

Source: January – September 2004, CPS public use files, tabulations by authors.

How did the arrival of these new immigrants over the past four years influence the growth of the U.S. labor force? To begin to answer this question, we first compared the number of new immigrant labor force members with the growth of the overall civilian labor force of the U.S. between 2000 and the January-September period of 2004. Between 2000 and the first nine months of calendar year 2004, the number of participants in the U.S. civilian labor force increased by 4.809 million (Table 6). During those same nine months in 2004, there were 3.252 million new immigrants in the U.S. labor force, representing slightly more than two-thirds of the growth in the U.S. civilian labor force over the past four years (Table 6).

Table 6:
Comparisons of Growth in the Overall U.S. Civilian Labor Force with the Number of New Immigrant Labor Force Participants, 2000 – 2004
(With and Without adjustments for 2000 Arrivals)

	(A)	(B)	(C)
Scenario	Overall Civilian Labor Force Growth, 2000 – 2004	New Immigrants In Civilian Labor Force	Percent of Labor Force Growth Due to New Immigrants
Base Scenario	4,809	3,252	67.6
Alternative Scenario #1	4,809	2,602	54.1
Alternative Scenario #2	4,809	2,674	55.6

Sources: (i) U.S. Bureau of Labor Statistics, web site.
(ii) CPS monthly surveys, January – September 2004, tabulations by authors.

Features of Alternative Scenarios on New Immigrant Labor Force Growth

Alternative Scenario #1:	The number of new immigrant labor force participants in 2004 by year of arrival in the U.S. was the same for all five years over the 2000 – 2004 period.
Alternative Scenario #2:	The number of new immigrant labor force participants in 2004 by year of arrival in the U.S. fell by five percentage points per year between 2000 and 2004.

The 3.252 million new immigrants in the labor force in 2004 include all persons who claimed in the CPS interview that they had arrived in the U.S. at some time between 2000 and 2004. Some of these immigrants would have come to the U.S. in 2000 and joined the labor force in that same calendar year; thus, they would have been included in the 2000 civilian labor force totals. We, thus, need to adjust the 3.252 million new immigrant estimate to exclude those individuals who arrived in the U.S. in 2000 and joined the labor force that year. We make these adjustments under two sets of assumptions about the timing of the arrival and departure of these new immigrants who came to the U.S. between 2000 and 2004. Under the first set of assumptions (Alternative Scenario #1), we distribute the 3.252 million labor force participants evenly across the five years from 2000 to 2004. The U.S. Census Bureau's estimates of annual net international migration over that four-year period suggest a fairly uniform annual level of net immigration. Under this assumption, we allocate one fifth of new immigrant labor force participants to calendar year 2000 and re-estimate the number of new immigrants in the labor force in 2004 at 2.602 million. They represent 54% of the increase in the nation's entire civilian labor force between 2000 and 2004 (Table 6).

Under the second set of assumptions, we assume that a given share of the new immigrants will leave the nation each year. Reliable, independent estimates of emigration rates are difficult to come by since there is no worldwide data base that tracks arrivals of immigrants from the U.S. to other countries. The U.S. Census Bureau had estimated annual emigration levels of about 280,000 in the late 1990s or somewhat less than one percent of the nation's overall immigrant population.[17] Independent estimates of return migration by Mexican immigrants from the

[17] The U.S. Census Bureau estimate of 280,000 emigrants per year for the 1998-99 period would represent an annual leaving rate of slightly below 1% of the nation's total immigrant population. Recent arrivals are more likely to return home each year. For a review of the U.S. Census Bureau's estimates of emigration from the U.S.,

Western regions of the country reveal very high return rates of nearly 40 percent over a two year period.[18] Given that newer arrivals are much more likely to leave than long established immigrants, we assume under Alternative Scenario #2 that 5% of the new immigrants leave each year during their first four years following their initial arrival in the U.S. Thus, only 80% of those who arrived in 2000 will still be here in 2004 versus 90% of those who arrived in 2002 and 100% of those who came in 2004. Under this set of assumptions, there were 2.674 million new immigrants in the civilian labor force in 2004. They represented nearly 56% of the growth in the nation's civilian labor force between 2000 and 2004 (Table 6). Whether one uses the findings from Alternative Scenario #1 or #2, the results are quite similar: somewhere between 54 and 56 percent of the nation's labor force growth between 2000 and 2004 was attributable to new foreign immigration. This share exceeds the estimated 47% share of labor force growth accounted for by new immigrants over the decade of the 1990s. At no time since the end of World War II and likely since the beginning of the twentieth century have new immigrants produced such a large share of the nation's labor force growth.[19] Unfortunately, a high share of this recent labor force growth is likely due to undocumented immigration.

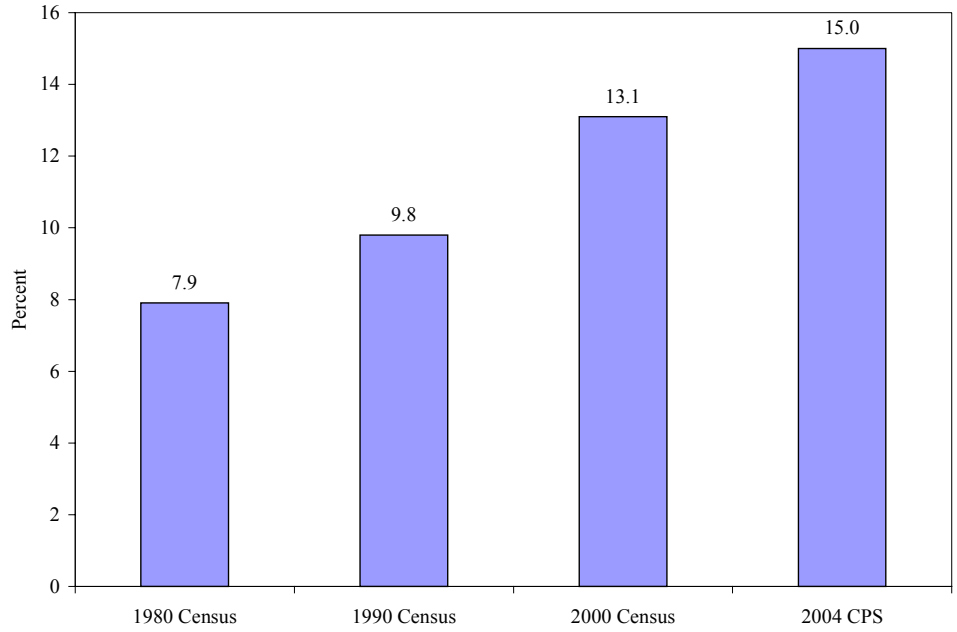
As a consequence of high and rising levels of foreign immigration into the U.S. over the past few decades, the immigrant share of the nation's civilian labor force has grown steadily and sharply (Chart 1). At the time of the 1980 Census, only 8 percent of the members of the U.S. labor force were immigrants. Their share of the labor force rose to nearly 10 percent by 1990, to 13% by 2000, and to 15% during the first 9 months of 2004. This 15% share is the highest at any time since the end of World War II.

See: U.S. Census Bureau, Population Division, Measurement of Net International Migration to the U.S., 1990 – 2000, Washington, D.C., December 2001.

[18] Previous studies of Mexican immigrants in the U.S. reveal that nearly half of the immigrants from Western Mexico return home in two years.
See: Public Policy Institute of California, Vast Majority of Mexican Immigrants to the United States Do Not Stay, Study Finds, January 1997 Press Release.

[19] Labor force statistics from the decennial Censuses have only been available since 1940. Some of the prior censuses had collected data on the gainful employed, but analyses of new immigrants in the gainful employment pool are not available.

Chart 1:
Foreign Born Labor Force Participants as a Percent of the U.S. Labor Force, Selected Years, 1980 – 2004



The impact of new foreign immigration on labor force growth over the 2000-2004 period varied widely across states. In twelve states, new foreign immigrants generated 80 percent or more of their labor force growth between 2000 and 2004, with eight states (including two southern states) being totally dependent on immigration for their labor force growth over the past four years (Table 7). In addition to these 12 states, there were five other states whose resident labor forces are estimated to have declined between 2000 and 2004 despite new foreign immigration.[20] These five states include Illinois and Michigan whose population growth over these past four years was strongly dependent on new foreign immigration.

[20] These five states were Illinois, Kentucky, Michigan, Mississippi, and West Virginia. The estimated sizes of their labor force declines ranged from a low of –4,000 in Kentucky to –100,000 in the state of Illinois.

Table 7:
Twelve States with 80 Percent or More of Their Labor Force Growth
Between 2000 and 2004[(1)] Due to New Immigrants

State	Percent of Labor Force Growth
North Carolina	167
Delaware	144
Alabama	132
Missouri	118
New Jersey	118
New York	108
Connecticut	107
Maryland	105
Oregon	96
Massachusetts	92
Georgia	85
California	81

Note: [(1)] Civilian labor force estimates for 2004 are based on the findings of the CPS household surveys for January – September 2004. These estimates are not seasonally adjusted.

New Immigrants and Their Share of the Gains in Employment in the U.S., 2000-2004

In early 2001, the U.S. economy entered a recession that, according to estimates of the National Bureau of Economic Research, lasted from March through November of that year. Though real output began to recover in the last quarter of 2001, the number of employed civilians continued to decline through most of 2002, and the aggregate unemployment rate rose from 4.0% in 2000 to a peak of 6.3% in June of 2003. Total national civilian employment (16+) began to increase in late 2002.[21] During the first nine months of 2004, civilian employment in the U.S. averaged 139.054 million, a rise of 2.152 million over the 2000 annual average employment level of 136.9 million (Table 8). Yet, the number of new immigrants employed in the first nine months of 2004 was 2.994 million, equivalent to 139% of the gain in national employment between 2000 and 2004. In other words, all of the modest net increase in the number of employed civilians over the past four years was attributable to the employment of immigrants who arrived in the U.S. between 2000 and 2004. This is an astonishing finding, with similar

[21] We distinguish CPS civilian employment from the CES payroll employment count. Payroll employment as measured by the number of wage and salary jobs on the official payrolls of nonfarm private sector firms and government agencies continued to decline through the late summer of 2003 before recovering. Nearly 2.5 million wage and salary jobs were added between August of 2003 and December 2004.

results reported for an earlier period by the authors of this report and in many key respects by Steven Camarota of the Center for Immigration Studies, but largely ignored by the national media and both political parties.[22]

Table 8:
The Estimated Share of the Gain in National Civilian Employment (16+) Between 2000 and 2004 Attributable to New Immigrants in the U.S. Under Alternative Assumptions About the Timing of Their Arrival in the U.S.
(2000 to 2004 January – September)

	(A)	(B)	(C)	(D)	(E)
Assumptions about Timing of Arrival of Immigrant Employment	2000 Total Employed (in 1000s)	2004 Total Employed (in 1000s)	Change in Employment, 2000 – 2004 (in 1000s)	Number of New Immigrant Employed (in 1000s)	New Immigrant Share of Gain in Employment (%)
Baseline	136,902	139,054	2,152	2,994	139
Scenario #1	136,902	139,054	2,152	2,395	111
Scenario #2	136,902	139,054	2,152	2,462	114

The estimated 2.994 million new immigrants employed in 2004 include some immigrants who arrived in the U.S. in 2000 and became employed during that year. As was the case for our earlier estimates of immigrants' contributions to national labor force growth, we need to adjust the estimates of the new immigrant employed to exclude those individuals who would have been counted in the ranks of the employed in 2000. Using the same two sets of assumptions as in our earlier estimates of the contributions of new immigrants to national labor force growth between 2000 and 2004, we estimate that the number of new immigrants employed in 2004 was some where between 2.395 million and 2.462 million (Table 8). Under either of these two scenarios or under the baseline scenario, all of the growth in national civilian employment between 2000 and 2004 was due to the hiring of new immigrants. For the first time in the post-WWII era, new immigrants accounted for all the growth in employment over a four year period. Over the same time period, the number of employed native born and established immigrant workers is estimated to have declined by anywhere between 243,000 and 842,000 (Table 8).[23]

[22] See: (i) Andrew Sum, Ishwar Khatiwada, and Paul Harrington, The Contributions of Foreign Immigration to Labor Force and Employment Growth in the U.S.; 2000-2004, Center for Labor Market Studies, Northeastern University, Boston, 2004; (ii) Steven A. Camarota, A Jobless Recovery? Immigrant Gains and Native Losses, Center for Immigration Studies, Washington, D.C., 2004.

[23] Established immigrants are those who arrived in the U.S. prior to 2000. Their unemployment rates rose between 2000 and 2004, reducing their E/P ratios and employment levels.

While these new immigrant workers can be found in every state across the country, they are heavily concentrated in a number of large states. The ten states with the largest number of new immigrant workers are displayed in Table 9. The number of new immigrant workers in these ten states ranged from 90,000 in Arizona to nearly 560,000 in the state of California. Four states (New York, Florida, Texas, and California) were home for 233,000 or more new immigrant workers in 2004. The combined number of new immigrant workers in these ten states was 1.992 million, accounting for two-thirds of the total number of new immigrant workers across the entire country.

Table 9:
Ten States with the Largest Number of New Immigrant Workers in 2004
(in 1000s)

State	Number
California	559,156
Texas	287,950
Florida	255,006
New York	233,267
New Jersey	135,684
Maryland	113,948
Illinois	111,810
North Carolina	106,763
Massachusetts	98,013
Arizona	90,336
Grand Total	1,991,933

Source: Monthly CPS surveys, public use files, January-September 2004, tabulations by authors.

Not all states had achieved resident civilian employment levels in 2004 that were above those prevailing in 2000. Twelve states (including Illinois, Indiana, Michigan, Missouri, Ohio, and West Virginia) and the District of Columbia still had not recovered their 2000 peak employment levels despite increases in new immigrant employment, clearly suggesting the displacement of native born workers in those states. There were 15 other states where new immigrant workers accounted for all of the growth in resident employment between 2000 and 2004. Among these fifteen states were five of the nine Northeastern states (Massachusetts, New Jersey, New York, Pennsylvania, and Rhode Island) but also five Southern states, including Georgia, Texas, and Virginia.

Table 10:
Fifteen States Where New Immigrant Workers Accounted for 100% or More of the Growth in Employment Between 2000 and 2004

State	Share of Employment Growth Due to New Immigrants (in %)
Iowa	10,162
Massachusetts	511
New York	278
New Jersey	226
Louisiana	202
Wisconsin	182
Delaware	137
Tennessee	134
Georgia	130
California	119
Maryland	117
Virginia	113
Pennsylvania	109
Rhode Island	104
Texas	100

Source: CPS monthly public use files, January – September 2004, tabulations by authors.

The Demographic Characteristics of New Immigrant Labor Force Participants in the U.S.

Who are these new immigrant members of the nation's civilian labor force? The monthly CPS questionnaire collects information on the demographic and socioeconomic characteristics of all household members in the sample. We have combined this demographic and socioeconomic background data with information on the labor force status of the working-age new immigrant population to produce a demographic profile of the new immigrant labor force. Findings of our analysis of the gender, age, race-ethnic, and educational attainment backgrounds of these new immigrant workers are displayed in Table 11.

Table 11:
Gender, Age, Race-Ethnic and Educational Attainment
Characteristics of the New Immigrant Labor Force in the U.S., 2004
(January – October Averages)

Demographic Traits	Percent
Gender	
• Men	66
• Women	34
Age Group	
• 16 – 24	28
• 25 – 34	41
• 35 – 44	20
• 45 – 54	9
• 55 – 64	2
• 65+	<1
Race-Ethnic Origin	
• Asian	19
• Black	6
• Hispanic	56
• Other, mixed race	1
• White, not Hispanic	18
Educational Attainment	
• <12 or 12 no diploma	35
• High School diploma/GED	26
• 13 – 15 years, including Associate's Degree	11
• Bachelor's or Higher Degree	27

Of the 3.3 million new immigrants who were actively participating in the nation's civilian labor force in 2004, 2.167 million, or nearly two-thirds were men. The high share of immigrant workers who are male is due in large part to the substantial gender difference in labor force participation rates among new immigrants. The male share of new immigrant labor force members was well above that for the native born labor force among whom men were only 52 percent of the civilian labor force in 2004. The gender composition of new immigrant labor force participants, however, varied considerably by country of origin. Overall, there were 190 immigrant men in the labor force for every 100 women. Among new immigrants from Mexico, El Salvador, Guatemala and India, there were 230 to 300 men for every 100 women in the labor force. In contrast, there were somewhat more women than men in the labor force from the Philippines, Colombia, Jamaica, and a few African countries (Ghana, Ethiopia).

Many of these new immigrant workers were relatively young and few were older than 55. Twenty-eight percent of these new labor force participants were under the age of 25 and nearly 70 percent were under age 35. There appears to be substantial competition for many entry-level jobs between younger native born workers and immigrants. There has been a substantial drop in the employment/population ratios of teens and young adults (20-29 year olds) without college degrees in the U.S. since 2000, indicating clear displacement of some native born workers by newly employed immigrants.[24] Relatively few (under 3%) of these new immigrant workers were 55 and older. Native born workers in this age group (55+) were the only demographic group to experience a rise in its E/P ratio over the past four years.

Given the high levels of new immigration from Mexico, Central America and South America, it come as no surprise to discover that Hispanics were the largest race-ethnic group of new immigrant labor force participants (Table 11). A majority (56%) of the new immigrant workers were reported to be Hispanic. Asians (19%) were the second largest group closely followed by White non-Hispanics (18%). Only 6% of these new immigrant workers were Black, non-Hispanics from the Caribbean and Africa.

The educational attainment levels of these new immigrant labor force participants were quite diverse (Table 11). The largest single group (35%) were those immigrants who lacked a high school diploma from both their native country and the U.S. Another one-fourth of these immigrant labor force participants reported that they had graduated from high school but did not complete any years of post-secondary schooling. At the upper end of the educational attainment distribution, 27 percent of the new immigrant labor force members held a Bachelor's or advanced academic degree.

To examine the simple statistical associations between the educational attainment of new immigrants and their labor force behavior, we estimated the 2004 labor force participation rates, unemployment rates, and employment/population ratios of new 20-65 year old immigrants in six educational subgroups, ranging from those lacking a high school diploma to those holding a Master's or higher academic degree (Table 12). For members of both gender groups combined,

[24] See: Andrew Sum, Ishwar Khatiwada, with Sheila Palma, The Age Twist in Employment Rates in the U.S., 2000-2004; The Steep Tilt in the Labor Market Against Young Workers, Prepared for Jobs for America's Graduates, Alexandria, Virginia, January 2005.

70 percent were actively participating in the civilian labor force. There were typically only modest differences in the labor force participation rates of these new immigrants across educational groups. New immigrants lacking a high school diploma were modestly more likely than high school graduates (73% vs. 70%) to be actively participating in the civilian labor force in 2004 and were just as likely to be doing so as their peers with a Master's or other advanced degree.[25] Overall 7.5% of the new immigrant labor force participants were unemployed. Immigrant dropouts encountered the highest unemployment rate (9.4%), but the unemployment rate of high school graduates (6.9%) was only modestly higher than that of their counterparts with Associate, Bachelor, or advanced college degrees.

Table 12:
Labor Force Participation Rates, Unemployment Rates, and Employment/Population Ratios of 20-65 Year Old New Immigrants in the U.S., by Educational Attainment
(January – October Averages)

Educational Attainment	(A) Labor Force Participation Rates	(B) Unemployment Rates	(C) E/P Ratios
<12 or 12, no diploma/GED	73.0	9.4	66.1
H.S. Diploma/GED	70.6	6.9	65.7
13 – 15 Years, no Degree	64.0	8.6	58.5
Associate's Degree	65.8	6.6	61.4
Bachelor's Degree	66.6	5.8	62.7
Master's or Higher Degree	72.9	5.7	68.8
All 20-65 Year Olds	70.1	7.5	64.8

Source: January – October 2004 CPS public use files, tabulations by authors.

During 2004, just under 65 percent of the working-age new immigrants were employed, with these E/P ratios ranging from a low of 58 percent among those with 13-15 years of schooling to a high of nearly 69 percent for those with a Master's or more advanced degree. Among these new immigrants, E/P ratios of men and women varied considerably, both overall and across educational subgroups. Just under 82 of every 100 immigrant males were employed in 2004, including 85 of every 100 male immigrants lacking a high school diploma, versus only 46 of every 100 immigrant women, a 36 percentage point difference, or 80 percent in relative

[25] The below average participation rate of those with 13-15 years of school is partly related to their higher college enrollment rate in 2004. We can identify the school enrollment status of immigrant youth under age 25, but not for

terms. The 85 percent employment rate for immigrant males with no high school diploma is extraordinarily high particularly in comparison to the E/P ratio for native born, male dropouts in the same age group. The high levels of employment among poorly educated and young immigrant males accompanied by sharp declines in E/P ratios among native born males in similar schooling and age groups also provide evidence of labor market displacement effects from new immigration in recent years. For example, the male teen E/P ratio in the U.S. had declined by nearly 10 percentage points between 2000 and 2004, and male 20-24 year olds lacking four year college degree saw their E/P ratio drop by nearly six percentage points over the same time period.[26]

Table 13:
Employment/Population Ratios of 20-64 Year Old,
New Immigrants by Gender and Educational Attainment,
January – October 2004
(in %)

Educational Attainment	(A) Men	(B) Women	(C) Men – Women
<12 or 12, no diploma/GED	84.8	41.6	43.2
High school diploma/GED	81.3	48.8	32.5
13-15 years, no degree	70.0	47.5	22.5
Associate's degree	85.1	43.4	41.7
Bachelor's degree	83.1	45.1	38.0
Master's or higher degree	81.9	49.9	32.0
All	81.8	45.7	36.1

Source: January – October 2004 CPS public use files, tabulations by authors.

The Countries of Origin of New Immigrant Labor Force Participants in 2004

The monthly CPS questionnaire also captures information on the countries of origin of foreign immigrants as well as the timing of their arrival in the U.S. A substantial majority (59%) of the new immigrant workers had come from Mexico, Central America, and South America, with Mexico alone accounting for 37% of the group (Table 14). Another 21 percent of the new immigrant workers came from Asia. Only 8 percent of these new immigrants migrated from

those 25 and older.

[26] The male teen E/P ratio fell from 45.4 percent in 2000 to 35.9 percent in 2004, a decline of 9.5 percentage points. The E/P ratio for the entire 16-19 year old population declined to 36.4% in calendar year 2004, the lowest E/P ratio in the 57 years for which national teen employment data are available.

Europe, including Russia. Africa was home for another 4 percent and only 1 percent came from Canada.[27]

Table 14
Percentage Distribution of New Immigrant Labor Force Participants in the U.S. by Region of World from Which They Migrated, January – October 2004

Region of World	Percent of Immigrant Workers
Latin America, including Mexico	59
Asia	21
Europe, excluding Russia	7
Africa	4
Outlying territories of U.S.	2
Canada	1
Russia	1
All Other	4

Source: CPS surveys, January – October 2004 public use files, tabulations by authors.

The individual countries from which these new immigrants had originated were identified and ranked in order by size from highest to lowest. The names of the top ten sending countries together with estimates of the number of labor force participants from each of these ten countries are displayed in Table 15. Mexico tops the list, with 1.163 million labor force participants, representing 3 of every 8 new immigrant labor force members. Of the nine remaining countries four (India, El Salvador, the Philippines, and China) sent between 106 and 165 thousand workers to the U.S. Of these nine other countries, three were from Central America (El Salvador, Guatemala, Honduras) two (Brazil and Colombia) from South America, and three from Asia (China, India, the Philippines). Not one European country, the dominant source of new immigrants into the U.S. during the Great Wave of Immigration (1890-1914), made the top ten list.

[27] As noted earlier, we classified immigrants from the outlying territories of the U.S. (Puerto Rico, U.S. Virgin Islands, Guam) as foreign born. Only 2% of the new immigrant labor force members were from one of the outlying territories.

Table 15:
Ten Countries Accounting for the Largest Number of
New Immigrant Labor Force Participants, U.S.: 2004

Country	Number (in 1000s)
Mexico	1,163
India	165
El Salvador	116
Philippines	113
China	106
Guatemala	75
Brazil	62
Cuba	61
Colombia	55
Honduras	55
Total, Top 10	1,971

Source: CPS surveys, January – October 2004 public use files, tabulations by authors.

The educational backgrounds of the new immigrants varied dramatically across regions of the world and individual countries. Of the new immigrant labor force participants arriving from Latin America (including Mexico), a majority (52%) had not graduated from high school. Slightly over one-third of those arriving from the outlying territories also lacked a high school diploma. In sharp contrast, only 5 to 8 percent of those coming from Russia, Western Europe, and Asia had failed to complete high school. At the upper end of the educational distribution, slightly under 10 percent of the Latin American immigrants had obtained a Bachelor's or higher degree versus 56 to 65 percent of those emigrating from Europe, Asia, and Canada.

Table 16:
Educational Attainment of New Immigrant Labor Force Participants by
Region of World from Which Migrated, U.S.: 2004
(January – October Averages)

Region of World	(A) <12 or 12, no Diploma	(B) High School Graduate, No College	(C) 1 – 3 Years of College, Including Associate Degree	(D) Bachelor's or Higher Degree
Asia	8.5	19.3	12.2	59.9
Canada	9.0	19.9	12.3	58.9
Europe	7.2	22.0	14.7	56.2
Latin America	52.1	29.2	9.0	9.7
Russia	5.3	9.9	20.3	64.5
U.S. Outlying Territories	33.9	30.3	13.6	22.2

To illustrate the diversity of the educational backgrounds of new immigrant workers from individual countries, we analyzed the findings for the top five sending countries: Mexico, India, El Salvador, Philippines, and China (Table 17). Among immigrants from Mexico and El Salvador, 59 to 67 percent had not completed high school. In contrast, only 6 to 7 percent of immigrant workers from the Philippines and India lacked a high school diploma. Very few of the new immigrant workers from El Salvador (3%) and Mexico (5%) held a Bachelor's or higher degree versus 60 to 62 percent of those from China and the Philippines and 84 percent of those from India. Clearly, the geographic mix of new immigrants has profound implications for the educational attainment of new immigrant workers, which in turn influence employment and earnings outcomes for native born workers. Other national research has shown quite convincingly that native born workers with limited schooling and occupational skills were the most adversely affected by high levels of immigration in the 1980s and 1990s.[28]

[28] See: (i) Steven A. Camarota, The Wages of Immigration: The Effect on the Low-Skilled Labor Market, Center for Immigration Studies, Washington, D.C., 1998; (ii) George Borjas, "The Labor Demand Curve Is Downward Sloping: Re-examining the Impact of Immigration on the Labor Market," Quarterly Journal of Economics, November 2003, pp. 1335-1374.

Table 17:
Percentage Distribution of New Immigrant Labor Force Participants Who
Arrived in the U.S. Between 2000 and 2004 by Their Educational Attainment Level, 2004
(10 Month Averages)

Country	(A) Less than 12 or 12 Years	(B) High School Graduate	(C) 1-3 Years of College Including Associate's Degree	(D) Bachelor's or Higher Degree
Mexico	59.1	29.1	6.5	5.3
India	7.3	5.5	3.5	83.6
El Salvador	67.2	18.5	11.6	2.7
Philippines	6.6	15.1	16.3	62.0
China	13.1	23.3	3.9	59.7

The Characteristics of the Jobs Held by the New Immigrant Employed

What types of jobs do these new immigrants hold and how do they differ if at all from those held by the native-born? To identify the types of jobs held by new immigrant workers, we analyzed national CPS data on three sets of job characteristics: their class of worker status, the industrial sectors of their jobs, and the major occupational categories of their jobs. Findings of an analysis of their class of worker status revealed that an above average share of immigrant jobs were private sector, wage and salary positions, with new immigrants heavily under-represented in government jobs and among the self-employed (Table 18). These findings are consistent with the class of worker status of the jobs held by those immigrants who arrived in the U.S. during the 1990s.[29] Nearly 8 out of 9 immigrants in 2004 were working in private sector wage and salary positions. Not all of these jobs, however, will appear on the official payrolls of non-farm employers as reported by surveys of the U.S. Bureau of Labor Statistics. A relatively high share of these immigrant workers are employed as contract workers or work in the informal labor market, frequently paid in cash on a daily basis. Only between 5 and 6 percent of these new immigrants were employed by the government at the federal, state, or local level while 15 percent of native born workers were working in the government sector. Six percent of the new immigrants reported themselves to be self-employed in 2004 compared to 11 percent of native

[29] See: Andrew Sum, Neeta Fogg, Paul Harrington, et al., Immigrants and the Great American Job Machine…..

born workers. More established immigrants (those arriving in the U.S. prior to 2000) were more likely to be self-employed.

Table 18:
Percentage Distribution of New Immigrant and
Native Born Workers in the U.S., by Class of Worker Status, 2004
(Jan.-Oct. Averages)

Class of Worker	New Immigrant	Native Born
Private Sector, Wage and Salary	88.4	73.9
Government Worker	5.5	15.1
Self-Employed	6.0	11.0
Family Worker Without Pay	0.1	0.1

Source: January-October 2004 CPS Surveys, public use files, tabulations by authors.

The monthly CPS labor force questionnaire also collects data on the industries of the employers of all persons working at the time of the survey. The U.S. Bureau of Labor Statistics assigns NAICS industry codes to these employers.[30] We have combined all jobs held by new immigrants into fifteen major industrial sectors. While new immigrant workers can be found in every industrial sector, they are highly concentrated in three sectors: construction and manufacturing, leisure/ hospitality/other service industries, and health/education/professional/ business services.

With modest exceptions, such as farm labor, kitchen work, personal services and cleaning occupations, the vast majority of these jobs are also held by native-born workers. There is little empirical support for the notion that new immigrants are taking large numbers of jobs that American workers refuse to accept. There is direct competition between new immigrants and native-born workers for most of these jobs. In 2004, slightly more than 27 percent of these new immigrant workers were employed in construction and manufacturing industries while only 19% of native born workers were employed in these industries (Table 19). New immigrants are heavily over-represented in the construction sector. Nearly 372,000 new immigrants also obtained employment in the nation's manufacturing industries at a time when total wage and salary employment in these industries declined by more than 2.9 million positions.[31]

[30] The NAICS acronym refers to the North American Industrial Classification System, which replaced the Standard Industrial Classification System (SIC) as the basis for classifying employment by industry in 2003.
[31] Between 2000 and 2004, the estimated number of wage and salary positions in the nation's manufacturing industries fell by 2.9 million.

Approximately another one-fourth of these new immigrants were employed in leisure/hospitality and other service industries. This industrial sector includes eating and drinking establishments, hotels and motels, museums, entertainment, and personal and laundry services. New immigrants were twice as likely as the native born to work in this sector in 2004. Slightly more than 26% of new immigrants were employed in professional, business, education, and health services. This share, however, was five percentage points below the share of native-born workers employed in this sector. New immigrants were over-represented in agriculture/forestry/fishing industries (twice the native-born share), but they were substantially under-represented in public administration. Only 1 percent of employed new immigrants worked in public administration (a segment of government) versus 5 percent of their native born peers.

Table 19:
Percentage Distribution of New Immigrant and
Native Born Workers in the U.S., by Major Industrial Sector, 2004
(Jan.-Oct. Averages)

Industrial Sector	New Immigrant	Native Born
Agriculture, Forestry, Fishing, and Hunting	3.1	1.6
Mining	0.2	0.4
Construction	15.3	7.3
Durable-Manufacturing	6.5	7.3
Non-Durable Manufacturing	5.7	4.2
Wholesale Trade	2.4	3.3
Retail Trade	9.2	11.9
Transportation and Utilities	2.7	5.1
Information	1.1	2.7
Finance and Insurance	3.3	7.5
Professional and Business Services	13.2	9.9
Education and Health Services	13.1	21.3
Leisure and Hospitality	17.2	8.0
Other Services	5.9	4.7
Public Administration	1.1	5.0

Source: January-October 2003 CPS Surveys, public use files, tabulations by authors.

The top ten industries of employment for new immigrant workers and native-born workers were characterized by substantial overlap, but their relative shares varied markedly in a number of cases (Table 20). New immigrant workers were more likely to be employed in such

See: U.S. Bureau of Labor Statistics, Employment, Hours, and Earnings from the Current Employment Statistics Survey, December 2004.

industries as construction, food service and drinking places, administrative and support services, agriculture, and food manufacturing.

Table 20:
Top 10 Individual Industries with the Highest Concentration of
New Immigrant Workers and Native-Born Workers, 2004
(Jan.-Oct. Averages)

Industry of New Immigrant Worker	% Dist.	Industry of Native-Born Worker	% Dist.
Construction	15.3	Retail trade	11.9
Food services and drinking places	13.3	Educational services	9.2
Retail trade	9.2	Construction	7.3
Administrative and support services	8.8	Professional and technical services	6.2
Educational services	5.5	Health care services, except hospitals	5.9
Professional and technical services	4.0	Food services and drinking places	5.1
Health care services, exc. Hospitals	3.4	Public administration	5.0
Hospitals	3.1	Transportation and warehousing	4.2
Agriculture	3.0	Hospitals	4.1
Food manufacturing	2.9	Administrative and support services	3.4

Source: January-October 2004 CPS Surveys, public use files, tabulations by authors.

We also examined the occupational fields of the jobs held by employed new immigrants in 2004. We combined all individual occupations into 11 major occupational groups, with a few separate breakouts for professional and service subgroups (Table 21). Nearly one-third of these new immigrants were employed in blue collar craft, production, and transport operative occupations, with about half of these blue collar workers holding craft-related positions in construction and manufacturing occupations. The share of native-born workers in these occupations was only 21%. Thirty-one percent of new immigrant workers were employed in service occupations, with very high proportions working in food preparation (12%) and building and ground maintenance and cleaning (12%). New immigrants were twice as likely as the native-born to hold these service-related positions. In contrast, immigrants were substantially under-represented in management-related, sales, and clerical occupations. The share of the native-born employed in management-related occupations (15.4%) was more than two times as high as that of new immigrants (6.8%), and new immigrants held clerical/office support positions at a rate only one-third as high as that of the native-born, reflecting their more limited formal schooling and limited English-speaking skills. While new immigrants also were under-represented in all professional occupations combined (14% versus 21%), they tended to obtain an

above average share of jobs in a few professional specialties, including computer and mathematical science occupations.

Table 21:
Percentage Distribution of New Immigrant and Native Born Workers in the U.S., by Major Occupational Category, 2004
(Jan.-Oct. Averages)

Occupational Category	New Immigrant	Native Born
Management, Business, and Financial Occupations	6.8	15.4
Professional and Related Occupations	14.2	20.9
Computer and Mathematical Science Occupations	3.3	2.1
Life, Physical, and Social Science Occupations	1.2	1.0
Service Occupations	30.6	15.2
Healthcare Support Occupations	2.0	2.4
Food Preparation and Serving Related Occupations	12.5	4.9
Building and Grounds, Cleaning, and Maintenance Occupations	11.7	2.9
Sales and Related Occupations	7.6	11.9
Office and Administrative Support Occupations	5.8	14.8
Farming, Fishing, and Forestry Occupations	2.8	0.5
Construction and Extraction Occupations	14.6	5.5
Installation, Maintenance, and Repair Occupations	2.0	3.7
Production Occupations	9.6	6.1
Transportation and Material Moving Occupations	6.1	6.0

Source: January-October 2004 CPS Surveys, public use files, tabulations by authors.

Summary and Public Policy Implications of Key Findings

This research report was designed to track changes in the levels and demographic composition of foreign immigration in the U.S. over the 2000-2004 period to estimate the influence of this new wave of immigration on population, labor force, and employment growth in the nation. Among the main findings of this research report were the following:

(i) Net international immigration in the U.S. between April 2000 and July 2004 was estimated to be 5.33 million, accounting for 44% of the growth in the resident population over this four year period. In each of the past two years, net international immigration generated between 43 and 45 percent of the nation's population growth. These results represent new historical highs for the nation.[32] The contributions of net international immigration to state

[32] Between 2000 and mid-2004, the number of new immigrants arriving in the U.S. was estimated to be 6.184 million, accounting for 50% of the nation's population growth versus 41% in the 1990s, a historical high for the twentieth century.

population growth varied markedly across states. In two large states (Massachusetts and New York), net international migration generated more than 100 percent of the state's population growth, and in three other states (Illinois, Iowa, and New Jersey), nearly all of the population growth between 2000-2004 was generated by net international migration. In contrast, only 7 to 14 percent of the population growth of such states as Idaho, Maine, and Montana was generated by foreign immigration.

(ii) The vast majority (81%) of the new immigrants arriving between 2000 and 2004 were of working-age. Among those of working-age, a slight majority were under the age of 30, and nearly two-thirds were under the age of 35.

(iii) Slightly over 65% of the new immigrants of working-age were actively participating in the civilian labor force during 2004. On average, there were 3.252 million new immigrants in the nation's civilian labor force during the January-September period of 2004. These new immigrant labor force participants contributed somewhere between 54 and 56 percent of the nation's civilian labor force growth over the 2000 – 2004 period, the highest such share at any time since the end of World War II.

(iv) There were 12 states (including six of the nation's most populous 13 states) where new immigrants produced 80 percent or more of their labor force growth over the past four years, and five other states whose resident labor force declined despite the presence of new immigrants in their work force.

(v) There were somewhere between 2.395 and 2.462 million new immigrants employed in the U.S. during the January – September period of 2004. The number of new immigrant employed generated all of the net growth in the number of employed civilians over the past four years. At no time in the past 60 years has the country ever failed to generate any net new jobs for native born workers over a four year period. Approximately one-half of these new immigrant workers were undocumented. Ten states accounted for 1.992 million of these new immigrant workers or two-thirds of the total. Four states (New York, Florida, Texas, and California) attracted 200,000 or more new immigrant workers between 2000 and 2004.

(vi) Men accounted for a substantial majority (two-thirds) of the new immigrant labor force participants. Most of these new immigrant workers were young. Twenty-eight percent

were under age 25, and nearly 70 percent were under age 35. Fewer than three percent of these immigrant labor force participants were 55 or older. A majority (56%) of the new immigrant labor force members were Hispanic, reflecting the large influx of immigrants from Mexico, Central America, and South America. Asians accounted for another 19 percent of the immigrants while White, non-Hispanics represented only 18%. The educational attainment backgrounds of these new immigrant work force members were quite varied. The largest share of these immigrants (35%) lacked a high school diploma while 27% reported that they held a Bachelor's or higher degree. The educational attainment of these new immigrants varied considerably by country of origin with a sizable majority of Mexican and Central American immigrants lacking a high school diploma. In contrast, a majority of Asian, European, and Russians immigrants held a bachelor's or higher degree.

(vii) Similar to findings during the 1990s, the vast majority of the new immigrant employed (88%) held wage and salary positions in the private sector. New immigrants were under-represented relative to the native born in government jobs (5 vs. 15 percent) and among the self-employed (6 vs. 11 percent). While immigrant workers found jobs in every major industrial sector, they were heavily over-represented in construction and leisure and hospitality industries (restaurants/hotels/motels). One of every three new immigrant workers was employed in one of the above two industrial sectors.

(viii) Immigrant workers also gained employment in every major occupational group, but they were heavily over-represented in service occupations and in key blue-collar occupations (especially construction, extraction, and production occupations). Given their more limited formal schooling and English language proficiencies, they were under-represented in management, business, and professional occupations (21% of new immigrants versus 36% of the native born).

What are the implications of these findings for immigration, labor market and workforce development policy? First, the findings on the continued high levels of immigration into the U.S. despite the existence of a recession in 2001 and a largely jobless recovery through the summer of 2003 clearly indicate that immigration has taken on a life of its own, independent of national labor market conditions. If national immigration policy were labor market driven, then

immigration would have slowed considerably over the 2000-2004 period. This clearly did not happen. Now is an opportune time for the U.S. Congress to reflect on the shortcomings of our existing immigration policies. Second, the findings that new foreign immigration contributed more than half of national labor force growth and all of the net gains in civilian employment over the past four years reveal the importance of identifying changes in native born and immigrant employment in the national labor force statistics. The official monthly and annual CPS statistics on employment and unemployment should provide separate breakouts of the data on the native born and immigrant work force to inform both policymakers and the general public as to who is obtaining the new jobs generated by the economy.

Third, a high fraction (at least 50 percent) of the new immigrant employed are believed to be undocumented workers by most national analysts. Combined with the existence of high overall levels of immigration, this finding clearly reveals the complete breakdown in the enforcement of laws regarding the hiring of illegal workers. Over 1.5 million additional illegal immigrants have been hired by U.S. employers over the past four years. Fourth, in contrast to the nation's experiences during the mid to late 1990s when the economy was generating many millions of net new jobs for both the native born and immigrants, the existence of slack labor market conditions in recent years has created more direct competition for available jobs between immigrants and many subgroups of native born workers. Given large job losses among the nation's teens, 20-24 year olds with no four year degree, Black males, and poorly educated, native born men, it is clear that native born workers have been displaced in recent years. It is extremely difficult to justify such a redistribution of jobs. Finally, many of the new immigrant workers and the jobless working-age immigrants have limited educational attainment and English-speaking proficiencies that will reduce their future occupational mobility and earnings potential. For legal immigrants, workforce development policies will be needed to boost their access to basic education, English-as-Second Language, and occupational skills training.