

FACTS ON IMMIGRANT WORKERS

National Immigration Law Center, March 2003

Immigrants Comprise a Large Portion of the U.S. Workforce

- In 2000 immigrant workers constituted 12.4 percent of the nation's labor force(1) and headed 20 percent of low-income households in the U.S.(2)
- New immigrants (immigrants who entered the U.S. after 1990) accounted for 50.3 percent of the growth in the civilian labor force between 1990 and 2001.(3)
- Assuming that today's levels of immigration remain constant, immigrants will account for half of the working-age population growth between 2006 and 2015 and for all of the growth between 2016 and 2035.(4)
- Almost 63 percent of foreign-born workers, primarily from Latin America,(5) work in service, manufacturing, and agricultural occupations.(6)

Immigrants Are Critical to the Current and Future Growth of the U.S. Economy

- The number of native-born workers age 35-44 will be smaller in the next 30 years than it is today. More than 60 million current employees will likely retire during this period.(7)
- The National Academy of Sciences and National Research Council concluded that, in 1997, the U.S. reaped a \$50 billion surplus from taxes paid by immigrants to all levels of government.(8)
- Without the contribution of immigrant labor, the output of goods and services in the U.S. would be at least \$1 trillion smaller than it is today(9) and the civilian labor force would have only grown 5 percent (versus 11.5 percent) between 1990 to 2001.(10)
- The total net benefit to the Social Security system if immigration levels remain constant will be nearly \$500 billion for the 1998-2022 period and nearly \$2 trillion through 2072.(11)

Immigrant Workers Are Critical to Local Economies Across the Country

- Immigrants are no longer settling only in the six states (California, New York, Florida, Texas, New Jersey, and Illinois) in which they have traditionally lived, but are moving to nontraditional states, such as Georgia, Nebraska, North Carolina, and Idaho. In the 1990s the immigrant population in nontraditional immigrant states grew twice as fast as in the traditional states (61 percent versus 31 percent).(12)
- Between 1990 and 2001, new immigrants (immigrants who entered the U.S. after 1990) generated all of the labor force growth in the Northeast, 30 percent of the growth in the Midwest region, 36 percent of the growth in the South, and 50 percent of the growth in the West.(13)

The Current Workforce System Has Been Ineffective in Serving Immigrants and Persons with Limited English Proficiency (LEP).

- Almost 18 percent of persons in the United States over the age of five speak a language other than English at home, and almost 8 percent are limited English-proficient (LEP).(14)
- More than 40 percent of noncitizens have less than a high school education.(15)
- Most immigrants and LEP persons are prevented from enrolling in training under the Workforce Investment Act (WIA) because of the perceived "work-first" mandate. As a result, immigrants do not have the opportunity to improve their English proficiency and occupational skills. These skills are essential in entering or re-entering the job market, or securing living wage jobs.

- Even when immigrants are approved for training programs, outcomes that focus solely on employment and earnings effectively exclude them from the system. For example, many one-stop centers provide training services to the individuals most likely to get a job. Similarly, training providers exclude LEP persons by imposing minimum participation requirements (e.g., 8th grade reading level) that many LEP persons cannot meet.
- Training providers who want to offer programs that integrate vocational training and language acquisition face obstacles due to the lack of coordination between the workforce development system and the adult education system. The two systems, for example, use different reporting requirements and performance measures.

...Therefore, Despite a High Labor Force Participation, Immigrant Wages and Job Benefits are Low

- Although between 1996 and 1999, immigrants' unemployment rates fell faster than natives', median wages for natives rose more than 50 percent faster than median wages for immigrants.(16)
- Forty-three percent of immigrant and 44 percent of refugee families with full-time workers have incomes below 200 percent of poverty, in comparison to 26 percent of native-born workers.(17)
- Only 26 percent of immigrants have job-based health insurance.(18)

Programs That Integrate Job Training with Language Acquisition Help Immigrants Improve Their Earnings

- Immigrants and refugees who are fluent in oral and written English earn about 24 percent more than those who lack fluency, regardless of their qualifications.(19)
- The final report to the Department of Education on the National Workplace Literacy Program, which integrated job training with language acquisition, found that after employees participated in the program, employers reported drops in attendance problems, better production, increased job retention, and increased quality control. Employees reported improvements in job security, more opportunities for job advancement and an increased ability to participate in community and society.
- The Help In Re-Employment (HIRE) Center in Milwaukee has a bilingual curriculum to train workers with limited English proficiency in the use of computerized milling machines that create complex parts for high-end processing machines. HIRE's 16-week training program has a successful completion rate of 87 percent, and 90 percent of those who completed the course moved into higher-paying jobs. The average starting wage for graduates of the program is nearly \$11 an hour.(20)

End Notes

1. Profile of the Foreign-Born Population in the United States: 2000 (Current Population Reports, U.S. Census Bureau, December 2001).
2. Fix, Michael, Urban Institute Tabulations of Current Population Survey (November 2001).
3. Sum, Fogg, Harrington, et al., Immigrant Workers and the Great American Job Machine: The Contributions of New Foreign Immigration to National and Regional Labor Force Growth in the 1990s (National Business Roundtable, August 2002).
4. Reforming Immigration. Helping Meet America's Need for a Skilled Workforce (a statement by the Research and Policy Committee of the Committee for Economic Development, 2001.)
5. Ibid.

6. Profile of the Foreign-Born Population in the United States: 2000 (Current Population Reports, U.S. Census Bureau, December 2001).
7. Employment Policy Institute.
8. The New Americans: Economic, Demographic, and Fiscal Effects of Immigration (National Academy of Sciences, 1997).
9. Employment Policy Foundation, Policy Backgrounder, (June 11, 2001). See www.epf.org/research/newsletters/2001/pb20010608.pdf.
10. Sum, Fogg, Harrington, et al., Immigrant Workers and the Great American Job Machine: The Contributions of New Foreign Immigration to National and Regional Labor Force Growth in the 1990s. (National Business Roundtable, August 2002).
11. The New Americans: Economic, Demographic, and Fiscal Effects of Immigration (National Academy of Sciences, 1997).
12. Fix, Michael, Zimmermann, Wendy, and Passel, Jeffrey, The Integration of Immigrant Families in the United States (The Urban Institute Immigration Studies Program, Washington D.C., July 2001).
13. Sum, Fogg, Harrington, et al., Immigrant Workers and the Great American Job Machine: The Contributions of New Foreign Immigration to National and Regional Labor Force Growth in the 1990s (National Business Roundtable, August 2002).
14. U.S. Census 2000 Supplementary Survey Summary Tables.
15. U.S. Census Bureau. Current Population Survey. March 2000. Note: 12.5 percent of immigrants have master's degrees.
16. Fix, Zimmerman, and Passel, The Integration of Immigrant Families in the United States (The Urban Institute Immigration Studies Program, Washington D.C. July 2001).
17. Fix, Michael and Passel, Jeffrey, Immigrants and Welfare Reform (Urban Institute, June 6, 2002).
18. Ku, Leighton and Blaney, Shannon, Health Coverage for Legal Immigrant Children: New Census Data Highlight Importance of Restoring Medicaid and SCHIP Coverage (Center on Budget and Policy Priorities, October 2000).
19. Gonzalez, A., The Acquisition and Labor Market Value of Four English Skills: New Evidence from NALS (Contemporary Economic Policy, July 2000). The estimated impact of oral fluency alone is 17 percent. Analyses for immigrants in destinations other than the U.S. produce generally similar estimates for oral fluency; for example, 12 percent for fluency in English or French in Canada and for Hebrew fluency in Israel (Chiswick & Miller, 1998, Chiswick, 1998).
20. Milwaukee Spanish Tech Track Outcomes Summary, Help In Re-Employment (HIRE) Center, Milwaukee, Wisconsin, July 2002.

(The following is taken from a presentation of the Mexican Consul General in Omaha, NE 6/24/03)

According to Alan Greenspan, Federal Reserve Board Chairman, congressional testimony, July 2001, "undocumented workers contribute more than their fair share to our great country". He continued to inform Congress that immigrants, including undocumented workers, in essence donate \$27 billion to state and local economies.

This is the difference between what they pay in taxes \$70 billion and what they use in services \$43 billion. Greenspan also testified that in Illinois alone "Illegal workers pay \$547 million in taxes yearly, compared to \$238 million in services used." This is a net "profit" for Illinois of \$309 million.

A recent February 2002 study by the University of Illinois found that even as undocumented workers paid federal and state income taxes -one study puts the amount of taxes paid at \$90 billion per year-, they did not claim the tax refunds for which they were eligible. These unclaimed refunds amount to the donation of billions of dollars to the public coffers.

Another study by the Urban Institute found that undocumented workers contribute \$2.7 billion to Social Security and another \$168 million to unemployment insurance taxes. Because of their illegal status, these workers will not be able to access these programs even if they wanted to. In addition, the above tax donations, undocumented workers pay billions of dollars in local and state sales taxes when they purchase appliances, furniture, clothes and other goods.

According to The National Immigration Forum undocumented immigrants pay about \$7 billion annually in taxes, subsidizing funds like Social Security and unemployment insurance from which they cannot collect benefits. In California, which accounts for about 43 percent of the nation's undocumented population, or about 1.4 million people, undocumented immigrants pay an additional \$732 million in state and local taxes.

A UCLA study found that undocumented workers contribute approximately 7 percent of California's \$900 billion gross economic product, or \$63 billion. The contribution by each undocumented immigrant is therefore about \$45,000, counting even children, the unemployed, and those too old or ill to work. Almost all undocumented workers receive wages near, and sometimes below, the legal minimum, which at \$5.75 per hour equals an annual income of \$11,960.

Policy Analyst Walter Ewing cited in his March 2002 study the 2000 Census, revealed that the number of undocumented immigrants in the United State stood at about 8.7 million, an increase of nearly 5 million since 1990. This increase was due not to increased immigration, but to greater efforts during the 2000 Census to reach undercounted minority groups missed during the 1990 Census. He also cited a 2001 study by Northeastern University's Center for Labor Market Studies that estimated of the nations 19.1 million foreign-born workers comprised 12.8 percent of the total U.S. labor force in 1999 and 2000. In addition, The Bureau of Labor Statistics estimates that in 2001 there were 14.7 million Hispanic workers in the United States, including 9.6 million of Mexican origin, spanning all occupational categories. According to a November 26, 2001, story in Fortune Magazine, the "nation's 27.6 million legal immigrants produced an estimated 10% of U.S. GDP {Gross Domestic Product}" in 2000, while undocumented immigrants made all additional contribution of more than \$200 billion.

An August 2001 North American Integration and Development Center study estimated that undocumented immigrants from Mexico contributed \$154 billion to the U.S. Gross Domestic Product in 2000, including \$77 billion to the Gross State Product of California, assuming the presence of 3 million undocumented Mexican immigrants nationwide. Using a higher estimate of 4.5 million undocumented Mexican immigrants, their contribution to the GDP rose to \$220 billion. If undocumented Mexican immigrants were to have suddenly disappeared, U.S. economic output would have declined by \$155 billion.

In addition, undocumented immigrants also contribute billions of dollars in income, property and sales taxes, although it is difficult to quantify the amount. A January 2001 report by the Social Security Administration concluded that undocumented immigrants "account for a major portion" of the more than \$20 billion paid to Social Security between 1990 and 1998 that payees can never draw upon because the payments took place under names or Social Security numbers that don't match the agency's records. Such payments totaled almost \$4 billion in 1998. The Urban Institute calculated that in 1995 undocumented immigrants in New York alone contributed over \$1.1 billion in taxes.

Information on immigration by state in graphic form.

http://www.gcir.org/about_immigration/usmap.htm