

Growth in the Foreign-Born Workforce and Employment of the Native Born

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Rapid increases in the foreign-born population at the state level are not associated with negative effects on the employment of native-born workers, according to a study by the Pew Hispanic Center that examined data from both the boom years of the 1990s and the period of recession and gradual recovery after 2000. An analysis of the relationship between growth in the foreign-born population and employment outcomes of native-born workers revealed wide variations and no consistent pattern across the 50 states and the District of Columbia. Nearly 25% of native-born workers lived in states where rapid growth in the foreign-born population between 1990 and 2000 was associated with favorable outcomes for the native born in 2000. Only 15% of native-born workers resided in states where rapid growth in the foreign-born population was associated with negative outcomes for the native born. The remaining 60% of native-born workers lived in states where the growth in the foreign-born population was below average, but those native workers did not consistently experience favorable employment outcomes. Similar results emerged from the analysis for the 2000 to 2004 time period. The size of the foreign-born workforce is also unrelated to the employment prospects for native workers. The relative youth and low levels of education among foreign workers appear to have no bearing on the employment outcomes of native workers of similar schooling and age.

About this report: The study uses Census Bureau data at the state level for 1990, 2000 and 2004 to examine whether the growth in the foreign-born population had an effect on employment outcomes for the native-born population. It focuses on two time periods, 1990 to 2000 and 2000 to 2004. The growth of the foreign-born population in a state over each time period is mapped at the end of each time period against three measures for native-born workers—employment rate, labor force participation rate and unemployment rate.

About the Pew Hispanic Center: Founded in 2001, the Pew Hispanic Center is a nonpartisan research organization supported by The Pew Charitable Trusts, a Philadelphia-based charity. The Pew Hispanic Center's mission is to improve understanding of the diverse Hispanic population and to chronicle Latinos' growing impact on the nation. The Pew Hispanic Center is a project of the Pew Research Center, a nonpartisan "fact tank" in Washington, D.C., that provides information on the issues, attitudes, and trends shaping America and the world; it does not advocate for or take positions on policy issues.

Executive Summary

Rapid increases in the foreign-born population at the state level are not associated with negative effects on the employment of native-born workers, according to a study by the Pew Hispanic Center that examines data during the boom years of the 1990s and the downturn and recovery since 2000.

An analysis of the relationship between growth in the foreign-born population and the employment outcomes of native-born workers revealed wide variations across the 50 states and the District of Columbia. No consistent pattern emerges to show that native-born workers suffered or benefited from increased numbers of foreign-born workers.

In 2000, nearly 25% of native-born workers lived in states where rapid growth in the foreign-born population between 1990 and 2000 was associated with favorable outcomes for the native born. Meanwhile, only 15% of native-born workers resided in states where rapid growth in the foreign-born population was associated with negative outcomes for the native born. The remaining 60% of native-born workers lived in states where the growth in the foreign-born population was below average, but those native workers did not consistently experience favorable employment outcomes. The same results emerged from the analysis of data for 2000 to 2004.

When ranked by the growth in the foreign-born population between 1990 and 2000, the top 10 states showed significant variation in employment outcomes for native-born workers in 2000. Native workers in five states had employment outcomes that were better than average and native workers in the other five states had employment outcomes that were worse than average. The pattern also held for the 2000 to 2004 time period.

The size of the foreign-born workforce is also unrelated to the employment prospects for native-born workers. The relative youth and low levels of education among foreign workers also appear to have no bearing on the employment outcomes of native-born workers of similar schooling and age.

The study uses Census Bureau data at the state level to examine the growth of the foreign-born population and the employment outcomes for the native born during two time periods, 1990 to 2000 and 2000 to 2004. The question it addresses is whether above-average growth in the foreign-born population was associated with worse-than-average employment outcomes for the native-born population.

The analysis maps the growth of the foreign-born population in a state over a given time period against three measures for native-born workers—employment rate, labor force participation rate and unemployment rate—at the end of the time period. That establishes the relationship between the pace of immigration and outcomes for the native born. The analysis also explores the relationship between the share of foreign-born workers in the workforce of a given area and the employment rate for native-born workers. That establishes the relationship between the size of the foreign-born presence in a state’s workforce and a key outcome for the native born.

Among the major findings:

- Eight states had *above-average* growth in the foreign-born population from 1990-2000 and *below-average* employment rates for native-born workers in 2000. Those states, where immigration may have had a negative impact, include North Carolina, Tennessee and Arizona and accounted for 15% of all native-born workers.
- Fourteen states with *above-average* growth in the foreign-born population and *above-average* employment rates for native-born workers in 2000. Those states, where rapid immigration appears to have not harmed native-born workers, included Texas, Nevada and Georgia and accounted for 24% of all native-born workers.
- The growth in the foreign-born population from 1990-2000 was *below average* in 16 states with *above-average* employment rates for native-born workers in 2000. Those states, in which the native born may have benefited from the slow pace of growth in the foreign-born workforce, include Illinois, Michigan and Virginia and represented 23% of the native-born workforce.
- The growth in the foreign-born population was *below average* in 12 states and the District of Columbia with *below-average* employment rates for native workers in 2000. Those states, in which the slow growth in the foreign-born workforce may not have benefited native workers, include California, New York, New Jersey and Florida and represented 38% of the native-born workforce.
- Between 2000 and 2004, there was a positive correlation between the increase in the foreign-born population and the employment of native-born workers in 27 states and the District of Columbia. Together, they accounted for 67% of all native-born workers and include all the major destination states for immigrants. In the remaining 23 states there was a negative correlation between the growth of the foreign-born population

and the employment of native-born workers. Those states accounted for 33% of the native born workforce in 2004.

- The share of foreign-born workers in the workforce of a state is not related to the employment rate for native-born workers in either 2000 or 2004.
- Many immigrant workers lack a college education and are relatively young, but the analysis found no evidence that they had an impact on the employment outcomes of those native-born workers who also have low levels of education and are ages 25-34.