## For Every New Job, Two New Immigrants Since 2000: 9.3 million new jobs, 18 million new immigrants

## By Steven A. Camarota and Karen Zeigler

overnment data collected in December 2014 show 18 million immigrants (legal and illegal) living in the United States who arrived in January 2000 or later. But only 9.3 million jobs were added over this time period. In addition, the native-born population 16 and older grew by 25.2 million. Because job growth has not come close to matching immigration and population growth, the share of Americans in the labor force has declined dramatically — a clear indication there is no labor shortage. Despite this, Congress is considering proposals to increase legal immigration even further; and during the last Congress the Senate actually passed the Schumer-Rubio bill (S.744), which would have doubled legal immigration and legalized illegal immigrants. Congress's disregard for the absorption capacity of the U.S. labor market has profound consequences for American workers.

- In December 2014 there were 18 million immigrants (legal and illegal) living in the country who had arrived since January 2000.<sup>2</sup> But job growth over this period was just 9.3 million half of new immigration.<sup>3</sup>
- Between two-thirds and three-fourths of the new arrivals are estimated to be *legal* immigrants. 4 Of the new arrivals 89 percent were potential workers 16 and older.
- In addition to the 18 million new immigrants, the native-born working-age population (ages 16 to 65) grew by 16.5 million since 2000; if we count natives over age 65, total native population growth was 25.2 million since 2000.<sup>5</sup>
- Job growth has not come close to matching new immigration and natural population increase; as a result, the labor force participation rate (the share working or looking for work) of native-born Americans 16 to 65 shows a significant long-term decline.
- The share of native-born Americans 16 to 65 in the labor force was 77 percent in December 2000, 75 percent in December 2007, and 72 percent in December 2014.
- The number of working-age natives not in the labor force (neither working nor looking for work) increased by 13 million from December 2000 to December 2014.<sup>7</sup>
- If we look at the period after the Great Recession began, 7.8 million new immigrants arrived from 2008 to 2014, yet net job growth was just two million from the beginning of 2008 to the end of 2014.8
- If we look at the period before the Great Recession, from January 2000 to December 2007, 11.1 million immigrants arrived and job growth was still only 7.3 million.<sup>9</sup>

**Discussion.** The 18 million figure represents new arrivals. The net growth in the immigrant population was 12 million, 2000 to 2014. The difference reflects the roughly six million immigrants here in 2000 who returned home or died by 2014. Of course, the net growth of the immigrant population also greatly exceeds job growth in the last 14 years. Nonetheless, it is important to focus on the 18 million arrivals because this number reflects our

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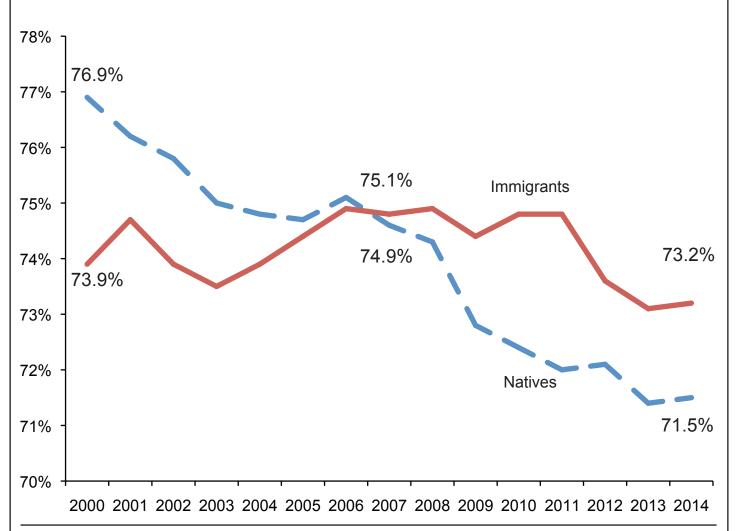
immigration policy — both legal immigration and efforts to enforce the law and deter illegal immigration. With the exception of return-migration among illegal immigrants, which does reflect enforcement efforts, legal immigrants who choose to leave the country and natural mortality are things outside the control of policymakers. But the level of new immigration is determined by policy.

The key question for policymakers is whether it makes sense to allow in this number of legal immigrants and tolerate this level of illegal immigration when long-term job growth has not come close to matching these numbers. Moreover, this record immigration has occurred at a time when job growth has not even kept pace with natural population increase, let alone new immigration. Unfortunately, policy-makers have given little though to the adsorption capacity of the U.S. labor market when formulating immigration policy."

Of course, the argument is often made that immigrants create more jobs than they take. The last 14 years are a good test of that argument. Since 2000, 18 million immigrants have arrived, yet job growth has been very weak despite record immigration. In fact, the number of immigrants that arrived was about twice the number of new jobs. While employment rises and falls with the economy and temporary changes in the business cycle matter little when considering a big policy question like immigration, when we examine long-term trends we find that the level of immigration (mostly legal) and natural population increase have completely swamped job growth. As a result, there has been a long-term decline in the labor force participation rate of working-age (16 to 65) natives. This is certainly not the long-term pattern we would expect if immigration is the boon to native employment that so many immigration advocates argue.

**Data Source.** The arrival data, population growth figures, labor force participation, and employment rates reported in this analysis all come from the public-use files of the Current Population Survey (CPS) collected by the Census Bureau and analyzed each month by the Bureau of Labor Statistics (BLS). We focus on the December 2014 data and prior Decembers for comparison to control for seasonality. The growth in the number of jobs reported here comes directly from the BLS website. The BLS measures the number of jobs using what is officially known as the Current Employment Statistics (CES) survey, more often referred to as the "establishment survey".





**Source:** December 2000 to December 2014 Current Population Surveys. Labor force participation is the share of 16- to 65-year-olds working or looking for work.

## **End Notes**

<sup>1</sup> Congressional Budget Office projections indicate that if the Schumer-Rubio bill (S.744) had become law, the number of new legal immigrants allowed into the country would have roughly doubled to 20 million over the next decade, adding to the 42 million immigrants (legal and illegal) already here. A Congressional Budget Office cost estimate (Table 2, p. 14), reports that by 2023 there would have been 10.4 million additional U.S. residents if the bill had passed, including 1.2 million U.S.-born children of new immigrants. This increase is in addition to the legalization of illegal immigrants already in the country. The primary argument for this dramatic increase is, as Rep. Paul Ryan (R-Wisc.) has argued, that without it the country faces "labor shortages". The National Restaurant Association, National Association of Home Builders, National Association of Manufacturers, Business Roundtable, U.S. Chamber of Commerce, and numerous other companies and business associations have all argued that immigration should be increased because there are not enough workers in the country, both skilled and unskilled.

<sup>2</sup> The Current Population Survey (CPS) collected by the Census Bureau and analyzed each month by the Bureau of Labor Statics includes a question asking immigrants when they came to the United States. In December 2014, 18 million immigrants, referred to as the foreign-born by the Census Bureau, indicated that they had come to America in 2000 or later. Of these post-2000 arrivals, 9.97 million were employed. The number of new arrivals is almost certainly larger than 18 million for several reasons: First, the monthly CPS generally undercounts new arrivals relative to other Census surveys. For example, the most recent data available from the much larger American Community Survey (ACS) show about 600,000 more arrivals compared to the July 2013 monthly CPS. (The ACS is controlled to a July 1 total so it is necessary to compare it to the CPS from July.) This indicates that there is about a 4 percent undercount in the monthly CPS compared to the ACS in the number of recent arrivals. Second, even though the ACS captures a slightly larger share of the foreign-born compared to the monthly CPS, the Department of Homeland Security still estimates that the ACS undercounts the post-1980 immigrant population (legal and illegal) by 5.4 percent. See Table 2 (p. 4) in "Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2012", Department of Homeland Security, Office of Immigration Statistics, March 2013. So the actual number of new arrivals 2000 to 2014 is almost certainly closer to 20 million. It is also the case that the 18 million figure does not represent the growth in the immigrant population, but rather the number of new arrivals. New arrivals are offset by deaths and return migration. Comparing the January 2000 CPS to the December 2014 CPS shows a net growth in the immigrant population of 12 million. The total immigrant population grew by 12 million and not 18 million because some six million immigrants (roughly 430,000 annually) already here in 2000 had died or had returned to their home countries by 2014, so the net growth in this population was 12 million. This is only a rough estimate of deaths and return migration, and is based on the raw data provided by the Census Bureau; no adjustments have been made for breaks in the continuity of the CPS from 2000 to 2014.

<sup>3</sup> The Bureau of Labor Statistics surveys employers using the Current Employment Statistics (CES) survey. The CES asks employers each month about the number of employees they have. <u>This table</u> at the BLS website shows the number of jobs in the United States based on that survey. One simply needs to select the years desired. It is also possible to use the CPS rather than the CES to measure employment growth (number of people working) rather than job growth. The BLS explains the differences between the two sources <u>here</u>.

<sup>4</sup> Of all new arrivals, 10 million or 55 percent were working in December 2014. The latest estimates of the illegal immigrant population from the Department of Homeland Security show that, of the total illegal population of 11.4 million in January 2012, 4.8 million had entered the country from 2000 to 2011 (see Table 1 in "Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2012"). DHS also estimated 1.54 million new arrivals from 2005 to the end of 2011, or about 220,000 on average annually. Extrapolating out these numbers through the end of 2014 would mean 5.46 million illegal immigrants in the country in 2014 who arrived from 2000 to 2014. The actual number would be lower because some of the 4.8 million post-2000 illegal immigrants in the country in January 2012 would have died, returned home, or gained legal status by the end of 2014. Also the 4.8 million figure is adjusted upward by 10 percent relative to the Census Bureau data on which it is based to reflect what DHS believes is the undercount of illegal immigrants in the data. The CPS data used here for employment and new arrivals have not been adjusted. Nonetheless, these numbers allow us to roughly estimate that illegal immigrants accounted for between one-quarter and one third of the 18 million arrivals. The Pew Hispanic Center's most recent estimates of illegal immigrants through 2012 show 4.55 million illegal immigrants (40.6 percent of the total) who have been in the country for less than 10 years. Unfortunately, Pew does not provide the number who have

come since 2000, as does DHS. However, they do estimate that in 2012 there were 1.85 million illegal immigrants who had arrived in the country in the five years prior to 2012. Assuming that illegal immigration continued at that level in 2013 and 2014, there would be five to six million post-2000 illegal immigrants in the country by the end of 2014. Again, this would mean that between one-fourth and one-third of the 18 million arrivals in the December 2014 CPS were illegal immigrants. See Table A2 in "As Growth Stalls, Unauthorized Immigrant Population Becomes More Settled", Pew Hispanic Center, 2014.

- <sup>5</sup> Population growth is based on the January 2000 CPS and the December 2014 CPS.
- <sup>6</sup> Figures are from the December 2000, 2007, and 2014 CPS. Labor force participation had already started to decline slightly by the end of 2007 as the Great Recession began in the fourth quarter of that year. So a better comparison with December of this year might be the December 2006 CPS, before the Great Recession. In that month, labor force participation was still only 75.1 percent, significantly below the 76.9 percent in December 2000. To see other figures that show the same trends for the first quarter of each year 2000 to 2014, see Figures 6 and 7 in "All Employment Growth Since 2000 Went to Immigrants: Number of U.S.-born not working grew by 17 million", Center for Immigration Studies, 2014.
- <sup>7</sup> Figures are from the December 2000 and 2014 CPS. The number unemployed (share looking for work) is also higher now than in 2000.
- <sup>8</sup> As with all other data in this report, arrival data are from the December 2014 CPS and job growth is from the BLS website.
- <sup>9</sup> Figures are from the December 2007 public-use file of the Current Population Survey. The December 2014 CPS shows 10.2 million people living in the country who indicated that they arrived from 2000 to 2007. The difference partly reflects sampling variability and changes in survey weighting. The lower number in December 2014 represents deaths and out-migration of the 2000-2007 cohort by December 2014.
- <sup>10</sup> The labor force participation rates reported in Figure 1 are seasonally unadjusted.
- <sup>11</sup> The CES asks employers each month about the number of employees they have. This table at the BLS website provides the number of jobs in the United States based on that survey. One simply needs to select the years desired. The CES covers non-farm jobs. The exclusion of the farm sector has no meaningful impact on this analysis because it is only a tiny share of U.S. employment. The U.S. Department of Agriculture reported that all farm and agriculture service workers made up "less than 1 percent of all U.S. wage and salary workers" in 2012. They also reported that farm employment was actually slightly lower in 2012 compared to 2000. So if these workers were included in the CES it would mean that immigration outpaced job growth by an even wider margin. Finally, job growth in this report is focused on January 2000 and December 2014 and farm employment is lowest in the winter months. See the USDA website.