



IMMIGRATION POLICY CENTER
SPECIAL REPORT



IMMIGRATION AND NATIVE-
BORN UNEMPLOYMENT ACROSS
RACIAL/ETHNIC GROUPS:

UNTYING THE
KNOT

PART II OF III

Produced By Rob Paral & Associates

MAY 2009

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This report was prepared for the Immigration Policy Center of the American Immigration Law Foundation by Rob Paral and Associates, with writing by Rob Paral and Madura Wijewardena, and data programming by Michael Norkewicz.

EXECUTIVE SUMMARY

One of the most contentious issues in the debate over immigration reform is whether or not the presence of immigrants in the U.S. labor force—especially undocumented immigrants—has a major adverse impact on the employment prospects of African Americans. The African American community has long been plagued by high unemployment rates, and a relatively large share of African Americans lack a college education. As a result, some commentators argue that undocumented immigrants, who tend to have low levels of formal education and to work in less-skilled occupations, are “taking” large numbers of jobs that might otherwise be filled by African American workers.

If this is indeed the case, one would expect to find high unemployment rates among African Americans in locales with large numbers of immigrants in the labor force—especially immigrants who are relatively recent arrivals to the United States and willing to work for lower wages than most African Americans. However, data from the U.S. Census Bureau reveal that this is *not* the case. In fact, *there is little apparent relationship between recent immigration and unemployment rates among African Americans, or any other native-born racial/ethnic group, at the state or metropolitan level.*

- States and metropolitan areas with the highest shares of recent immigrants in the labor force do not necessarily have the highest unemployment rates among native-born blacks, whites, Hispanics, or Asians. Nor do locales with the highest rates of unemployment among native-born blacks, whites, Hispanics, or Asians necessarily have the highest shares of recent immigrants in the labor force. In other words, unemployment rates in a particular area among African Americans, or any other major native-born racial/ethnic group, provide no indication of how many recent immigrants work there.
- In the 10 states with the *highest* shares of recent immigrants in the labor force, the average unemployment rate for native-born blacks is about 4 percentage points *less* than in the 10 states with the lowest shares of recent immigrants.

A Note on Definitions and Data Sources

“Recent immigrants” and unemployment

This report focuses on the impact of recent, as opposed to long-term, immigrants. Recent immigrants are defined as those who entered the United States between 1998 and 2008. Recent immigrants are of particular interest because most of the debate concerning the economic impact of immigration centers on the effect of newer arrivals rather than on persons who came here decades ago. Immigrants who arrived many years ago are more likely to be naturalized and to be deeply integrated into the economy.

2008 Current Population Survey (CPS) Data

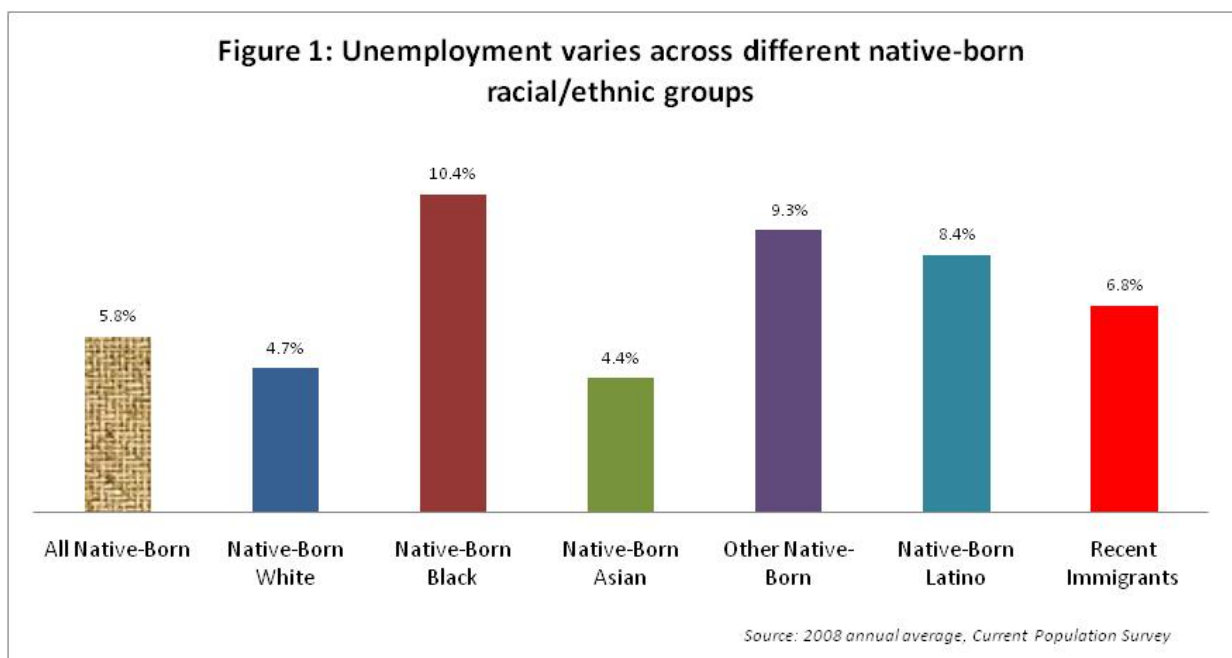
This report uses 2008 annual averages from the Current Population survey of the Bureau of Labor Statistics in estimating both the unemployment rates of different native-born racial/ethnic groups and the share of the labor force comprised of recent immigrants.

- In Maine, recent immigrants are only 1 percent of the labor force, while in California they are 8 percent of the labor force. Yet native-born blacks in California have an unemployment rate that is about 3 percentage points *lower* than native-born blacks in Maine.
- In the 10 metropolitan areas with the *highest* shares of recent immigrants in the labor force, the unemployment rate for native-born blacks is about 1.5 percentage points *less* than in the 10 metropolitan areas with the lowest share of recent immigrants.
 - Recent immigrants are 17 percent of the labor force in Miami, but only 3 percent of the labor force in Cleveland. Yet the unemployment rate for native-born blacks in Cleveland is double that of native-born blacks in Miami.
- The absence of any significant statistical correlation between recent immigration and unemployment rates among different native-born racial/ethnic groups points to deeper, structural causes for unemployment among the native-born, such as levels of educational attainment and work skills.

UNEMPLOYMENT RATES VARY WIDELY AMONG DIFFERENT NATIVE-BORN RACIAL/ETHNIC GROUPS

Unemployment rates among the major racial/ethnic groups in the United States have long varied widely, and this continues to hold true during the current recession {Figure 1}:

- Native-born blacks have the highest unemployment rate, at 10.4 percent as of 2008. This is 4.6 percentage points higher than the unemployment rate for the native-born population as a whole.
- Unemployment rates for native-born whites and Asians (4.7 percent and 4.4 percent, respectively) are relatively low; more than one percentage point below the unemployment rate for the native-born population in general.



THERE IS LITTLE APPARENT RELATIONSHIP BETWEEN RECENT IMMIGRATION AND THE UNEMPLOYMENT RATES OF NATIVE-BORN WHITES AND BLACKS

Unemployment rates among native-born whites and blacks are *lower* in states and metropolitan areas with *higher* levels of recent immigration.

By comparing the unemployment rates of different native-born racial/ethnic groups across locations with different levels of recent immigration, we can determine whether or not a pronounced relationship exists between the unemployment of different native-born racial/ethnic groups in areas of the country with different levels of recent immigration:

- If unemployment of native-born racial/ethnic groups is high where recent immigration is also high, this would suggest a strong relationship between recent immigration and the unemployment of native-born racial/ethnic groups.
- But if unemployment of native-born racial/ethnic groups is high where recent immigration is low, this would suggest that there is not a strong relationship between recent immigration and the unemployment of native-born racial/ethnic groups.

State Findings

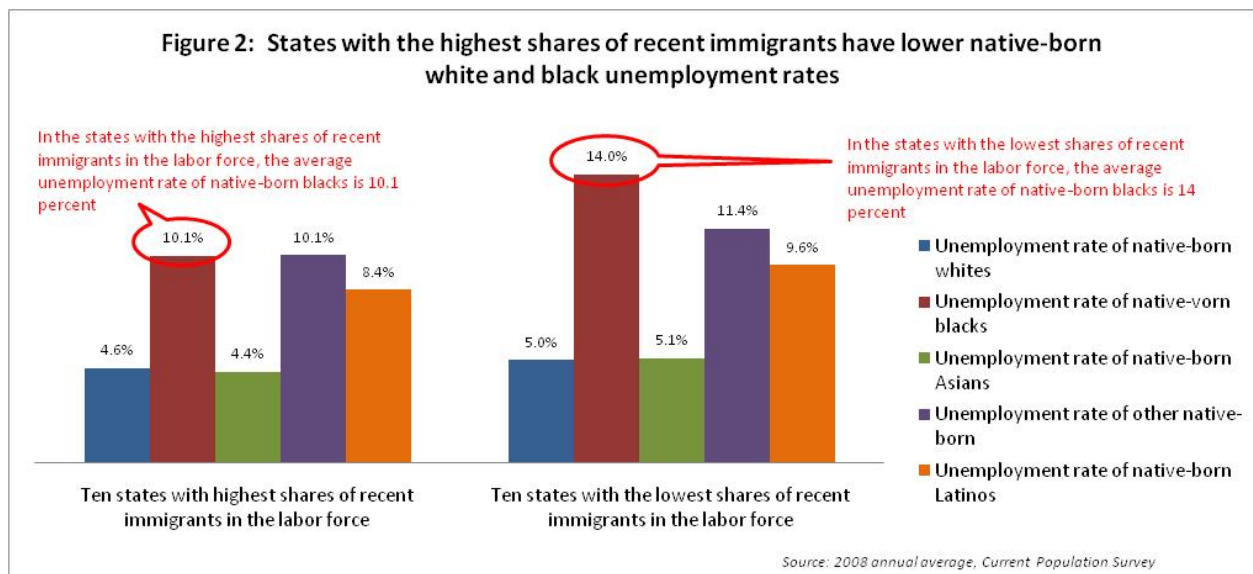
We grouped together the 10 states with the highest shares of recent immigrants in the labor force and the 10 states with the lowest shares, and then compared these two groups in terms of the average unemployment rates among different native-born racial/ethnic groups.¹ It is clear from this comparison that unemployment rates for native-born whites and blacks are *not* higher in states with high levels of recent immigration {Figure 2}.²

- In the 10 states with the highest shares of recent immigrants in the labor force, the average unemployment rate for native-born whites is about half a percentage point *lower* than in the 10 states with the lowest share of recent immigrants.
- In the 10 states with the highest shares of recent immigrants in the labor force, the average unemployment rate for native-born blacks is about 4 percentage points *lower* than in the 10 states with the lowest share of recent immigrants.

¹ We chose these states by ranking all 50 states and the District of Columbia in terms of the percentage of each state's total population comprised of immigrants who arrived in the United States since 1998.

² The top 10 states in terms of recent-immigrant share of the labor force are Massachusetts, Connecticut, New York, Texas, Maryland, District of Columbia, Nevada, Florida, California, and New Jersey. The bottom 10 states are West Virginia, Montana, Wyoming, North Dakota, Maine, Idaho, Ohio, Missouri, New Hampshire, and Vermont.

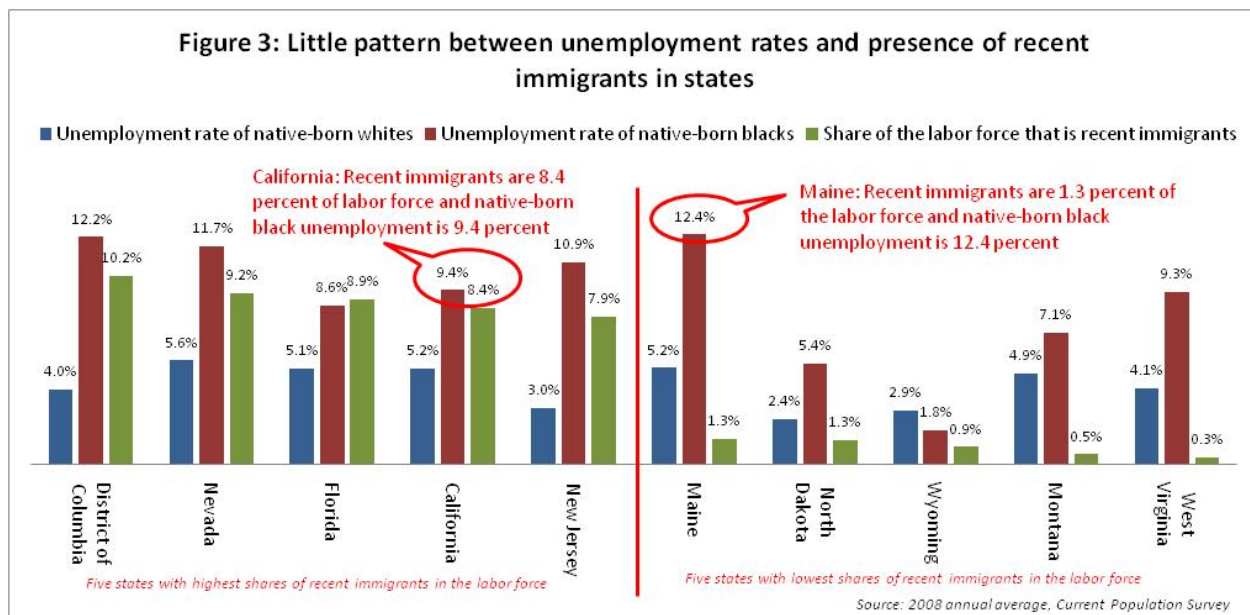
- Unemployment rates among native-born Asians and Hispanics are also *higher* in states with *lower* shares of recent immigrants.



Comparing native-born unemployment rates of different native-born racial/ethnic groups in the five states with the highest shares of recent immigrants in the labor force and the five states with the lowest shares yields the same result {Figure 3}:³

- In California, recent immigrants are just over 8 percent of the labor force, while in Maine they are just over 1 percent of the labor force. Yet native-born blacks in California have an unemployment rate that is about 3 percentage points *lower* than native-born blacks in Maine.

³ To simplify this portion of the analysis, we focus on the unemployment rates of native-born whites and native-born blacks.



Metropolitan Area Findings

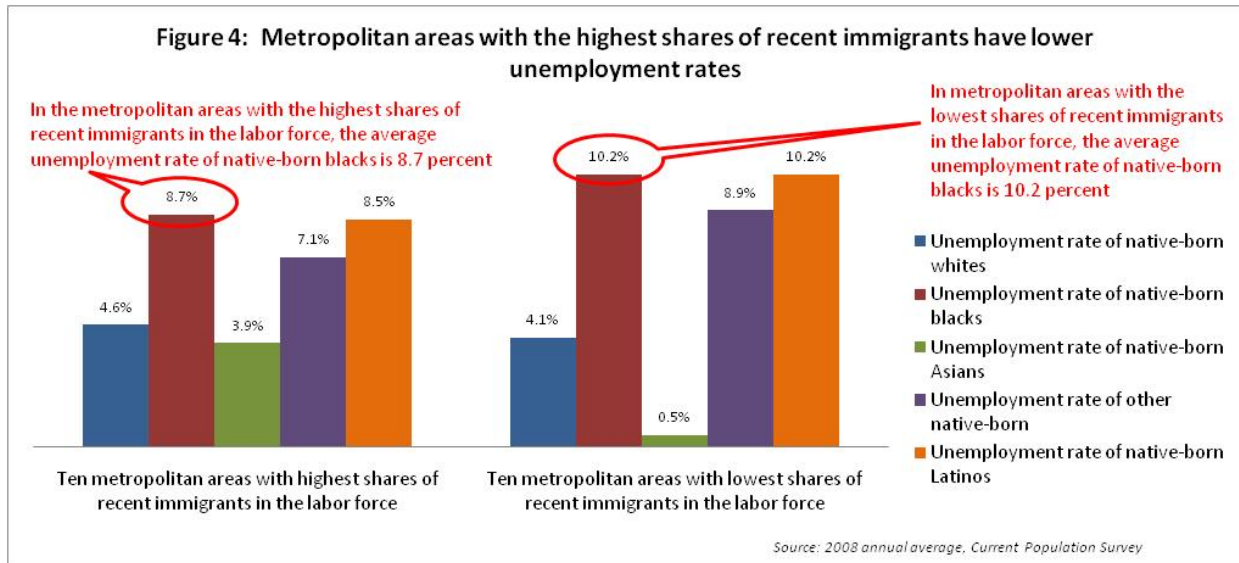
We also examined the relationship between the presence of recent immigrants and the unemployment of native-born whites and blacks in metropolitan areas.⁴ This provides special insight because recent immigrants tend to reside in metropolitan areas and are therefore more likely to come into direct contact with native-born whites and blacks in these areas.

We grouped together the 10 metropolitan areas with the highest shares of recent immigrants in the labor force and the 10 metropolitan areas with the lowest shares, and then compared these two groups in terms of the average unemployment rates among different native-born racial/ethnic groups. It is clear that average unemployment rates for native-born whites and blacks are *not* higher in metropolitan areas with high levels of recent immigration {Figure 4}:⁵

- In the 10 metropolitan areas with the highest shares of recent immigrants in the labor force, the average unemployment rate for native-born whites is nearly the same as in the 10 states with the lowest shares of recent immigrants.
- In the 10 metropolitan areas with the highest shares of recent immigrants in the labor force, the unemployment rate for native-born blacks is about 1.5 percentage points *lower* than in the 10 states with the lowest shares of recent immigrants.

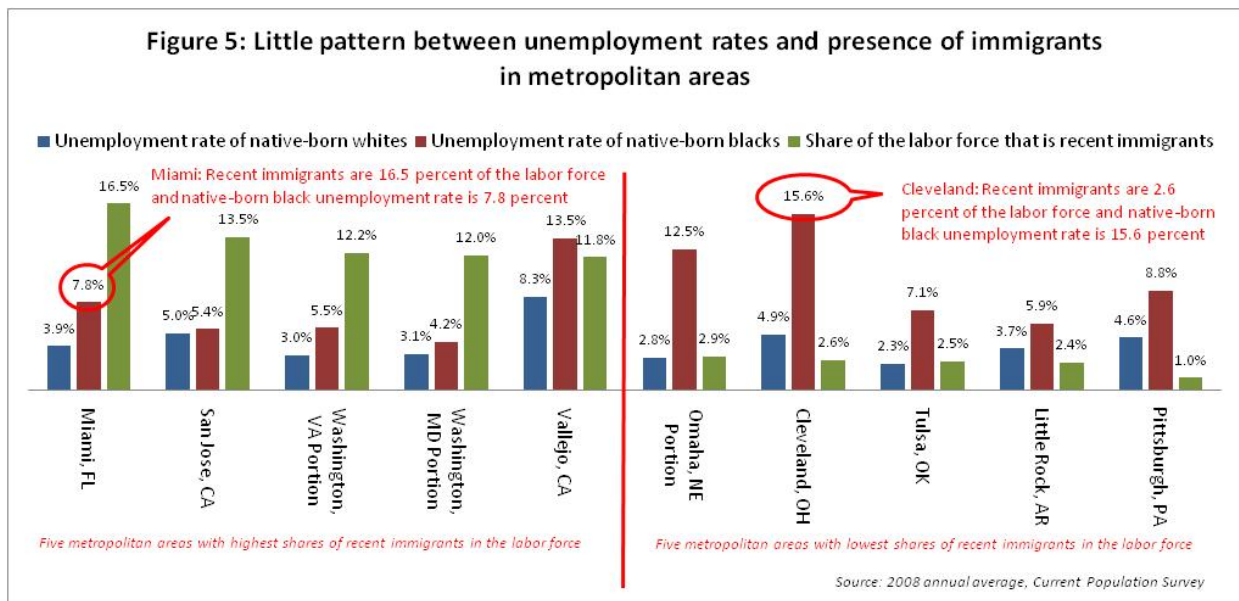
⁴ The Office of Management and Budget's June 2003 definition of metropolitan areas is used. The metropolitan areas in this report consist of state-specific components.

⁵ The top 10 metropolitan areas in terms of portion of recent immigrants are Miami (FL), San Jose (CA), Washington (VA portion), Washington (MD portion), Vallejo (CA), New York (NJ portion), San Francisco (CA), Los Angeles (CA), Charlotte (NC portion), and Las Vegas (NV). The bottom 10 metropolitan areas in terms of portion of recent immigrants are Richmond (VA), Wichita (KS), Oklahoma City (OK), Louisville (KY portion), Omaha (NE portion), Cleveland (OH), Tulsa (OK), Little Rock (AR), and Pittsburgh (PA).



Comparing native-born unemployment rates in the five metropolitan areas with the highest shares of recent immigrants in the labor force and the five metropolitan areas with the lowest shares produces the same result.⁶ Unemployment rates are *higher* for native-born whites and blacks in metropolitan areas with *fewer* recent immigrants {Figure 5}.⁷

- Recent immigrants are only 3 percent of the labor force in Cleveland, and 17 percent of the labor force in Miami. Yet the unemployment rate for native-born blacks in Cleveland is double that of native-born blacks in Miami. Native-born whites in Cleveland have an unemployment rate that is nearly the same as in Miami.



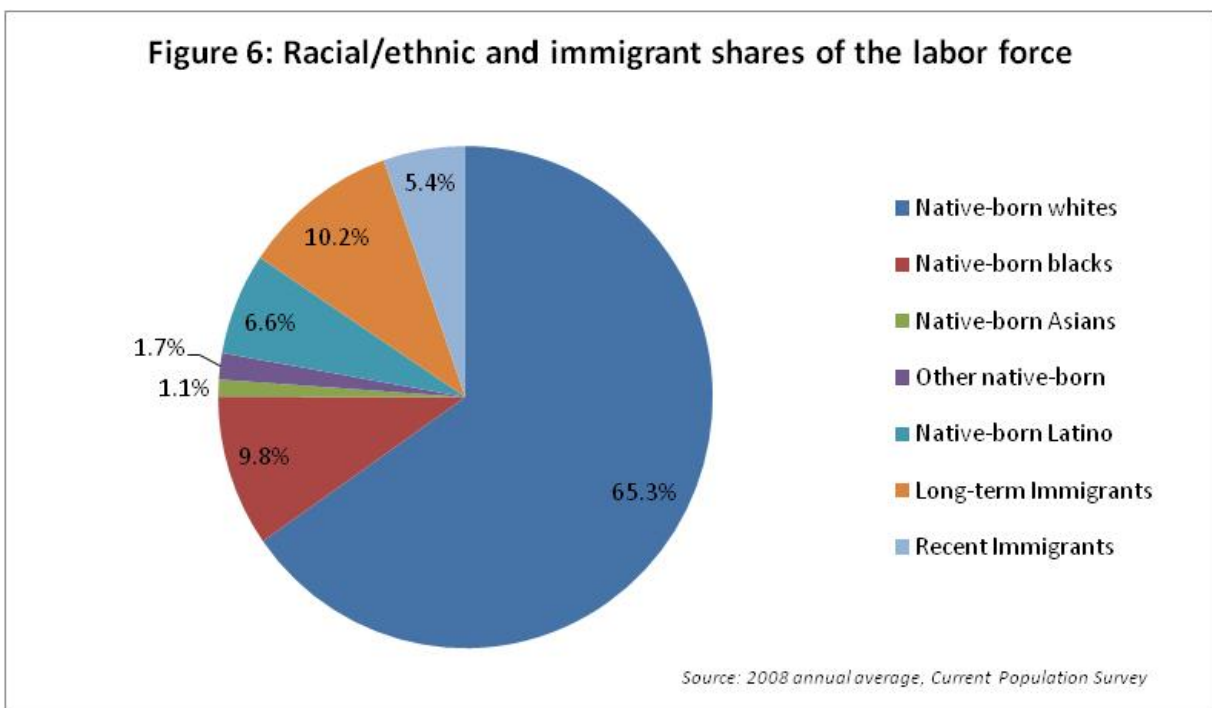
⁶ The chart focuses on unemployment of native-born whites and blacks to simplify the analysis.

⁷ To simplify this portion of the analysis, we focus on the unemployment rates of native-born whites and native-born blacks.

RECENT IMMIGRANTS ARE A SMALL PORTION OF THE U.S. LABOR FORCE

The main reason that recent immigration has little apparent impact on the unemployment rates of different native-born racial/ethnic groups is that most of the U.S. labor force is native-born {Figure 6}:

- Recent immigrants are only 5.4 percent of the labor force.
- The foreign-born population as a whole is 15.6 percent of the labor force.
- The native-born population is 84.4 percent of the labor force.



CONCLUSION

The question of how immigrant workers impact the unemployment rates of native-born workers is complex and difficult to answer fully. A more detailed analysis would need to take into account the different skill sets of different workers, the effects of racial/ethnic discrimination in the labor market, the types of jobs available in various locales, and other structural factors related to the “marketability” of workers and the economic milieu in which they search for jobs.

Nevertheless, the fact that immigrants are concentrated disproportionately in certain areas of the country provides a natural experiment of sorts in which we can gauge whether or not the

employment outcomes of native-born workers are significantly affected by contact with recent immigrant workers. Since areas with few immigrants have high native-born unemployment rates, while areas with many immigrants have relatively low native-born unemployment rates, it is difficult to conclude that the presence of recent immigrant workers has a major adverse impact on employment opportunities for native-born workers. In the end, the causes of native unemployment involve structural issues much larger than the simple presence or absence of recent immigrants in the labor market.

Appendix 1

Metro Area Definitions

Following is a detailed list of the geographic components of the metropolitan areas referred to in this report:

Top Ten Metro Areas (in percent of their population made up of recent immigrants):

Charlotte-Gastonia-Concord, NC-SC [NC part]

Anson, Cabarrus, Gaston, Mecklenburg, Union counties

NOTE: Anson county not in sample

Las Vegas-Paradise, NV

Clark county

Los Angeles-Long Beach-Santa Ana, CA

Los Angeles, Orange counties

Miami-Fort Lauderdale-Miami Beach, FL

Broward, Miami-Dade, Palm Beach counties

New York-Northern New Jersey-Long Island, NY-NJ-PA [NJ part]

Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union counties

San Francisco-Oakland-Fremont, CA

Alameda, Contra Costa, Marin, San Francisco, San Mateo counties

San Jose-Sunnyvale-Santa Clara, CA

San Benito, Santa Clara counties

Vallejo-Fairfield, CA

Solano county

Washington-Arlington-Alexandria, DC-VA-MD-WV [MD part]

Calvert, Charles, Frederick, Montgomery, Prince George's counties

Washington-Arlington-Alexandria, DC-VA-MD-WV [VA part]

Arlington, Clarke, Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford, Warren counties; and Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, Manassas Park independent cities

Bottom Ten Metro Areas (in percent of their population made up of recent immigrants):

Cleveland-Elyria-Mentor, OH

Cuyahoga, Geauga, Lake, Lorain, Medina counties

Jacksonville, FL

Baker, Clay, Duval, Nassau, St. Johns counties

Little Rock-North Little Rock, AR

Faulkner, Grant, Lonoke, Perry, Pulaski, Saline counties

NOTE: Perry county not in sample

Louisville, KY-IN [KY part]

Bullitt, Henry, Jefferson, Meade, Nelson, Oldham, Shelby, Spencer, Trimble counties

NOTE: Henry, Nelson, Shelby, and Trimble counties not in sample

Oklahoma City, OK

Canadian, Cleveland, Grady, Lincoln, Logan, McClain, Oklahoma counties

Omaha-Council Bluffs, NE-IA [NE part]

Cass, Douglas, Sarpy, Saunders, Washington counties

Pittsburgh, PA

Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, Westmoreland counties

Richmond, VA

Amelia, Caroline, Charles City, Chesterfield, Cumberland, Dinwiddie, Goochland, Hanover, Henrico, King and Queens, King William, Louisa, New Kent, Powhatan, Prince Georges, Sussex counties; and Colonial Heights, Hopewell, Petersburg, Richmond independent cities

NOTE: Cumberland county not in sample

Tulsa, OK

Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa, Wagoner counties

NOTE: Okmulgee county not in sample

Wichita, KS

Butler, Harvey, Sedgwick, Sumner counties

ABOUT US

The Immigration Policy Center

The Immigration Policy Center (IPC), established in 2003, is the policy arm of the American Immigration Law Foundation. IPC's mission is to shape a rational conversation on immigration and immigrant integration. Through its research and analysis, IPC provides policymakers, the media, and the general public with accurate information about the role of immigrants and immigration policy on U.S. society. IPC reports and materials are widely disseminated and relied upon by press and policymakers. IPC staff regularly serves as experts to leaders on Capitol Hill, opinion-makers, and the media.

Rob Paral and Associates

Research and evaluation for family and community development

Rob Paral and Associates (RPA) is a consulting firm that helps not-for-profit and philanthropic institutions understand the populations they serve and the impact of their programs. RPA provides information on demographic, social, and economic characteristics of communities.

Some examples of our recent work include the following:

- Helping a health policy organization determine the need for health insurance in legislative districts in Illinois.
- Estimating the numbers of legal immigrants in U.S. metro areas for a national philanthropic organization.
- Providing a legal aid corporation with information to understand the shifting needs of its clients.
- Evaluating the impact of charitable giving and support for community foundations in the Midwest.
- Developing policies and procedures needed by a state agency to communicate with limited-English clients.

Direct outcomes of our work have recently been cited in *The New York Times*, the *Washington Post*, the *Economist*, the *Wall Street Journal*, and a large number of other major news media outlets. More information is available at www.robparal.com.