

Administrative Amnesty and the Job Market Employment Among Natives Likely to Be in Competition with Amnesty Recipients

By Steven A. Camarota

President Obama's recent announcement that some illegal immigrants under age 30 will be allowed to stay in the country and receive work authorization raises concerns about job competition with Americans. A June 15 article in the *Washington Post* ran a headline that read "Young illegal immigrants' amnesty could tighten competition for jobs, college". The president was also asked about this issue during his press conference.

We estimate that there are 750,000 adult illegal immigrants currently eligible for work authorization, and an additional 750,000 individuals eligible for the amnesty under age 18 who are still in school. Of adults who can receive work authorization, we estimate that nearly nine out of 10 do not have a bachelor's degree. Employment figures show a dismal employment picture for natives under 30 without bachelor's degrees, those most likely to be in competition for jobs with legalized illegal immigrants.

Employment Among Young Natives Without a College Education:

- In May 2012, the standard unemployment rate (referred to as U-3 by the government) for U.S.-born adults under age 30 without a high school diploma, was 26.5 percent. Using the broader measure of unemployment (referred to as U-6), which includes those who want to work but have not looked recently and those forced to work part-time, the rate was 40.5 percent.
- For adult natives under 30 who have completed high school, but have no additional schooling, in May the U-3 measure was 16.5 percent and the U-6 measure was 29.1 percent.
- For adult natives under 30 with some college, but not a bachelor's degree, in May U-3 unemployment was 10.8 percent and U-6 unemployment was 19.0 percent.
- There are a total of 6.4 million native-born adults under age 30 without a bachelor's degree unemployed, discouraged, or underemployed.
- The above figures do not include unemployment and underemployment among teenagers (16 and 17), less-educated natives older than 30, or legal immigrants.

The Illegal Population:

- Similar to other research, our best estimate of the illegal immigrant population shows:
 - 5.3 million illegal immigrants are under the age of 30.
 - 1.5 million are enrolled in school or have at least a high school education and meet the age and residency requirements for the amnesty; 750,000 of these individuals are adults.

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- There are an additional 600,000 adults who meet the age and residency requirements, but are high school dropouts who also may be allowed to apply for the amnesty by enrolling in a GED program.
- The administration's estimate of 800,000 seems to assume that many who are eligible will not apply for the amnesty, or perhaps it only includes adults. In prior legalizations, some of those who were eligible did not apply. On the other hand, fraud has plagued prior amnesties, significantly increasing the number of beneficiaries. Both of these factors add uncertainty to any estimate.

Discussion

On June 15 President Obama outlined a new policy to grant “deferred action” to illegal immigrants under the age of 30 who came to the United States before age 16. They are also supposed to have been in the country for more than five years. This means they will be allowed to stay in the country and no enforcement action will be taken against them. Perhaps most important, these individuals will receive “work authorization”, which means they will have valid documents, including Social Security numbers, to work at virtually any job in the United States.¹

Why Work Authorization Matters. While many of the adults who will receive work authorization are already in the labor market, official work authorization is important. By obtaining work authorization, amnesty beneficiaries will now be able to work for those employers using the E-Verify system. E-Verify is an electronic system run by the federal government that allows employers to verify that new workers are authorized to work in the United States. This means that they will be able to take a job in states such as Arizona, Alabama, South Carolina, Mississippi, North Carolina, and Georgia that require all or nearly all employers to use the E-Verify system for new hires. In addition, there are 11 other states, as well as a number of local jurisdictions, that require the use of E-Verify for public employees and for workers employed at businesses doing contract work for state and/or local governments.² Contractors with the federal government are also required to use the E-Verify system. In addition, many employers who are not required to use the E-Verify system do so on their own. By obtaining work authorization, amnesty beneficiaries will defeat the E-Verify system.

Work authorization is also important because, while it does not conduct work-site raids, the Obama administration does audit the employment records of some employers suspected of hiring illegal immigrants. The illegal immigrants who are identified by such audits are then dismissed by their employers. Those who obtain authorization to work will now be allowed to keep their jobs. Finally, it is often very difficult for illegal immigrants to get some types of jobs because even some employers who do not use E-Verify still make a significant effort to verify identity. For example, protective services companies that provide security guards seldom hire illegal immigrants because such businesses require valid documents and a background check. The same is also true at companies that deal with the interstate movement of letters and packages. With work authorization all of these jobs will now be opened up to illegal immigrants. And many of these jobs typically are done by workers without a college degree.

Employment Among Less-Educated Natives. Americans without a college education have been very hard hit by the current recession. Our analysis of the Census Bureau data from 2010 and 2011 indicates that 88 percent of adult illegals who qualify for the new amnesty do not have a college education, with 46 percent having only a high school education and 42 percent having only some college. Tables 1 and 2 in this report (pp. 5-6) provide figures on the employment situation for natives and all U.S. citizens (native- and foreign-born). As the tables make clear, there is no shortage of workers in the United States. This is particularly true among those without a college education. Any discussion of reforming the nation's immigration system cannot take place in a vacuum. The current economic reality, particularly for those who do not have a bachelor's degree, should be taken into consideration.

Methodology

Illegal Immigrants. It is well established that illegal aliens respond to government surveys such as the decennial census and the Current Population Survey (CPS). While the CPS does not ask immigrants if they are legal residents of the United States, the Urban Institute, the Department of Homeland Security (DHS), the former INS, the Pew Hispanic Center, and the Census Bureau all have used socio-demographic characteristics in the data to estimate the size of the illegal alien population. We follow this same approach.³ Our best estimate, based on a combined sample of the 2010 and 2011 Current Population Surveys, is that there are 10.5 million illegal immigrants in the United States, 5.3 million of whom are under age 30. Of those under 30, 1.5 million are enrolled in school or have completed high school and meet the age and residency requirements for the amnesty. Of these individuals, 750,000 are adults 18 to 29. There are an additional 600,000 illegal immigrants who meet the age and residence requirements, but have dropped out of high school yet may also be allowed to apply for the legalization by enrolling in a GED program. Most are adults, but there are a modest number of 16- and 17-year-old high school dropouts included in this number. Depending on how the amnesty is administered, enrolling in a GED program could allow such individuals to be considered “in school”, making them eligible for the legalization and work authorization.

Employment Data. The data for Tables 1 and 2 come from the public-use file of the May Current Population Survey (CPS), which is collected monthly by the Census Bureau for the Bureau of Labor Statistics (BLS). May 2012 is the most recent public-use data that has been released by the BLS. Each CPS includes about 131,000 respondents, roughly half of whom are in the labor force. Persons in institutions like prisons or nursing homes are not included in the CPS. The CPS is the nation’s primary source for unemployment and other labor force statistics. Like all government surveys, the data are weighted to reflect the actual size and demographic makeup of the U.S. population.

The government publishes employment statistics that are both seasonally adjusted and unadjusted from the survey. The figures in this analysis are seasonally unadjusted. Unadjusted figures are computationally simpler and easier for other researchers to replicate. In general, BLS does not provide separate estimates for the foreign-born (immigrants) and the native-born broken down by characteristics like education, race, and age. All CPS respondents are asked these questions, however. The Census Bureau defines the foreign-born as persons who are not U.S. citizens at birth, which includes naturalized citizens, legal immigrants who are not citizens (green card holders), temporary visitors and workers, and illegal immigrants. All figures for the total U.S. population (ages 16-plus) at the top of Tables 1 and 2 match those from the BLS’s seasonal unadjusted totals.

The standard measure of unemployment, referred to as U-3, takes the number of people who report that they are not working and have looked for a job in the last four weeks and divides it by the number actually working plus those looking. Those not actively looking for a job are not included in either the numerator or denominator when calculating the unemployment rate for U-3.

The broader measure of unemployment referred to as U-6 is calculated differently. It divides the sum of the unemployed population, involuntary part-time workers, and marginally attached people (discouraged and other) by the civilian labor force (employed and unemployed) plus marginally attached workers. The column headings in Table 1 show this calculation. An unemployed worker is someone who does not currently hold a job, but is available to work and has looked for a job in the previous four weeks. Marginally attached workers indicate that they want and are available for jobs, and that they have looked for work in the past 12 months.⁴ However, they are not considered unemployed because they have not searched for a job in the previous four weeks. Involuntary part-time workers are those individuals who report that they are working part-time for economic reasons. They want and are available for full-time work, but must instead settle for part-time hours.⁵ Because the total U-6 measure includes the unemployed, those working involuntarily part-time, and those marginally attached to the labor market (discouraged and other), it provides the broadest possible measure of problems in the U.S. work force.

End Notes

¹ See Associated Press story, at http://hosted.ap.org/dynamic/stories/U/US_OBAMA_IMMIGRATION?SITE=AP&SECTION=HOME&TEMPLATE=DEFAULT.

² The National Conference of State Legislatures keeps track of E-Verify use by the states. The most up-to-date information can be found at www.ncsl.org/issues-research/immig/e-verify-faq.aspx.

³ To distinguish legal from illegal immigrants in the survey, this report uses citizenship status, year of arrival in the United States, age, country of birth, educational attainment, sex, and marital status. We use these variables to assign probabilities to each respondent. Those individuals who have a cumulative probability of 1 or higher are assumed to be illegal aliens. The probabilities are assigned so that both the total number of illegal aliens and the characteristics of the illegal population closely match other research in the field, particularly the estimates developed by the Department of Homeland Security/legacy INS, the Urban Institute, and the Pew Hispanic Center. This method is based on well-established facts about the characteristics of the illegal population. For example, it is well known that illegal aliens are disproportionately young, male, unmarried, under age 40, have few years of schooling, etc. Thus, we assign probabilities to these and other factors in order to select the likely illegal population. In some cases, we assume that there is no probability that an individual is an illegal alien.

⁴ Marginally attached workers indicate that they have looked for work in the last 12 months, but not in the last four weeks. The marginally attached are comprised of two groups, both of which are included in U-6. One group is considered “discouraged”. Discouraged workers provide a reason related to market conditions for why they are not currently looking for a job. The second group of marginally attached workers indicate that they are conditionally interested in finding work and are referred to as “discouraged” and “other marginally attached workers”. These individuals provide reasons such as family responsibilities, school attendance, illness, and transportation problems for why they have not searched for work in the previous four weeks.

⁵ Involuntary part-time workers respond that they are working part-time (one to 34 hours a week) for economic reasons, and it includes those who usually work full-time and those who usually work part-time. They share a common desire to work full-time.

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Table 1. U-6 Measure for Natives and Citizens, May 2012 (thousands)

Column	1	2	3	4	5	6	7	8
	Employed	Unemployed ¹	Percent Unemployed	Marginally Attached ²	Marginally Attached: Other ³	Part-Time: Economic Reasons ⁴	U-6 Population (2+4+5+6)	U-6 Measure 7/(1+2+4+5)
All Persons (16+)	142,727	12,271	7.9%	830	1,589	7,848	22,538	14.3%
Teens (16-17)	1,289	501	28.0%	13	118	52	683	35.6%
<HS (18+)	12,282	2,111	14.7%	156	298	1,456	4,021	27.1%
<HS (18-29)	3,306	958	22.5%	75	160	456	1,649	36.7%
HS Only (18+)	39,073	4,056	9.4%	311	475	2,784	7,626	17.4%
HS Only (18-29)	8,722	1,614	15.6%	90	196	1,086	2,986	28.1%
Some College (18+)	41,441	3,645	8.1%	218	460	2,275	6,598	14.4%
Some College (18-29)	11,672	1,372	10.5%	48	172	904	2,496	18.8%
Bachelor's or More (18+)	48,641	1,959	3.9%	131	236	1,282	3,608	7.1%
Bachelor's Only (21-29)	6,580	399	5.7%	18	41	303	761	10.8%
All Natives (16+)	119,709	10,433	8.0%	652	1,405	5,961	18,452	14.0%
Teens (16-17)	1,245	466	27.2%	13	116	42	636	34.6%
<HS (18+)	6,721	1,498	18.2%	114	248	703	2,563	29.9%
<HS (18-29)	2,304	830	26.5%	70	134	318	1,352	40.5%
HS Only (18+)	32,896	3,590	9.8%	262	430	2,190	6,472	17.4%
HS Only (18-29)	7,495	1,483	16.5%	85	183	943	2,694	29.1%
Some College (18+)	37,497	3,303	8.1%	176	418	1,975	5,872	14.2%
Some College (18-29)	10,729	1,295	10.8%	44	161	829	2,329	19.0%
Bachelor's or More (18+)	41,350	1,576	3.7%	87	193	1,052	2,908	6.7%
Bachelor's Only (21-29)	5,901	367	5.9%	11	37	262	677	10.7%
All Citizens (16+)⁵	130,555	11,202	7.9%	732	1,459	6,638	20,030	13.9%
Teens (16-17)	1,259	474	27.3%	13	116	42	644	34.6%
<HS (18+)	8,123	1,633	16.7%	121	259	835	2,848	28.1%
<HS (18-29)	2,430	853	26.0%	70	134	335	1,392	39.9%
HS Only (18+)	35,604	3,776	9.6%	284	446	2,438	6,944	17.3%
HS Only (18-29)	7,791	1,527	16.4%	87	187	985	2,786	29.0%
Some College (18+)	39,929	3,490	8.0%	197	428	2,143	6,258	14.2%
Some College (18-29)	11,134	1,330	10.7%	44	165	858	2,397	18.9%
Bachelor's or More (18+)	45,640	1,829	3.9%	116	211	1,180	3,336	7.0%
Bachelor's Only (21-29)	6,186	388	5.9%	11	37	282	718	10.8%

Source: Center for Immigration Studies analysis of the May 2012 Current Population Survey public-use file. All figures are seasonally unadjusted and do not include those in institutions such as prisons and nursing homes.

¹ Unemployed means they are not working ,but are looking for work.

² Discouraged workers are not in the labor force; they neither have jobs nor have looked for one in the previous four weeks because they do not think there are any suitable for them. However, they are available for work and have looked for a job in the last 12 months.

³ These people are not in the labor force; they neither have jobs nor are looking for one, though they would work under the right circumstances. They do not fall into the official definition of discouraged workers, but like discouraged workers these individuals have looked for work in the last 12 months.

⁴ These individuals work part-time because of the economy. They include those who normally work full-time but are now part-time for economic reasons.

⁵ Includes immigrants who have naturalized.

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Table 2. Employment and Unemployment for Natives and Citizens, May 2012 (thousands)

	Employed	Unemployed	Percent Unemployed	Not in Labor Force (18-65) ¹			Employment Total ²	Employment Rate ³
				Employed	Unemployed	Total		
All Persons (16+)	142,727	12,271	7.9%	All Persons (18-65)	49,223	135,388	195,991	69.1%
Teens (16-17)	1,289	501	28.0%	Teens (16-17)	6,970	1,289	8,760	14.7%
<HS (18+)	12,282	2,111	14.7%	<HS (18-65)	10,346	11,638	24,036	48.4%
<HS (18-29)	3,306	958	22.5%	<HS (18-29)	3,961	3,306	8,225	40.2%
HS Only (18+)	39,073	4,056	9.4%	HS Only (18-65)	15,464	37,258	56,680	65.7%
HS Only (18-29)	8,722	1,614	15.6%	HS Only (18-29)	3,586	8,722	13,922	62.6%
Some College (18+)	41,441	3,645	8.1%	Some College (18-65)	14,702	40,029	58,259	68.7%
Some College (18-29)	11,672	1,372	10.5%	Some College (18-29)	5,547	11,672	18,591	62.8%
Bachelor's or More (18+)	48,641	1,959	3.9%	Bachelor's or More (18-65)	8,711	46,463	57,016	81.5%
Bachelor's Only (21-29)	6,580	399	5.7%	Bachelor's Only (21-29)	1,177	6,580	8,156	80.7%
All Natives (16+)	119,709	10,433	8.0%	All Natives (18-65)	40,995	113,099	163,733	69.1%
Teens (16-17)	1,245	466	27.2%	Teens (16-17)	6,483	1,245	8,194	15.2%
<HS (18+)	6,721	1,498	18.2%	<HS (18-65)	7,796	6,248	15,510	40.3%
<HS (18-29)	2,304	830	26.5%	<HS (18-29)	3,402	2,304	6,536	35.3%
HS Only (18+)	32,896	3,590	9.8%	HS Only (18-65)	13,294	31,248	48,037	65.0%
HS Only (18-29)	7,495	1,483	16.5%	HS Only (18-29)	3,079	7,495	12,057	62.2%
Some College (18+)	37,497	3,303	8.1%	Some College (18-65)	12,885	36,180	52,262	69.2%
Some College (18-29)	10,729	1,295	10.8%	Some College (18-29)	4,762	10,729	16,786	63.9%
Bachelor's or More (18+)	41,350	1,576	3.7%	Bachelor's or More (18-65)	7,020	39,422	47,923	82.3%
Bachelor's Only (21-29)	5,901	367	5.9%	Bachelor's Only (21-29)	923	5,901	7,191	82.1%
All Citizens (16+)⁴	130,555	11,202	7.9%	All Citizens (18-65)⁴	44,267	123,403	178,023	65.4%
Teens (16-17)	1,259	474	27.3%	Teens (16-17)	6,587	1,259	8,319	15.1%
<HS (18+)	8,123	1,633	16.7%	<HS (18-65)	8,464	7,546	17,594	42.9%
<HS (18-29)	2,430	853	26.0%	<HS (18-29)	3,500	2,430	6,783	35.8%
HS Only (18+)	35,604	3,776	9.6%	HS Only (18-65)	14,190	33,830	51,699	65. %
HS Only (18-29)	7,791	1,527	16.4%	HS Only (18-29)	3,195	7,791	12,513	62.3%
Some College (18+)	39,929	3,490	8.0%	Some College (18-65)	13,787	38,532	55,692	69.2%
Some College (18-29)	11,134	1,330	10.7%	Some College (18-29)	5,091	11,134	17,555	63.4%
Bachelor's or More (18+)	45,640	1,829	3.9%	Bachelor's or More (18-65)	7,826	43,495	53,037	82.0%
Bachelor's Only (21-29)	6,186	388	5.9%	Bachelor's Only (21-29)	1,014	6,186	7,588	81.5%

Source: Center for Immigration Studies analysis of the May 2012 Current Population Survey public-use file. All figures are seasonally unadjusted and do not include those in institutions such as prisons and nursing homes.

¹ Persons who are not working or looking for work.

² Total number of people in age group.

³ The share of people in the specific age group who are currently holding a job.

⁴ Includes immigrants who have naturalized.