



Foreign Immigration and the Labor Force of the U.S.:  
The Contributions of New Foreign Immigration to the  
Growth of the Nation's Labor Force and Its Employed  
Population, 2000 to 2004

Prepared by:  
Andrew Sum  
Neeta Fogg  
Ishwar Khatiwada  
with  
Sheila Palma

Center for Labor Market Studies  
Northeastern University  
Boston, Massachusetts

**July 2004**

## Table of Contents

|   |    |
|---|----|
| Introduction.....   | 2  |
| New Foreign Immigration into the U.S. from 2000 – 2003.....   | 4  |
| The Nativity Status of the Nation’s Labor Force and Employed Populations in 2004 .....                          | 5  |
| The Distribution of New Immigrant Labor Force Participants by State in 2003 .....                               | 9  |
| New Immigrants’ Contributions to National Labor Force and<br>Employment Growth, 2000 to January-April 2004..... | 10 |
| The Demographic and Socioeconomic Characteristics of New Immigrant Labor Force Participants<br>.....            | 16 |
| The Characteristics of the Jobs Held by the New Immigrant Employed .....  | 20 |
| Summary and Conclusions .....   | 24 |

## 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 impacts, both favorable and unfavorable, remains. During the decade of the 1990's, foreign immigration played a very key role in generating both population and labor force growth in the United States.<sup>1</sup> 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.<sup>2</sup> 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 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.<sup>3</sup>

New immigration played an even more powerful role in generating growth in the nation's resident labor force and employed populations 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. The influence of immigration on labor force growth also varied considerably by geographic region with

---

<sup>1</sup> 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. 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.

<sup>2</sup> 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, 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 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.

<sup>3</sup> The East South Central region consists of the states of Alabama, Kentucky, Mississippi, and Tennessee.

the Pacific, New England, and Middle Atlantic divisions being entirely dependent on new waves of immigration for their labor force growth over the decade.<sup>4</sup>

The 1990's were characterized by ten consecutive years of real economic growth (from 1991-2000), strong job growth especially from 1993-2000, and declining unemployment that pushed the nation's overall unemployment rate down to 4.0% in 2000 for the first time in 31 years. However, a 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 late summer of 2003. How did the growth of the nation's immigrant labor force and the number of employed new immigrants change over the past three plus years; i.e., from 2000 to early 2004? How much of the nation's labor force growth in recent years was generated by new immigrant arrivals, i.e., those coming into the U.S. since 2000? How did these new immigrants fare in obtaining employment when they did seek work and what types of 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 questions and to compare the employment growth of new immigrants with changes in the number of employed native born residents and established immigrants over the 2000-2004 period.<sup>5</sup> The bulk of the labor force and employment estimates appearing in this paper are based upon our analysis of the Current Population Survey's (CPS) monthly household survey data for the first four months of 2004. The CPS survey is a national household survey that involves interviews with a representative sample of approximately 60,000 households across the nation. The interviews are conducted by the U.S. Census Bureau for the U.S. Department of Labor's Bureau of Labor Statistics. All persons 16 and older in the household are included in the labor force survey. Background data are collected on the nativity status of each household member, their country of

---

<sup>4</sup> 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.

<sup>5</sup> For an earlier set of estimates of new immigrant contributions to national labor force growth in recent years, See: Andrew Sum, Paul Harrington and Ishwar Khatiwada, *New Immigrants in the Labor Force and the Number of Employed New Immigrants in the U.S., 2000 – 2003*, Center for Labor Market Studies, Northeastern University, Boston, November 2003.

birth, and the timing of their arrival in the U.S. All foreign born persons who arrived in the U.S. between 2000 and the time of the January-April 2004 CPS interviews are categorized as “new immigrants” in this paper.<sup>6</sup>

### **New Foreign Immigration into the U.S. from 2000 – 2003**

Each year, the U.S. Census Bureau makes estimates of the overall size of the resident population of the U.S., each of the fifty states and the District of Columbia, and the sources of population growth and decline. Estimates of annual net immigration (immigrants minus emigrants) into the U.S. from July 2000 to July 2003 are displayed in Table 1. During each of these three years, net immigration was quite high and fairly stable, averaging 1.288 million and varying from only 1.286 million to 1.290 million. Despite the economic recession of 2001, the jobless economic recovery from November 2001 through the early fall of 2003, and the crackdown on illegal immigration following the terrorist attacks of 9-11, net foreign immigration in the U.S. has remained at high levels.<sup>7</sup>

Table 1:  
Estimates of Net Foreign Immigration into the U.S., July 2000 to July 2003  
(Numbers in 1000s)

| Time Period            | Net Immigration |
|------------------------|-----------------|
| July 2000 to July 2001 | 1,288           |
| July 2001 to July 2002 | 1,290           |
| July 2002 to July 2003 | 1,286           |

Source: U.S. Census Bureau web site, [www.census.gov](http://www.census.gov).

Net foreign immigration clearly has continued to play a key role in generating growth in the nation’s resident population during the early years of the twenty-first century. Between

---

<sup>6</sup> For an earlier review of findings on changes in the immigrant labor force and the employed immigrant population during the first few years of the current decade, See: (i) Steven A. Camarota, *Immigration in a Time of Recession: An Examination of Trends Since 2000*, Center for Immigration Studies, Washington, D.C., November 2003; (ii) Andrew Sum, Paul Harrington, et al., *The Impacts of the Recession of 2001 and Jobless Recovery of 2002 on the Native Born and Immigrant Workforce of the United States*, Center for Labor Market Studies, Northeastern University, Boston, 2003.

April 2000 and July 2003, the resident population of the U.S. is estimated to have increased from 281.4 million to 290.8 million, a gain of 9.398 million or 3.3% (Table 2). Net immigration into the U.S. over the same three year period was estimated by the U.S. Census Bureau at 4.190 million, accounting for 45 percent of the change in the nation's total resident population. Some geographic regions (the Northeast) and a number of large states (Illinois, Massachusetts, New Jersey, New York) were either totally dependent or very heavily reliant on new foreign immigration for their population growth over the 2000-2003 period.<sup>8</sup> Given the fact that a substantial majority of these new immigrants were of working-age (16 and older), relatively young, (under 35), and male, their impacts on labor force growth were even greater than their impacts on population growth as will be revealed below.

Table 2:  
New Foreign Immigration's Contributions to U.S. Population Growth,  
April 2000 to July 2003  
(Numbers in 1000s)

| Population Variable                                    | Value      |
|--|------------|
| Population April 2000                                  | 281,422    |
| Population July 2003                                   | 290,810    |
| Population Increase, April 2000 – July 2003            | 9,388      |
| Net International Immigration, April 2000 to July 2003 | 4,190      |
| <u>Immigration's Share of Population Growth</u>        | <u>45%</u> |

Source: U.S. Census Bureau, tabulations by authors.

## **The Nativity Status of the Nation's Labor Force and Employed Populations in 2004**

To identify the nativity status of the members of the nation's civilian labor force and its employed and unemployed populations in 2004, we analyzed the findings of the CPS household

<sup>7</sup> According to the National Bureau of Economic Research, the official arbiter of business cycle dating in the U.S., the 2001 recession ended in November 2001. While real output has been growing since the fourth quarter of 2001, the number of non-farm wage and salary jobs continued to decline through the end of the summer of 2003.

<sup>8</sup> All of the net population growth in the nine Northeast states combined was attributable to new foreign immigration although immigrant impacts on population growth in the Northeast varied widely by state. All of the

surveys for the first four months of calendar year 2004; i.e., the January-April period. On average, during the first four months of 2004, there were 146.4 million persons in the nation's civilian labor force; i.e., persons who were either employed or jobless, but actively looking for work and available for work (Table 3). Slightly over 85 percent of the members of the nation's labor force were estimated to be native born, and 21.8 million, or 14.9%, were foreign born (Table 3).<sup>9</sup> The native born constituted the same share (85.1%) of the nation's employed population, reflecting the fact that the native born were characterized by basically the same unemployment rate as the foreign born, 5.9% versus 6.1%. During January – April 2004, on average, there were 20.5 million employed U.S. residents who were foreign born representing 15% of the nation's employed over this four month period.

Table 3:  
The Nativity Status of the Nation's Civilian Labor Force, Employed, and  
Unemployed Populations During the January-April Period of 2004  
(Numbers in 1000s, not seasonally adjusted)

| Nativity Status | (A)<br>Civilian<br>Labor Force   | (B)<br>Employed   | (C)<br>Unemployed | (D)<br>Unemployment<br>Rate (in %) |
|-----------------|----------------------------------|-------------------|-------------------|------------------------------------|
| Native born     | 124,512<br>(85.1) <sup>(1)</sup> | 117,129<br>(85.1) | 7,383<br>(84.7)   | 5.9                                |
| Foreign born    | 21,855<br>(14.9)                 | 20,524<br>(14.9)  | 1,331<br>(15.3)   | 6.1                                |
| <b>Total</b>    | <b>146,367</b>                   | <b>137,654</b>    | <b>8,714</b>      | <b>6.3</b>                         |

Source: Monthly CPS surveys, January-April 2004, tabulations by Center for Labor Market Studies, Northeastern University, Boston.

Notes: Figures in brackets are in percent.

Findings of the 2004 CPS surveys on the nativity status of the nation's civilian labor force were compared to those of the 2000 Census of Population and Housing and to the twelve monthly CPS surveys during calendar year 2000. The results clearly show a substantive rise in

---

growth in the resident population of Massachusetts and New York was due to new foreign immigration while 85 to 93 percent of the growth in New Jersey and Illinois, respectively was attributable to new foreign immigration.

the foreign born share of the nation's civilian labor force over the past four years. Findings of the 2000 Census revealed that only 13 percent of the members of the nation's civilian labor force in March/April 2000 were foreign born (Table 4), a result identical to that of the 2000 monthly CPS surveys. Over the past four years, the foreign born have increased their share of the nation's civilian labor force from 13 percent to 15 percent.

---

<sup>9</sup> As noted earlier, our definition of the foreign born includes persons born in one of the outlying territories of the United States, including Puerto Rico and the U.S. Virgin Islands.

Table 4:  
The Nativity Status of the U.S. Civilian Labor Force in March/April 2000  
(Numbers in 1000s)

|                 | (A)                                  | (B)   |
|-----------------|--------------------------------------|---|
| Nativity Status | Number in<br>Civilian<br>Labor Force | Percent of<br>Total Civilian<br>Labor Force |
| Native Born     | 119,663                              | 87.0  |
| Foreign Born    | 17,953                               | 13.0  |
| Total           | 137,616                              | 100.0                                       |

Source: 2000 Census of Population and Housing, PUMS data files, tabulations by authors.

The monthly CPS surveys also capture information on the timing of arrival in the U.S. of the foreign born. With these data, we can identify those immigrants who arrived in the U.S. prior to 2000 (“established immigrants”) and those who came into the country from 2000 onward (“new immigrants”). In Table 5, we provide estimates of the number and share of foreign born labor force participants and the employed in January/April 2004 who were established immigrants and new immigrants. Between 86 and 87 percent of the foreign born members of the labor force in January-April 2004 had arrived in the U.S. prior to 2000; however, 2.935 million foreign born individuals in the labor force in early 2004 had arrived from 2000 onward, a very substantial number of individuals over such a short time period.

Table 5:  
The Distribution of the Foreign Born Labor Force and Employed Population of  
the U.S. by the Timing of Their Arrival in the U.S., Numbers in 1000s, January-April 2004

|                               | (A)                                  | (B)                                       | (C)      | (D)                                    |
|-------------------------------|--------------------------------------|---|----------|--|
| Timing of Arrival in the U.S. | Number in<br>Civilian<br>Labor Force | Percent of<br>Foreign Born<br>Labor Force | Employed | Percent of<br>Foreign Born<br>Employed |
| Before 2000                   | 18,920                               | 86.6                                      | 17,843   | 86.9                                   |
| 2000 – 2004                   | 2,935                                | 13.4                                      | 2,681    | 13.1                                   |
| Total                         | 21,855                               | 100.0                                     | 20,524   | 100.0                                  |

Source: January-April 2004 CPS surveys, public use files.

These new immigrants represented a modestly lower share of the total number of immigrant employed (13%) due to the fact that they were more likely to be unemployed in 2004 than their more established counterparts. During the January-April period of 2004, the average monthly unemployment rate of new immigrants was 8.7% versus an unemployment rate of only 5.7% for established immigrants (Table 6). Among both established and new immigrants, unemployment rates varied considerably by educational attainment, with the best educated (those with a bachelor's or higher degree) being far less likely to be unemployed than their least well educated counterparts, especially those lacking a high school diploma.

Table 6:  
Unemployment Rates of the Foreign Born Labor Force in the  
U.S. by the Timing of Their Arrival in the U.S. in % (January-April 2004)

| Timing of Arrival | U.Rate |
|-------------------|--------|
| Before 2000       | 5.7%   |
| 2000 – April 2004 | 8.7%   |
| All               | 6.1%   |

Source: January – April 2004 CPS surveys, tabulations by authors.

### **The Distribution of New Immigrant Labor Force Participants by State in 2003**

Where do these new immigrant workers live in the United States? Past research on the geographic locations of immigrants in the U.S. has revealed that they have tended to concentrate in a number of regions, states, and metropolitan areas across the country although they have become somewhat more dispersed over time. The CPS labor force survey data for January-April 2004 were examined to identify the states in which new immigrant labor force participants resided during this four month period. We have identified 16 states in which there were 50,000 or more new immigrants in the civilian labor force in January-April 2004. The number of new immigrant members of the labor force in these 16 states ranged from slightly under 55,000 in Colorado and Pennsylvania to highs of 276,000 in Texas and 555,000 in California (Table 7). The total number of new immigrant labor force members in these 16 states was 2.391 million, representing over 82 percent of all new immigrant workers in the U.S. during early 2004. These

same 16 states accounted for only 63 percent of the entire resident U.S. labor force during 2004. A statistical analysis of the relationships between the flows of new immigrant workers into states over the past few years and their unemployment rates by Stephen Camorata of the Center for Immigration Studies has indicated weak links between these two variables. Immigration appears to have taken on a life of its own, independent of both national and state labor market conditions.<sup>10</sup>

Table 7:  
Sixteen States with 50,000 or More New Foreign  
Immigrants in their Resident Labor Force in January-April 2004  
(Numbers in 1000s)

| State                  | Number of<br>New Immigrants |
|------------------------|-----------------------------|
| Arizona                | 107                         |
| California             | 555                         |
| Colorado               | 55                          |
| Florida                | 229                         |
| Georgia                | 82                          |
| Illinois               | 112                         |
| Maryland               | 115                         |
| Massachusetts          | 99                          |
| New Jersey             | 132                         |
| New York               | 222                         |
| North Carolina         | 131                         |
| Ohio                   | 57                          |
| Pennsylvania           | 55                          |
| Texas                  | 276                         |
| Virginia               | 89                          |
| Washington             | 78                          |
| Total, Above 16 States | 2,391                       |

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

### **New Immigrants' Contributions to National Labor Force and Employment Growth, 2000 to January-April 2004**

Earlier, we noted that new immigrants contributed 47% of the labor force growth that took place in our nation during the decade of the 1990s. How much of the growth in the nation's

<sup>10</sup> See: Stephen Camorata, *op.cit.*

labor force and of the employed pool of residents (16 and older) between 2000 and the first four months of 2004 was attributable to new foreign immigrants? An answer to this question is somewhat complicated by the nature of the responses to the question on the timing of arrival in the U.S. of immigrants. The response categories on the CPS public use files to this question on the CPS surveys in 2004 include 2000-2004. We, thus, need to exclude those immigrants who arrived in the U.S. in 2000 from our growth estimates. Ideally, we want to identify how many of these new immigrant labor force participants came into the U.S. after 2000. To calculate the estimated contribution of new immigrants to national labor force growth between 2000 and the January-April period of 2004, we made the following two alternative assumptions:

(a) The number of new immigrants in the labor force in 2004 arrived in the U.S. proportionally each month over each year between 2000 and January/April 2004. This implies that 77 percent of those immigrants who arrived between 2000 and 2004 came into the country after calendar year 2000.

(b) Immigrants who arrived in 2000 are more likely to have left the U.S. by early 2004 than those who came later. This is especially likely to be true of those coming from Mexico and Central American countries who dominated immigration into the U.S. between 2000 and 2004. Many immigrants from these countries come to work in the U.S. for a period of time then return home. Under this alternative scenario, 80 percent of the immigrants who reported arriving into the U.S. between 2000 and 2004 came into the country after 2000.

The number of persons in the U.S. civilian labor force is estimated by the U.S. Bureau of Labor Statistics to have increased by 3.779 million between 2000 and the first four months of 2004 (Table 8). Under assumption A, the number of immigrant labor force participants who arrived in the U.S. from 2001 to January-April 2004 was 2.260 million, accounting for nearly 60% of all labor force growth in the nation over the past three years. Under assumption B, the number of new immigrants in the civilian labor force in early 2004 who arrived in the U.S. between 2001 and January-April 2004 was 2.348 million, accounting for 62 percent of the growth in the nation's civilian labor force. Under either of these two assumptions, new

immigrants contributed at least 60 percent of the growth in the nation's labor force between 2000 and 2004, exceeding their contribution to labor force in the decade of the 1990's, which was a historical high for the U.S.

Table 8:  
Percent of National Civilian Labor Force Growth (16+) Between 2000 and  
January-April 2004 Due to New Foreign Immigrants Under Two Assumptions  
About the Timing of Their Arrival in the U.S.

| Variable  | Value<br>(Numbers in 1000's) |
|---|------------------------------|
| CLF in 2000   | 142,588                      |
| CLF in 2004 (January – April, not seasonally adjusted)                  | 146,367                      |
| Growth in U.S. Civilian Labor Force, 2000 to January/April 2004         | 3,779                        |
| New Immigrants in CLF (Assumption A)                                    | 2,260                        |
| New Immigrants in CLF (Assumption B)                                    | 2,348                        |
| • New immigrants' percent share of labor force growth<br>(Assumption A) | 59.8%                        |
| • New immigrants' percent share of labor force growth<br>(Assumption B) | 62.1%                        |

How did these new immigrants influence growth in the number of employed persons in the U.S. over the past three years? Before answering this question, it should be noted that estimates of employment change in the U.S. from 2000 through the January-April 2004 period differ considerably between the CPS household and CES establishment surveys. Findings from the payroll employment survey of nonfarm wage and salary jobs indicate that the number of wage and salary jobs in the U.S. in the early Spring of 2004 (April) was still 1.6 million below its level at the beginning, of the recession in March 2001 while the CPS household survey indicated that civilian employment in March 2004 was nearly 450,000 higher than it was in March 2001. Increases in self-employment, farm labor, contract labor, and employment in the informal economy, including undocumented immigrants, are responsible for the greater growth in household employment than in payroll employment.

Findings of the CPS household survey indicate that average monthly civilian employment of persons 16 and older (not seasonally adjusted) during the first four months of 2004 was 755,000 higher than in 2000 (Table 9). The number of new immigrants who were employed in January – April 2004 ranged from 2.064 million to 2.145 million, accounting for more than all of

the net growth in civilian employment over this three year period. This implies that the number of employed native born and established immigrant workers must have declined by 1.3 to 1.4 million over the past three years (Table 10).

Table 9:  
Percent of National Resident Employment Growth Between 2000 and  
January – April 2004 Due to New Foreign Immigrants Under  
Two Assumptions About the Timing of Their Arrival in the U.S.

| Variable  | Value<br>(Numbers in 1000's) |
|---|------------------------------|
| Employed in 2000  | 136,899                      |
| Employed in 2004 (January – April, not seasonally adjusted) | 137,654                      |
| Growth in Number of Employed                                | 755                          |
| New Immigrants in the Employed Pool (Assumption A)          | 2,064                        |
| New Immigrants in the Employed Pool (Assumption B)          | 2,145                        |
| • New immigrants' share of employment growth (Assumption A) | 274%                         |
| • New immigrants' share of employment growth (Assumption B) | 285%                         |

Table 10:  
Estimates of Changes in the Combined Employment of  
Native Born Workers and Established Immigrants Between 2000 and  
January-April 2004 Under Two Sets of Assumptions About the  
Timing of the Arrival into the U.S. of New Immigrants  
(in 1000s)

|            | (A)                           | (B)                                      | (C)  |
|------------|-------------------------------|--|--|
| Assumption | Change in<br>Total Employment | Change in<br>New Immigrant<br>Employment | Change in Employment<br>of Native Born Workers<br>and Established Immigrants |
| A          | 755                           | 2,064                                    | -1,309   |
| B          | 753                           | 2,145                                    | -1,390   |

Estimates of the change in employment among native born and established immigrants between 2000 and January-April 2004 are complicated by BLS adjustments to the original CPS employment estimates for 2000 due to population adjustments based upon the findings of the

2000 Census. The original findings of the 2000 monthly CPS surveys indicated that there were 135.472 million employed persons 16 and older, of whom 117.801 million were native born and 17.671 million were foreign born (Table 11). In January of 2003, the U.S. Bureau of Labor Statistics revised upwards the 2000 CPS annual average employment estimate to 137.155 million based upon new estimates of the working-age population from the 2000 Census of Population and Housing. The key question is how to properly allocate this 1.683 million increase in the employed resident population of 2000 to the native born and foreign born population. We have allocated this increase in employment to the original 2000 employment estimates for the native born and foreign born under the following assumption. This assumption is that 80 percent of the increase in the number of employed in 2000 was attributable to the growth of the foreign born population in the 1990s.

Table 11:  
Estimated Changes in the Native Born and Total Foreign Born Employed Populations in the U.S., 2000-2004 (January-April), Numbers in 1000s

|                | (A)                                      | (B)                                      | (C)                            | (D)                                  |
|----------------|--|--|--------------------------------|--------------------------------------|
| Nativity Group | Original Estimate<br>of 2000<br>Employed | Adjusted<br>Estimate of 2000<br>Employed | Employed<br>January-April 2004 | Change in<br>Employment<br>2000-2004 |
| Native Born    | 117,801                                  | 118,087                                  | 117,129                        | -958                                 |
| Foreign Born   | 17,671                                   | 18,812                                   | 20,524                         | +1,712                               |

Sources: 2000 Monthly CPS files and January-April 2004 CPS files, tabulations by authors; *Employment and Earnings*, February 2003.

Under this assumption, the employed native born population in 2000 would have been 118.087 million. Since the employed native born population was estimated at only 117.129 million in 2004 (January-April average), this implies that employment of native born workers declined by 958,000 over this three year period (Table 11). Under this assumption, the number of foreign born workers in 2000 was 18.812 million, but rose to 20.524 million in January-April 2004. Thus, the total foreign born employed increased by 1.712 million (Table 11). Given our earlier estimates of the growth in the new immigrant employed over this same time period, we

can allocate changes in employment among the native born, established immigrants, and new immigrants under the above assumptions. The number of employed native born workers falls by 958,000, employment among established immigrants declines by 352,000, and the number of new immigrant employed rises by 2.064 million (Table 12). Thus, all of the net growth in the nation's employed population between 2000 and 2004 (January-April averages) takes place among new immigrants while the number of native born and established immigrant workers combined declines by more than 1.3 million. This remarkable shift in the nativity status of the employed population has received very little attention from the nation's political leaders or the national media.

Table 12:  
Estimated Changes in Employment of Native Born Workers,  
Established Immigrants, and New Immigrants, 2000 to January-April 2004  
(in 1000s)

| Group                  | Change in<br>Employment |
|------------------------|-------------------------|
| All Workers            | 755                     |
| Native Born Workers    | -958                    |
| Established Immigrants | -352                    |
| New Immigrants         | +2,064                  |

### **The Demographic and Socioeconomic Characteristics of New Immigrant Labor Force Participants**

The monthly CPS questionnaires capture a wide array of data on the demographic and socioeconomic characteristics of respondents, including their gender, age, race-ethnic origin, educational attainment, and the countries of origin of immigrants. The percentage distributions of new immigrant labor force participants by gender, age, race-ethnic group, and educational attainment are displayed in Table 13. These 2.935 million labor force participants are those immigrants who were active in the civilian labor force at the time of the January-April 2004 CPS surveys and who reported that they had arrived in the U.S. sometime between 2000 and 2004.

Nearly two-thirds of the new immigrant labor force participants were male even though men comprised only a slight majority of all new immigrants into the U.S. over this time period. Labor force participation rates of these new immigrants were considerably higher among men than women. A very high share of these new immigrants in the labor force were quite young. More than one-fourth were under the age of 25, nearly 70% were under the age of 35, and nearly 90 percent were under 45 years of age. Only three percent of these new immigrant labor force participants were 55 or older.

Hispanics formed the dominant group of new immigrants, with migrants from Mexico and Central America playing key roles. Slightly under 56 percent of the new immigrant workers were Hispanic, nearly another one-fifth were Asian, 18 percent were White, not-Hispanic, and five percent were Black. Three of every four of the new immigrant members of the labor force were Asian or Hispanic. Similar to findings from earlier studies, the educational backgrounds of these new immigrant workers were quite diverse.<sup>11</sup> At the lower end of the distribution, 35 percent had not obtained a high school diploma either in their own country or in the U.S.<sup>12</sup>, a ratio considerably above that of the native born labor force (11%). At the upper end of the educational distribution, we find that just over 28 percent of these new immigrant workers held a bachelor's or higher academic degree, a ratio that is slightly above that for all U.S. native born workers.

---

<sup>11</sup> See: Andrew Sum, Neeta Fogg, Paul Harrington, et al., *Foreign Immigration and the Great American Job Machine...*

<sup>12</sup> Some of these new immigrant workers classified as less than 12 years of schooling completed were enrolled in high school at the time of the CPS surveys, but their numbers were quite small.

Table 13:  
Key Demographic Characteristics of New Immigrants in the  
U.S. Civilian Labor Force in January – April 2004  
 (January – April, Numbers in 1000's)

| Characteristic                                | (A)<br>Number | (B)<br>Percent |
|---|---------------|----------------|
| Total   | 2,935         | 100.0          |
| <b><u>Gender</u></b>                          |               |                |
| • Men   | 1,945         | 66.3           |
| • Women                                       | 990           | 33.7           |
| <b><u>Age Group</u></b>                       |               |                |
| • 24 or Less                                  | 812           | 27.7           |
| • 25-34                                       | 1,210         | 41.2           |
| • 35-44                                       | 579           | 19.7           |
| • 45-54                                       | 249           | 8.5            |
| • 55-64                                       | 67            | 2.3            |
| • 65+   | 19            | .6             |
| <b><u>Race/Ethnic Group</u></b>               |               |                |
| • Asian                                       | 558           | 19.0           |
| • Black, not Hispanic                         | 153           | 5.2            |
| • Hispanic                                    | 1,655         | 56.4           |
| • Other, not Hispanic                         | 41            | 1.4            |
| • White, not Hispanic                         | 528           | 18.0           |
| <b><u>Educational Attainment</u></b>          |               |                |
| • <12 years                                   | 1,019         | 34.7           |
| • High School Diploma/GED                     | 699           | 23.8           |
| • 13 – 15 years, including Associate's Degree | 384           | 13.1           |
| • Bachelor's Degree or Higher                 | 834           | 28.4           |

The monthly CPS surveys also collect information on the countries of origin of immigrants. We have identified the 20 countries accounting for the greatest number of new immigrant workers and listed them in rank order from highest to lowest in Table 14. These 20 nations contributed 2.145 million of the new immigrant labor force participants between 2000 and 2004, representing nearly three-fourths of all new immigrants. Mexico and six Central American and South American countries dominate this list. These seven countries were the

source for 1.415 million new immigrant workers, or 48 percent of all new immigrant members of the labor force. Mexico alone contributed 1,040,000 or 37% of the total, many of whom were undocumented immigrants.<sup>13</sup> Six of the other countries on the list were Asian, with India, the Philippines, and China ranking second, fourth, and fifth highest, respectively. Three of the countries were from the Caribbean and West Indies (Cuba, Haiti, Puerto Rico). Only two European countries made the top 20 list: Russia and England. In only two of these 20 countries (Canada and England) was English the official language of the country although many of the college educated immigrants from other countries will have been taught some English before migrating to the U.S. Many of the less educated immigrants, however, will have both very limited English-speaking proficiencies and general literacy proficiencies that will constrain their future access to high skill occupations and to higher wage jobs in the U.S.<sup>14</sup>

Table 14:  
Countries of Origin of New Immigrant Labor Force Participants in January-April 2004  
(20 Countries with Largest Number of Participants, Numbers in 1000's)

| Country     | Number of Civilian<br>Labor Force Participants |
|-------------|--|
| Mexico      | 1,040  |
| India       | 140  |
| El Salvador | 129  |
| Philippines | 104  |
| China       | 97   |
| Guatemala   | 74   |
| Brazil      | 63   |
| Cuba        | 51   |
| Korea       | 45   |
| Vietnam     | 43   |
| Honduras    | 42   |
| Haiti       | 41   |
| Canada      | 39   |
| Colombia    | 38   |
| Japan       | 37   |
| Iran        | 36   |

<sup>13</sup> According to estimates by Jeffrey Passel of the Urban Institute, close to 80 percent of the Mexican immigrants into the U.S. during the 1990s were undocumented.

<sup>14</sup> See: Andrew Sum, Irwin Kirsch, and Kentaro Yamamoto, *A Human Capital Concern: The Literacy Proficiencies of U.S. Immigrants*, Educational Testing Service, Princeton, 2004.

|             |    |
|-------------|----|
| Russia      | 35 |
| England     | 33 |
| Argentina   | 29 |
| Puerto Rico | 28 |

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

### **The Characteristics of the Jobs Held by the New Immigrant Employed**

Media stories about immigrant workers often focus on either those occupying very high skilled positions (engineers, computer scientists, professional nurses) or low skilled jobs (farm labor, office cleaners, food service workers, maids). What types of jobs have these new immigrant workers actually filled in recent years? To answer this key question, we analyzed CPS survey data on three sets of job characteristics for these new immigrant workers: their class of worker status (wage and salary worker, self-employed, unpaid family workers), the industrial sector of their jobs, and the major occupational categories of their jobs. Earlier research by two of the authors of this paper on the characteristics of the jobs held by immigrants who arrived in the U.S. in the 1990s revealed that an overwhelming share of their jobs were private sector, wage and salary positions, with new immigrants under-represented in government jobs and among the self-employed.<sup>15</sup> Similar findings apply to the class of worker status of employed immigrants in more recent years. Ninety-five percent of employed new immigrants in the early months of 2001 held wage and salary jobs in the for profit and non-profit sectors, with 86% of these new immigrants working in the private, for profit sector in wage and salary positions. Not all of these jobs, however, will appear on the official payrolls of non-farm employers as reported to the U.S. Bureau of Labor Statistics in the monthly payroll surveys. Some of these immigrant workers (as well as native born workers) are employed as independent contract workers or work in the informal labor market, frequently paid in cash on a daily basis.<sup>16</sup>

Only 5 percent of these new immigrants were employed by the government at the federal, state, or local level, a share only one-third as high as that among native born workers (15.7%).

<sup>15</sup> Approximately 91 percent of these immigrants held wage and salary jobs in the private sector of the economy, See: Andrew Sum, Neeta Fogg, Paul Harrington, et al., *Immigrants and the Great American Job Machine...*

<sup>16</sup> For a review of the differences in employment concepts and growth measures from the CPS household survey and the CES payroll survey,

New immigrants also were under-represented in the ranks of the self-employed, with only 5 of every 100 being self-employed in 2003 versus 11% of native born workers. New immigrants were over-represented in the ranks of farm labor and private household workers. Neither of these sets of jobs are captured by the monthly payroll survey of the U.S. Bureau of Labor Statistics. Very few (less than .1%) of these immigrant workers reported themselves as unpaid workers in family owned businesses.

Table 15:  
Class of Worker Status of the New Immigrant Employed in the U.S., January/April 2004  
(Numbers in Thousands)

| Class of Worker                | (A)<br>Number | (B)<br>Percent |
|--------------------------------|---------------|----------------|
| Private Wage and Salary        | 2,405         | 89.7           |
| • For profit                   |               | 85.9           |
| • Non-profit                   |               | 3.8            |
| Public Sector, Wage and Salary | 137           | 5.1            |
| Self-employment                | 137           | 5.1            |
| Unpaid Family Members          | 10            | .0             |
| Total                          | 2,681         | 100.0          |

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. Census Bureau assigns NAICS industry codes to these employers.<sup>17</sup> We have combined all jobs held by new immigrants into eleven major industrial sectors. While these 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. In 2004, 28 percent of these new immigrant workers were employed in the nation's construction and manufacturing industries, with construction alone accounting for nearly one-sixth of all jobs

---

See: Andrew Sum and Paul Harrington, *Employment Change in the U.S. Between the End of the 2001 Recession and 2003: Conflicting Evidence from Two National Surveys*, Center for Labor Market Studies, Northeastern University, Boston, 2004.

<sup>17</sup> The NAICS acronym refers to the North American Industrial Classification System, which replaced the Standard Industrial Classification System (SIC) in the past few years.

held by new immigrants. Immigrants are over-represented in these goods producing sectors, especially construction, where they were employed at a rate nearly two and one-half times as high as that of native born workers. Nearly 320,000 new immigrants obtained employment in the nation's manufacturing industries at a time when total wage and salary employment in these industries declined by more than 2.7 million positions.<sup>18</sup> 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 during 2004. Nearly 26 percent of new immigrants were employed in professional, business, education and health services. While this share is high, it was six percentage points below the share of native born workers employed in this sector. New immigrants were over-represented in agriculture/forestry/fishing industries (nearly twice the native born share), but they were substantially under-represented in public administration, a subset of all government employment. Fewer than one percent of employed new immigrants worked in public administration versus five percent of their native born peers.

Table 16:  
Major Industry of Employment of New Immigrant Workers in the U.S., January/April 2004  
(Numbers in 1000's)

| Sector                               | (A)<br>Number | (B)<br>Percent |
|--------------------------------------|---------------|----------------|
| Agriculture/Forestry/Fishing, Mining | 80            | 3.0            |
| Construction                         | 423           | 15.8           |
| Manufacturing                        | 335           | 12.5           |
| Wholesale and Retail Trade           | 319           | 12.0           |
| Transportation and Utilities         | 63            | 2.4            |

<sup>18</sup> Between 2000 and the late fall of 2003 (October), the estimated number of wage and salary positions in the nation's manufacturing industries fell by nearly 2.8 million.  
See: U.S. Bureau of Labor Statistics, *Employment and Earnings*, December 2003, Washington, D.C., 2003.

|  |              |              |
|--|--------------|--------------|
| Information Industries                               | 25           | .9           |
| Financial Activities                                 | 87           | 3.3          |
| Professional and Business Services                   | 342          | 12.8         |
| Education and Health Services                        | 347          | 12.9         |
| Leisure/Hospitality/Entertainment and Other Services | 642          | 23.8         |
| Public Administration                                | 19           | 0.7          |
| <b>Total</b>   | <b>2,681</b> | <b>100.0</b> |

The distributions of the new immigrant employed by major occupational area during the first four months of 2004 are presented in Table 17. We have combined all of the individual occupations into nine major occupational groups, with a few separate breakouts for professional, managerial, and service occupation subgroups. Nearly one-third of these new immigrants were employed in blue collar craft, production, and transport operative/material moving occupations, with about half of them holding crafts-related positions in construction and manufacturing occupations. New immigrants held jobs in these blue collar occupations at a rate well above that of the native born (32% vs. 21%). New immigrant workers were also heavily over-represented in service occupations. Twenty-nine percent of the new immigrant workers were employed in service occupations, with very high proportions working in food preparation (12%) and building and ground, maintenance and cleaning occupations (12%). New immigrants were nearly twice as likely as native born workers 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 (11%) was more than twice as high as that of new immigrants (5%), and new immigrants held clerical/office support positions at a rate only slightly more than one-third as high as that of the native born. While new immigrants also were modestly under-represented in all professional occupations combined (16% vs. 21%), they tended to obtain an above average share of jobs in a few professional specialties, including computer and math science and life/physical science occupations.

Table 17:  
Major Occupations of Employed New Immigrants in the U.S., January – April 2004  
(Numbers in 1000's)

|  |     |     |
|--|-----|-----|
|  | (A) | (B) |
|--|-----|-----|

| Major Occupation   | Number | Percent |
|--|--------|---------|
| Management and Related Business Support                    | 195    | 7.3     |
| • Management   | 137    | 5.1     |
| Professional and related                                   | 417    | 15.5    |
| • Computer and Math Science                                | 87     | 3.2     |
| • Engineers and Architects                                 | 44     | 1.6     |
| • Health Care Practitioners and Technicians                | 77     | 2.9     |
| Services   | 804    | 28.9    |
| • Health Support   | 51     | 1.9     |
| • Building and Ground Cleaning and Maintenance             | 326    | 12.2    |
| • Food Preparation   | 323    | 12.0    |
| Sales  | 201    | 7.5     |
| Office Support/Clerical                                    | 151    | 5.6     |
| Farm/Forestry/Fishing                                      | 58     | 2.2     |
| Skilled Blue Collar, Including Construction Crafts, Repair | 449    | 16.8    |
| Production-Related   | 245    | 9.2     |
| Transport Operatives                                       | 161    | 6.0     |
| Total  | 2,681  | 100.0   |

Source: Monthly Current Population Surveys, public use files, January-April 2004, tabulations by authors.

## Summary and Conclusions

This research report was design to provide both an overview and an assessment of recent immigrant labor force and employment developments in the United States between 2000 and the first four months of 2004. Despite the onset of a national economic recession in 2001, a so-called “jobless recovery” over the following two years, and the terrorist attacks of September 2001, levels of new immigration into the United States have remained very high, and new immigrants have contributed a substantial and rising share of the nation’s labor force growth over the past three years. The number of new immigrants in the nation’s civilian labor force increased by over 2.9 million between 2000 and the first four months of 2004, contributing between 60 and 62 percent of the growth in the nation’s resident labor force over this time period, exceeding the immigrant share of the nation’s labor force growth in the 1990’s, which was the highest in the twentieth century.

While the incidence of unemployment problems among these new immigrant labor force participants was above the average for native born workers, more than 91 percent of the new immigrants who were active participants in the labor force in 2004 were able to obtain some type of employment. The number of new immigrant employed who came into the U.S. between 2001 and the first four months of 2004 was estimated to be somewhere between 2.064 and 2.145 million while the number of employed native born and established immigrants fell by 1.3 million between 2000 and 2004.

A substantial majority of the new immigrants participating in the nation's labor force in 2004 were men (two-thirds) and most were young (70% under age 35). Hispanics represented a majority of these new immigrant workers, and 7 of 10 were either Hispanic or Asian. A high fraction of these new immigrant workers (35%) lacked a high school diploma, but a relatively high share of them (28%) held a bachelor's or higher academic degree. More than one-third of the new immigrant workers came from Mexico, and one-half of them had arrived from Mexico, Central America, or South America. Only two European nations (England and Russia) were represented among the top 20 countries sending immigrant workers to the U.S. over the past four years.

As was true of their predecessors' experiences in the 1990s, these new immigrant workers were overwhelmingly employed in wage and salary jobs in the private sector, but a variety of formal and informal evidence suggests that a number of them were employed as contract workers and in the informal economy rather than on the formal payrolls of these firms. New immigrants were substantially under-represented among the self-employed and in the public sector. New immigrants were over-represented in agriculture/fishing, construction/ manufacturing, and leisure/hospitality industries while they were under-represented in finance, professional/business services, and public administration industries. Nearly one-third of new immigrant workers held jobs in skilled and semi-skilled blue collar occupations, and close to another 30 percent were employed in service occupations, especially food service and building cleaning and ground maintenance occupations. They were substantially under-represented in management and management support, office, and sales positions, where English-speaking skills and strong literacy proficiencies are more frequently needed to gain access to such jobs. The labor market

impacts of these continued high levels of foreign immigration on native born workers and established immigrants need to be more carefully evaluated. In a period of higher unemployment and little net job growth, increased employment of immigrants appears to be displacing some native born workers, including teens, young adults without college degrees, and Black men in the nation's central cities.