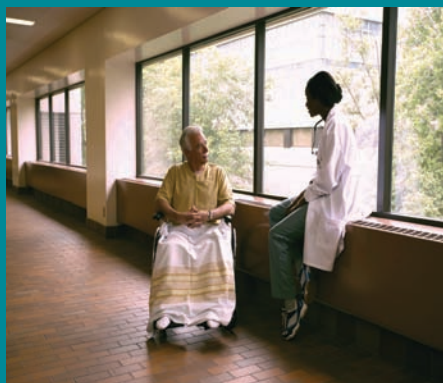


STILL AN HOURGLASS?

Immigrant Workers in Middle-Skilled Jobs

REPORT IN BRIEF



 **mpi**
MIGRATION POLICY INSTITUTE

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Table of Contents

Executive Summary	2
I. Introduction	3
<i>A. Purpose of the Report</i>	4
<i>B. Approach</i>	4
<i>C. Data Employed</i>	5
II. Key Findings	6
<i>Key Sector-Specific Findings</i>	10
1. Health Care	10
2. Information Technology	11
3. Construction	11
4. Hospitality	12
III. Conclusion	13
Works Cited	16
About the Authors	17



Executive Summary¹

It has been conventional wisdom that the immigrant workforce is shaped like an hourglass — wide at the top and the bottom but narrow in the middle. In reality, immigrants are more evenly dispersed across the skills spectrum than has been widely recognized. Our analysis demonstrates that the fastest growth in immigrant employment since 2000 has occurred in middle-skilled jobs — jobs that require more than a high school but less than a college degree and that typically pay a family-sustaining wage.

This report addresses the question of whether US immigrants, legal and unauthorized, have been able to find good jobs before and during the recent recession. We examine four major US industries: the more highly skilled health care and information technology sectors and the lower-skilled construction and hospitality sectors. These four sectors all had substantial labor force growth — among both immigrants and natives — before the recession started.

Immigrants holding middle-skilled jobs in three of the four sectors (all but construction) earned more on average before the onset of the recession than natives with similar jobs. At the same time, many of the good middle-skilled jobs we describe here were in the construction industry, which suffered steep job losses (more than 30 percent in some occupations) during the recession.

In reality, immigrants are more evenly dispersed across the skills spectrum than has been widely recognized.

Our analysis makes clear that prerecession, immigrants were finding work at all skill levels and progressing substantially in their earnings across the sectors surveyed. A number of other important trends were revealed by our analysis:

- **Immigrant labor market incorporation:** There has been broad mobility, with immigrant workers far outpacing native growth rates between 1990 and 2006 in the total economy and the four sectors studied.
- **Access to middle-skilled jobs:** The overall distribution of the immigrant and native labor force resemble one another much more closely than has been popularly believed, with the number of immigrant workers in middle-skilled jobs growing by 50 percent between 2000 and 2006.
- **Family-sustaining wages:** Middle-skilled jobs represent important pathways for immigrant mobility, with 60 percent of immigrants in middle-skilled jobs earning family-sustaining wages in 2006 compared to 28 percent of immigrants in low-skilled jobs.
- **Patterns of formal education and job skills:** Well-educated immigrants (those with at least a four-year college degree) are overrepresented in middle-skilled jobs compared to their native-born peers, 24 percent versus 19 percent.
- **The recession's impact on immigrant labor mobility:** Immigrant workers experienced slower job growth or a steeper decline than natives in all four sectors, reversing the earlier pattern of faster growth for immigrants.

¹ This report in brief summarizes the results of our full study on immigrant workers in four key economic sectors, *Still an Hourglass? Immigrant Workers in Middle-Skilled Jobs*, which can be found at www.migrationpolicy.org/pubs/sectoralstudy-Sept2010.



With the disappearance of so many construction jobs, the number of middle-skilled jobs available to immigrants with comparatively low educational attainment and limited English skills has fallen dramatically — a finding that has implications for the types of work-preparation programs that can successfully serve US immigrant populations. In the current workforce development system, less-educated immigrants and those with limited English skills often have difficulty completing the extensive education and training necessary to obtain the credentials required for most middle-skilled jobs in sectors other than construction.

Our findings also beg the question of whether the current legal immigration system, which is based largely on family reunification, may be meeting the nation's labor market needs to a degree that has gone unrecognized. With the exception of nursing, few visas for permanent or temporary admission are set aside for the expanding number of immigrant middle-skilled workers found in the four sectors we surveyed. Yet large numbers of immigrants entering through regular legal immigration channels are indeed filling these jobs.

Further research is needed to identify how many immigrants enter with middle-level skills and credentials; under which admission categories they enter; the wage and employment effects they have on US workers; and, looking to a postrecession future, the degree to which the immigration system might more expressly seek to fill middle-skilled job shortages. These analyses could constitute part of the charge of a Standing Commission on Labor Markets, Economic Competitiveness, and Immigration that the Migration Policy Institute (MPI) has recommended.²

I. Introduction

Before the onset of the recession, the conventional wisdom was that the US workforce would need far more immigrants — both high- and low-skilled — in future years. Labor market demand, a generous legal immigration system, and inadequate enforcement of immigration laws led to a near-doubling of the country's immigrant population, from 20 million in 1990 to 38 million in 2008.³ Unlike many developed countries, US immigrants are overrepresented in the labor market, making up 12-13 percent of the population but 15-16 percent of the workforce.

The immigrant labor force generally has been depicted as shaped like an hourglass — with larger numbers of lower- and higher-skilled immigrants, but a relatively thin population of workers in the middle.

In reality, immigrants are more evenly dispersed across the skills spectrum than has been widely recognized. Our analysis demonstrates that the fastest growth in immigrant employment has occurred in middle-skilled jobs — jobs that typically pay a family-sustaining wage.

The research findings presented here were made possible through an approach to analyzing and arraying data that permits us to classify occupations by skill level based on the education and training they require — offering a new lens on immigrant employment patterns.

2 For more on this Migration Policy Institute (MPI) recommendation, see Independent Task Force on Immigration and America's Future, *Immigration and America's Future: A New Chapter*, (Washington, DC: MPI, 2006), www.migrationpolicy.org/ITFIAF/finalreport.pdf; Demetrios G. Papademetriou, Doris Meissner, Marc R. Rosenblum, and Madeleine Sumption, *Harnessing the Advantages of Immigration for a 21st-Century Economy* (Washington, DC: MPI, 2009), www.migrationpolicy.org/pubs/StandingCommission_May09.pdf.

3 MPI analysis of data from the US Census of Population and Housing, 1990, and American Community Survey (ACS), 2008.



A. Purpose of the Report

This report addresses the question of whether US immigrants, legal and unauthorized, have been able to find good jobs before and during the recent recession. We are especially interested in the number and characteristics of immigrants holding middle-skilled jobs — those requiring at least a high school education plus an additional degree (short of a four-year college degree), credential, or significant job experience. Middle-skilled jobs are important because they represent a large share of all jobs and because they are much more likely than low-skilled jobs to pay family-sustaining wages, which we define as at least \$30,000 annually per worker. These jobs include such occupations as registered nurses, computer support specialists, carpenters, plumbers, and hotel managers.

We first describe trends in immigrant access to these good, middle-skilled jobs in the overall economy, leading up to and during the recession. Then we narrow our focus to four sectors — ranging from the more highly skilled health and information technology (IT) sectors to the less-skilled construction and hospitality sectors. Together the four sectors employ about 40 percent of foreign-born workers and 30 percent of the total US workforce.

This report addresses a number of questions that should be important to policymakers: Have immigrants been successful in climbing job ladders in key economic sectors? How has immigrant employment responded to the recession? Do the wages of immigrants in middle- and high-skilled jobs equal or exceed those for natives? What schooling, credentials, and English language skills do immigrants in good, middle-skilled jobs typically hold, and by implication, what education and training would fiscally constrained work-preparing institutions need to provide to help immigrants obtain these jobs?

B. Approach

Our approach to assessing the past, current, and future incorporation of immigrants into the US labor force has four defining features. First, we take a sectoral approach to immigrant incorporation, examining four sectors that have comparatively long job ladders, employ large numbers of immigrants, experienced rapid growth before the recession, and, notwithstanding the downturn, are projected to grow in the coming years. This sectoral approach captures the career pathways that education and training programs increasingly follow and that often generate positive results. This approach also permits us to explore the substantial variation in patterns of immigrant incorporation and recessionary impacts across sectors. Finally, our sectoral approach fills a gap in the broad literature on immigrant mobility, which has generally examined the US immigrant labor force as a whole.

A second defining feature of the analysis is our classification of occupations into three major skill groups based on education and training levels: high-skilled (those requiring at least a bachelor's degree); middle-skilled (a high school education plus an additional credential, substantial work experience, or long-term on-the-job training); and low-skilled (moderate- or short-term on-the-job training only). To construct these skill groups, we used a detailed 11-level Bureau of Labor Statistics (BLS) index of the skills needed for various occupations, which required matching BLS occupation codes to Census codes, and in many cases, reviewing individual occupations in order to assign skill levels.⁴ This categorization allows us to describe immigrant workers' representation in our focal

⁴ For a description of how the index is coded, see US Bureau of Labor Statistics (BLS), "Measures of Education and Training," *Employment Projections* (Washington, DC: BLS, 2009), www.bls.gov/emp/ep_education_tech.htm. There has been some recent criticism of the index for failing to account for changes in education requirements over time and for varying requirements within occupations. However, the index is the most comprehensive measure currently available at the detailed occupation level. See Anthony P. Carnevale, Nicole Smith, and Jeff Strohl, *Help Wanted: Projections of Jobs and Education Requirements through 2018*, Appendix 4 (Washington, DC: Georgetown University, Center on Education and the Workforce, 2010): 127-132, www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/Appendices.pdf.



industries by skill levels, with a particular emphasis on those in middle-skilled occupations. Because our definition is based on detailed occupation codes, it generates different results from other studies that use broader occupational categories, wages, or educational attainment to identify middle-skilled workers.⁵

A third defining feature of the work is our exploration of the degree to which differing occupations pay good wages to immigrant and native-born workers. To evaluate the adequacy of pay, we use the “family-sustaining wage” definition developed by the Economic Policy Institute (EPI). According to EPI’s definition, a worker’s income must be at least 60 percent of the median national household income, or about \$30,000 in 2006 (when the median was roughly \$50,000).⁶ Larger families need higher incomes to sustain themselves, but they also tend to have more earners than smaller ones. Our family-sustaining wage of \$30,000 is not the level a *single* worker would need to earn to sustain a family of four, but rather the amount that workers *on average* need to earn to reach this level given a mixture of smaller and larger families, most of which have more than one worker. It is also near the wage level found to support a family in studies of large US metropolitan areas.⁷

We also find that there is a high correlation between middle-skilled jobs and family-sustaining wages. While 60 percent of immigrant workers in middle-skilled jobs earned a family-sustaining wage in 2006, only 28 percent in low-skilled jobs did so.

A fourth distinctive feature of the analysis is our examination of immigrant workers by age, gender, country of origin, length of US settlement, English proficiency, and educational attainment to determine how these characteristics correlate with holding good jobs.

C. Data Employed

This report makes use of data from the American Community Survey (ACS) and Current Population Survey (CPS).⁸ For our “2006” estimates, we pooled three years of ACS data (2005-2007) in order to expand sample sizes and increase the precision of our estimates. For more recent comparisons, which are essential to examining the impact of the recession on immigrant employment, we used 2009 CPS data. We did not pool data from 2007 with later years in order to avoid mixing expansionary and recessionary time periods. Finally, we employed BLS employment projections for 2008-2018, released in December 2009, to predict potential future employment trends.⁹

5 See, for instance, David H. Autor, Lawrence F. Katz, and Melissa S. Kearney, “The Polarization of the U.S. Labor Market” (NBER Working Paper 11986, National Bureau of Economic Research, 2006), www.economics.harvard.edu/faculty/katz/files/akk-polarization-nber-txt.pdf; Harry Holzer and Robert Lerman, *America’s Forgotten Middle-Skill Jobs: Education and Training Requirements in the Next Decade and Beyond* (Washington, DC: The Urban Institute, 2007), www.urban.org/publications/411633.html.

6 Algernon Austin, “Getting Good Jobs to People of Color” (Briefing Paper #250, Economic Policy Institute, 2009), www.epi.org/publications/entry/getting_good_jobs_to_people_of_color/.

7 For instance, a study by the Los Angeles Community Redevelopment Agency defined a family-sustaining wage as \$28,000 in 2006. On average, this annual wage yielded about \$50,000 in family income, or 250 percent of the federal poverty level, when all workers in families were taken into account. This family-sustaining income level was developed based on a budget for housing, food, health care, child care, transportation, other necessities, and taxes in the Los Angeles metropolitan area. See Michael Matsunaga and Daniel Flaming, “Benchmark for a Family-Sustaining Wage in Los Angeles” (Los Angeles, CA: Los Angeles Community Redevelopment Agency, 2009), www.economicrt.org/summaries/Sus_Fam.html.

8 Because of differing sampling strategies and questionnaires, the ACS and Current Population Survey (CPS) surveys frequently generate different estimates of the size and characteristics of the US labor force, especially when smaller groups such as immigrants are considered. Economists and demographers disagree about which data source is more accurate, but the ACS has a much larger sample size, enabling the type of detailed occupation-level analysis we conducted for this report.

9 We limited our sample to those who worked at least part-time (25 weeks or 700 total hours) and earned positive wage and salary income over the course of the year.

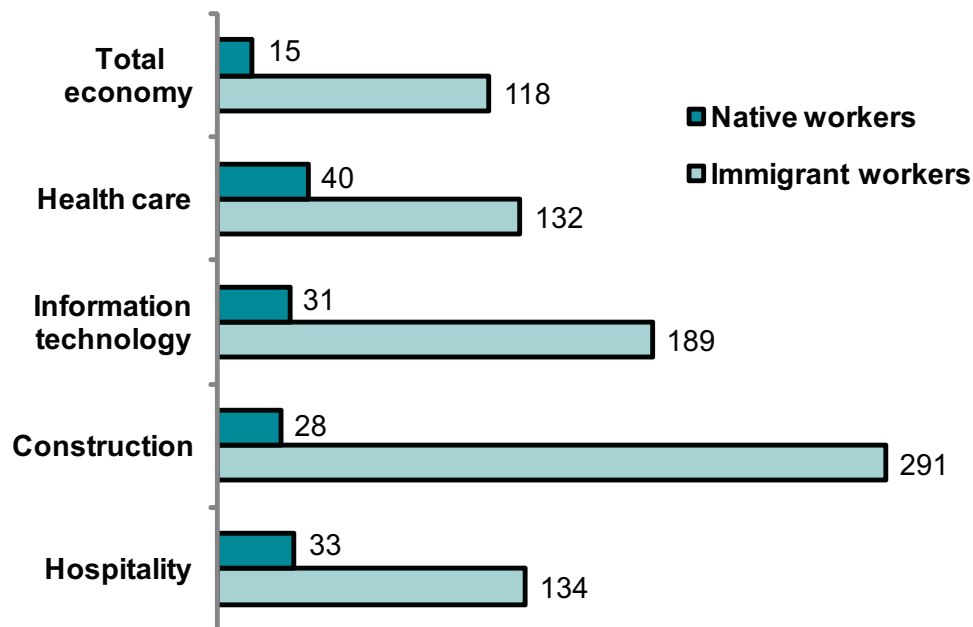
II. Key Findings

Our analysis reveals a number of important trends:

Broad immigrant economic incorporation across sectors. Over the past two decades, the immigrant labor force has grown rapidly as the US labor market served as a powerful engine of immigrant attraction and mobility. The shares of immigrant workers in the total economy and for each of the four study sectors soared between 1990 and 2006 — with all four growing faster than the economy as a whole — and with immigrants far outpacing natives’ growth rates (see Figure 1). Nonetheless, native employment also grew rapidly in all four sectors, and natives’ job growth in absolute numbers exceeded immigrants’ growth in three of the four sectors (except construction).

During the 2000-2006 boom years, immigrants accounted for over half (5.5 million) of the net growth of 10 million jobs.

Figure 1. Percent Job Growth for Workers in the US Labor Market and Selected Sectors, 1990-2006



Source: MPI analysis of data from the US Census of Population and Housing (Census), 1990 and ACS Public Use Micro-data Sample (PUMS), 2005-2007 pooled.

Immigrant access to middle-skilled jobs. The hourglass image often used to describe the immigrant labor force, emphasizing concentration at the high and low ends, does not appear to accurately portray the skill levels of jobs that immigrants hold. Since 1990, middle-skilled occupations have accounted for almost a quarter of the jobs held by immigrants, about the same share as high-skilled jobs (see Table 1). From 1990 to 2006, the number of immigrant workers in middle-skilled jobs grew at about the same rate as low-skilled jobs (125 percent versus 124 percent). But when we look at a later time period — 2000 to 2006 — we see the number of immigrants in middle-skilled jobs growing much more rapidly than the number in high-skilled jobs (50 percent versus 22 percent, not shown in table). Nonetheless, over half (56 percent) of immigrant workers were employed in low-skilled jobs in 2006, before the recession began. The shares of all immigrant workers employed in high- and middle-skilled jobs were 20 and 24 percent respectively while shares for natives were 25 percent in high-skilled and 29 percent in



middle-skilled jobs. Thus, it could be argued that the skill distribution of the immigrant and native labor force resemble one another much more closely than has been popularly believed. Moreover, despite the similarity of these skill distributions, economists have not found that immigrants holding middle- and high-skilled jobs substantially lower native workers' employment or wages.¹⁰

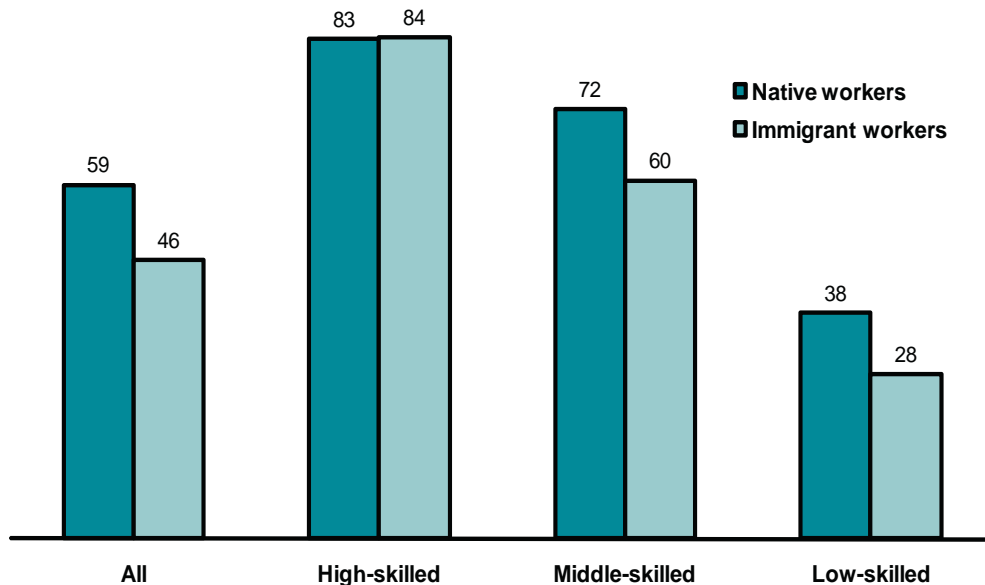
Table 1. US Workers by Nativity and Job Skill Level, 1990 and 2006

	Number of workers (1,000s)		Change (%)	Skill Distribution (%)	
	1990	2000-2006	1990-2006	1990	2006
Native-born	86,780	99,800	15	100	100
High-skilled	24,011	25,131	5	28	25
Middle-skilled	22,907	29,254	28	26	29
Low-skilled	39,862	45,415	14	46	46
Foreign-born	8,478	18,481	118	100	100
High-skilled	1,862	3,643	96	22	20
Middle-skilled	1,990	4,485	125	23	24
Low-skilled	4,625	10,353	124	55	56

Source: MPI analysis of ACS PUMS data, 2005-2007 pooled, and 1990 Census of Population and Housing PUMS.

Family-sustaining wages. Middle-skilled jobs represent important pathways for immigrant mobility, as these jobs offer a substantial step up in wages from low-skilled jobs. In 2006, 60 percent of immigrants in middle-skilled jobs earned family-sustaining wages compared with 28 percent of those working in low-skilled jobs (see Figure 2).

Figure 2. Percent of Immigrant and Native Workers Earning Family-Sustaining Wages by Skill Level, 2006

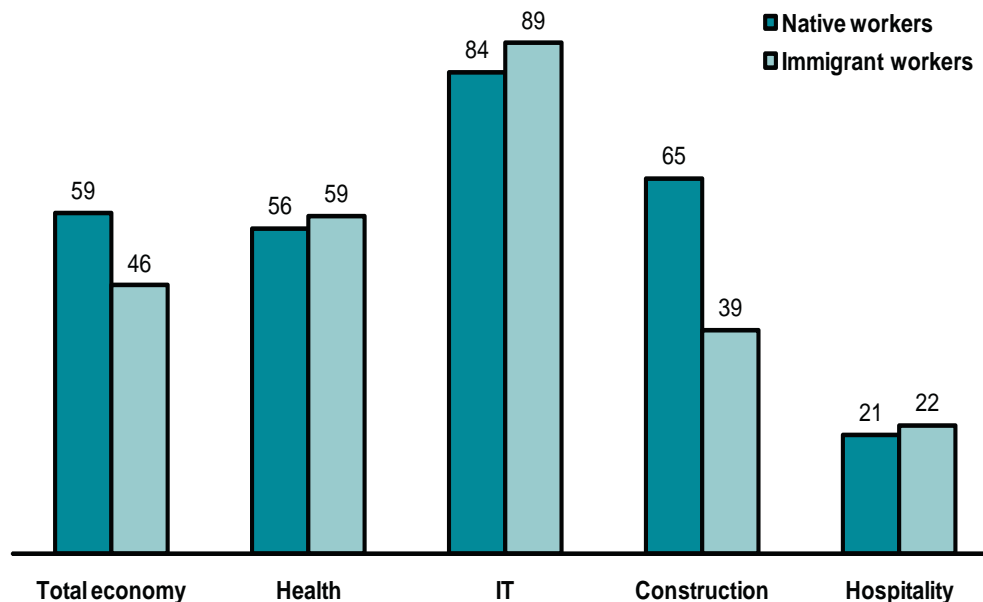


Source: MPI analysis of data from the ACS PUMS, 2005-2007 pooled, and 2000 Census of Population and Housing PUMS.

10 Pia M. Orrenius and Madeline Zavodny, "Does Immigration Affect Wages? A Look at Occupational Level Evidence" (Discussion Paper No. 2481, Institute for the Study of Labor, December 2006), <http://ftp.iza.org/dp2481.pdf>. We should note that the issue of competition and crowding effects was not a focus of this research, and there is little research on the topic generally, as most of the literature has focused on crowding effects among low-skilled workers.

The share of immigrants earning family-sustaining wages equaled or exceeded natives' share in three of the four sectors studied (see Figure 3). Immigrants earned more, in part because they were better educated than natives in the health care and IT sectors; their wages and educational attainment were both roughly equivalent in hospitality. Well-educated immigrants are overrepresented in some middle-skilled jobs, potentially owing to their inability to meet credentialing requirements. For instance, immigrants with advanced degrees and experience in the health care field in their home countries may have difficulty passing licensing exams in the United States and having their credentials and work experience fully valued by US employers.

Figure 3. Percent of Immigrant and Native Workers Earning Family-Sustaining Wages by Sector, 2006



Source: MPI analysis of data from the ACS PUMS, 2005-2007 pooled, and 2000 Census of Population and Housing PUMS.

We also find substantial earnings variation among immigrants. English-proficient immigrants were more likely than natives to earn family-sustaining wages (63 versus 59 percent), and were twice as likely to do so as limited English proficient (LEP) immigrants (31 percent). Immigrants with ten years or more of US experience were almost as likely as natives to earn family-sustaining wages (54 percent). Sixty-two percent of immigrants born outside of Latin America earned family-sustaining wages, but only 32 percent of Latin American immigrants did so. Latin Americans comprised 51 percent of all immigrant workers and were overrepresented in the lower-skilled and lower-paying sectors of construction and hospitality, at 83 and 62 percent respectively.

English and education demands. The importance of schooling and English language instruction in climbing career ladders is underscored by the fact that few immigrant workers in middle-skilled jobs had a high school education or less, or were LEP in three of the four sectors examined (health care, IT, and hospitality). The exception was construction, where substantial numbers of immigrants in middle-skilled occupations were LEP and did not have a high school education — but these immigrants generally earned less than natives in comparable occupations.

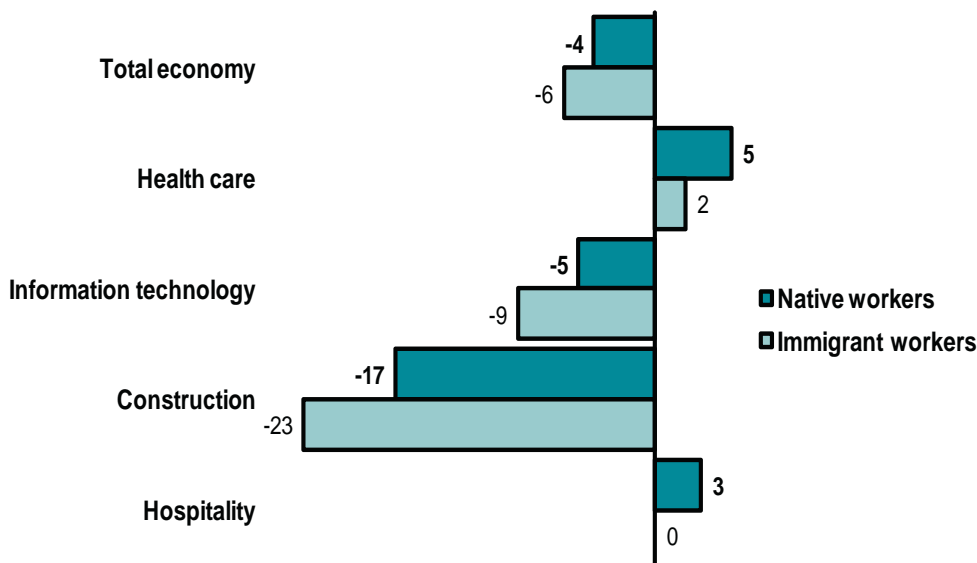
Youth progress. The unemployment rate for youth has approached 20 percent since the recession began, and the labor market has been poor for both immigrant and native-born youth. Even before the recession, immigrants age 16 to 26 were less likely than natives to hold promising entry-level or middle-skilled jobs in all sectors except construction. There were a few exceptions such as computer



support specialists in IT. Nineteen percent of immigrant youth earned family-sustaining wages, and the share for native youth — 23 percent — was roughly equivalent. (A successor MPI report will examine the demographic and employment trends among young first- and second-generation immigrants in greater detail.)

The recession's differing effects. Overall, immigrant job growth suffered more than natives' across all four sectors from 2007 to 2009, but the recession has had widely varying impacts on the four sectors, with construction hit the hardest. IT lost ground as well, following the sector's general stagnation in hiring since the high-tech bubble burst in 2000. Job growth in hospitality has stalled while job growth for immigrants in health care continues to grow, albeit at a slower rate than for natives and at a much slower rate than before the recession (see Figure 4).¹¹ Thus, the two sectors that saw the strongest job growth among immigrants before the recession — construction and IT — suffered the steepest immigrant job losses in the downturn.

Figure 4. Immigrant and Native Workers' Percent Job Growth by Sector, Third Quarter 2007 to Third Quarter 2009



Notes: Workers are defined as adults ages 16 and older who were employed during the week in which they answered the survey, regardless of how many hours they worked or their earnings.

Source: MPI analysis of CPS 2007 and 2009 pooled quarterly data.

Because of wide gender disparities across the four sectors, these recessionary trends have taken a greater toll on immigrant men, who are much more heavily represented in the construction and IT sectors, than on immigrant women, who dominate in the health sector. Latino men have fared especially poorly, because of their even greater representation in construction.

Moreover, the steep losses in construction have severely narrowed many of the widest occupational pathways to family-sustaining jobs for less-educated and LEP immigrants, many of whom are young and comparatively recently arrived.

¹¹ In the 16 years before the recession (1990-2006), immigrant health care employment grew by 132 percent, or an average annual rate of about 8 percent, while native employment grew by 40 percent or 3 percent annually (see Figure 1).



Key Sector-Specific Findings

We turn next to the four study sectors. The sectors differ significantly from one another in pre- and postrecession growth rates, the skill distributions of immigrant workers, opportunities for their advancement, and the shares of immigrants earning family-sustaining wages.

I. Health Care

Between 1990 and 2006, immigrant employment growth in health care was broad-based: foreign-born workers' employment growth outpaced natives' in each of the 39 health-related occupations we examined.¹² For example, between 1990 and 2006, the number of native-born licensed practical nurses (LPNs) rose 44 percent while the number of immigrant LPNs grew by 230 percent. Similarly the number of native-born dental assistants rose 40 percent compared to 179 percent for immigrant dental assistants.

In 2006, immigrants were well represented in health care occupations at all skill levels: just over a quarter worked in high-skilled occupations, about one-fourth in middle-skilled occupations, and about half in low-skilled occupations. Growth was especially rapid within low-skilled jobs such as home health aides. At the same time, the number of immigrants more than doubled in several middle- and high-skilled occupations, including LPNs, registered nurses (RNs), and physicians.

Health worker shortages are a persistent problem, particularly in low- and middle-skilled occupations. Health care employment continued to grow for both immigrants and natives during the recession, and growing demand for health services as the US population ages and lives longer should continue to promote strong job growth. Private health insurers and government programs such as Medicare have restricted prices, adding to demand for health services.¹³ Indeed, BLS projects 25 percent job growth in the sector between 2008 and 2018. The federal health care reform law enacted in 2010 is likely to further constrain prices, potentially leading to even greater growth in demand, at least in the short to intermediate term. Thus, demand for immigrant labor at all levels in the health sector will likely persist.

Overall in 2006, immigrant health care workers were slightly more likely than natives to earn family-sustaining wages: 59 versus 56 percent. Over 80 percent of immigrants in high- and middle-skilled jobs earned family-sustaining wages, but this share dropped to 30 percent in low-skilled jobs. In general, advancement along career pathways to these good jobs requires English proficiency, completion of lengthy coursework, and passing licensing exams.

Given the importance of English proficiency, it is not surprising that only 5 percent of workers in middle-skilled jobs were LEP. In fact, English-proficient immigrants with postsecondary credentials short of a bachelor's degree showed great mobility in the sector, with a large majority working in jobs that paid family-sustaining wages.

The mobility of immigrants in the sector did not extend to youth, as just 8 percent of immigrants working in health care overall and 4 percent in middle- and high-skilled jobs were ages 16 to 26.

Projected growth in the sector, especially in middle-skilled jobs such as nursing, should translate into continuing opportunities for immigrant workers with less than a college degree and will likely offer the best prospects of the four sectors studied. BLS projects more absolute job growth for RNs through 2018 than for any other occupation.

12 These 39 occupations are some of the largest or most pertinent health care occupations and together comprise about 80 percent of all workers in the health care sector.

13 Robin Stone and Joshua Wiener, *Who Will Care for Us? Addressing the Long-Term Care Workforce Crisis*, (Washington DC: Institute for the Future of Aging Services, 2001), www.urban.org/UploadedPDF/Who_will_Care_for_Us.pdf.



2. Information Technology

IT experienced rapid employment growth during the 1990s, but the sector stagnated following the bursting of the high-tech bubble in 2000 and the recession of 2001-2002. IT also experienced job losses during the recent recession. BLS projects modest job growth (4 percent) for the sector from 2008 to 2018. Before the recent recession, immigrant employment in IT rose despite slowing job growth in the sector overall. The share of foreign-born IT workers increased from 12 to 17 percent from 1990 to 2000, expanding to 20 percent in 2006. Moreover, as occupational skill requirements and wages rise, immigrants represent an increasing share of all workers in the sector. Thus, the better the job in IT, the more likely it is to be filled by an immigrant.

High-skilled workers predominate in IT, where there are fewer opportunities than in health care for those without a bachelor's degree. Immigrants are better educated than natives in the sector — 79 versus 51 percent hold at least four-year degrees — and their employment growth has been especially rapid in high-skilled jobs such as computer systems managers, network systems administrators, and database administrators.

Owing in part to their higher educational attainment, immigrants outearned US-born IT workers, with 89 percent of all immigrants and 84 percent of natives in the sector earning family-sustaining wages in 2006. In fact, three-quarters or more of immigrants from all origins — including Latin America — held good jobs at this wage level. Even among LEP immigrants and recent arrivals, more than 80 percent held these good jobs.

Despite the high-skill bias of the sector, opportunities for less highly educated workers also present themselves in the industry's middle-skilled occupations. Fifty-eight percent of immigrants holding middle-skilled jobs in IT had less than a bachelor's degree.

Youth comprised a significant share (15 percent) of immigrants working in middle-skilled computer support specialist positions. Overall, however, youth were a small share of workers in the sector — as in health care. IT was the only sector in which a majority (60 percent) of young immigrants earned family-sustaining wages.

3. Construction

Construction stands out among our four study sectors as the one providing the most opportunities for less-educated workers. Before the recession, construction offered important pathways to good jobs for immigrants — especially men, youth, recent immigrants, those from Latin America, and those with less formal education and limited English skills.

Immigrant employment growth from 1990 to 2006 was as broad-based in construction as health care. Growth was especially rapid (more than 300 percent) in many low-skilled occupations as well as some middle-skilled trade occupations such as plumbers, carpenters, and electricians. Native job growth was substantial in these occupations, though native growth in none of them exceeded 100 percent.

In 2006, immigrants were a third or more of workers in several important middle-skilled occupations, with LEP workers holding more than a quarter of these middle-skilled jobs. Still, the native born were a majority in all the large middle-skilled occupations except one (plasterers and stucco masons), and overall, native-born workers in construction were more likely than immigrants to hold middle-skilled jobs: 47 versus 37 percent.

Despite their mobility into middle-skilled occupations, immigrants earned less than natives in most of these occupations. Overall, 39 percent of immigrant construction workers earned family-sustaining



wages in 2006 compared with 65 percent of natives. The shares earning family-sustaining wages were lower among recent arrivals (26 percent), LEP immigrants (32 percent), and those of Latin American origin (33 percent).

Most middle-skilled construction occupations require on-the-job training and/or work experience rather than formal education, in contrast with health care and IT. Although immigrants' wages were lower than natives' in 2006, absent the implosion of the housing market and onset of the recession, many more immigrants likely would have moved into good-paying jobs over time with continued growth in the sector.

The rapid overall growth of the sector before 2007 also opened opportunities for large numbers of recent immigrants: in 2006, half of immigrant construction workers overall and more than half in several middle-skilled occupations had been in the United States for less than ten years.

Of course, the recession has dramatically affected immigrant employment, especially in occupations related to residential housing construction, such as carpenters, painters, roofers, and construction laborers. Construction of new houses virtually stopped during the recession, leading to steep job losses in these occupations for immigrant and native workers alike. Just as immigrant employment growth outpaced that of natives before the recession, the drop in their employment since has been steeper and it remains to be seen whether or not immigrants can regain their foothold in the sector. BLS projects 19 percent growth across the sector from 2008 to 2018, but if the economy and the residential and commercial property sectors remain weak, these projections may not come to pass.

4. Hospitality

Hospitality employment also grew rapidly, with the number of immigrant workers rising by 134 percent and the number of natives by 33 percent between 1990 and 2006. In absolute terms, employment growth was concentrated in low-skilled occupations such as cooks, cashiers, housekeepers, waiters, and waitresses. There was also rapid growth in middle-skilled supervisor and manager positions, but hospitality has relatively few of these positions. Hospitality job growth slowed during the recession, but was not as strongly affected as construction.

While immigrant employment in construction fell 23 percent between the third quarters of 2007 and 2009, immigrant employment in hospitality was flat with no growth. BLS projections anticipate modest 8 percent growth in overall hospitality employment from 2008 to 2018, the bulk of it in low-skilled jobs.

Hospitality has shorter job ladders, and hence fewer opportunities for mobility, than the other sectors we studied. In 2006, 78 percent of immigrants and 73 percent of natives worked in low-skilled occupations while just 20 percent of immigrants and 23 percent of natives held middle-skilled jobs. Moreover, only one small subset of middle-skilled occupations paid a family-sustaining wage: supervisors and managers. Still, more than a fifth of workers in these supervisor and manager positions were immigrants. These positions generally require strong English skills and substantial postsecondary education and job experience.

In 2006, only 14 percent of immigrants in low-skilled hospitality jobs and 50 percent of those in middle-skilled jobs earned family-sustaining wages — proportions that were *higher* than those for comparable native-born workers (10 and 46 percent, respectively).

Hospitality employs large numbers of young immigrants and recent arrivals. In 2006, almost half (47 percent) of immigrants had less than ten years of US experience and almost a quarter (22 percent) were ages 16 to 26. But the vast majority of these workers held low-skilled jobs paying only a fraction of a family-sustaining wage.



On the one hand, these findings suggest that once immigrants learn English and move up into customer service jobs, they may be poised to move into middle-skilled supervisory positions. On the other hand, BLS projects that growth in these supervisory positions will be relatively low — numbering only in the tens of thousands between 2008 and 2018.

III. Conclusion

Are immigrants getting good jobs? Our analysis presents a mixed picture of immigrant mobility in the US economy and in the four sectors examined in this brief.

The period before the recent recession was one of rapid immigration, with immigrants accounting for one of two new labor force entrants from 2000 to 2006. The immigrant labor force grew much more rapidly than the native-born labor force across the board and in our four study sectors. Especially rapid growth occurred in middle-skilled jobs — many of which paid family-sustaining wages. By 2006, in three of the four sectors examined (health care, IT, and hospitality), the shares of immigrants earning family-sustaining wages equaled or exceeded the shares for native-born workers. In sum, the data make clear that immigrants were finding work at all skill levels and progressing substantially in their earnings before the recession hit.

Our analysis of immigrant mobility suggests that immigrants have been able to advance into middle-skilled jobs that pay family-sustaining wages without four-year college degrees.

At the same time, more than half of immigrants worked in low-skilled jobs, a share only somewhat higher than for natives. Less educated, LEP, recently arrived, and young immigrants rarely held good jobs in three of the sectors we studied. In the fourth, construction, many such immigrants achieved substantial mobility before the recession, only to see many of their jobs vanish during the real estate bust.

Looking to the future, BLS has projected that the four sectors will offer uneven opportunities for immigrants and native-born workers, with substantial growth expected in health and construction and slower growth, especially among good jobs, in hospitality. But as this brief was written, the economy overall and the construction sector in particular continued to experience high historic levels of unemployment, with uncertain prospects for the future.

Our analysis of immigrant mobility suggests that immigrants have been able to advance into middle-skilled jobs that pay family-sustaining wages without four-year college degrees. We also find that immigrants holding middle-skilled jobs usually earn as much or more than natives in the same jobs — except in construction, where natives earn more than immigrants within almost all occupations. The analysis also suggests that with the recent sharp decline in the construction sector, jobs paying family-sustaining wages across the sectors may increasingly demand English language skills and postsecondary credentials.

The results raise two sets of policy concerns. One bears on the targeting, effectiveness, and funding of the work-preparing institutions that can move immigrant youth and workers now in low-skilled



jobs into middle-skilled work that pays a family-sustaining wage. The institutional issues here for employers, states, and the federal government are many:

- The often limited incentives of the workforce-preparation system to meeting the needs of hard-to-serve populations such as English language learners and workers with low education and literacy skills.
- The low persistence levels of immigrants in adult education and English as a Second Language (ESL) programs as they seek to meet the competing demands of work and family.
- The low completion rates of immigrant and other minority students seeking degrees from community colleges or other labor market credentials. These low completion rates often result from expensive and attenuated remedial education demands, limited financial aid, a failure to recognize credits for prior schooling and learning, and weak career guidance.
- The lack of coordination among the adult basic education, ESL, and workforce development systems, resulting in instruction that does not mesh across systems and in long, inefficient pathways to gaining credentials — all critical issues in current debates over reauthorization of the Workforce Investment Act.
- The reduced funding and increased crowding of workforce development and community college systems in the current recession. Crowding complicates already limited access to schooling and places a greater premium on emergent technology-based approaches to delivering instruction.
- The failure of some US employers and professional associations to recognize foreign credentials and work experience.

These issues will be pursued in substantial depth in successor reports that will be developed as part of this project.

Immigrants are more evenly dispersed across the skills spectrum than has been widely recognized.

Our findings also beg the question of whether the current, largely family-based, permanent immigration system may be meeting the needs of the labor force to a degree that has gone unrecognized. With the exception of nursing, few visas for permanent or temporary admission are set aside for the expanding number of immigrant middle-skilled workers that we find here. Further research is needed to identify how many immigrants enter with middle-level skills and credentials; under which admission categories they enter; the wage and employment effects they have on US workers; and, looking to a postrecession future, the degree to which the immigration system might more expressly seek to fill middle-skilled job shortages. These analyses could constitute part of the charge of a Standing Commission on Labor Markets, Economic Competitiveness, and Immigration, which MPI has recommended be created to advise the executive branch and Congress on what employment-based immigration levels would be optimal for the US economy.



In sum, immigrants are more evenly dispersed across the skills spectrum than has been widely recognized. The number of immigrants holding middle-skilled jobs has been increasing rapidly and is expected to continue growing in key sectors such as health care. Most immigrants in middle-skilled jobs earn family-sustaining wages, and in sectors such as IT and health care, where immigrants are better educated, they are more likely than natives to cross this wage threshold. By and large, we find that immigrants in middle-skilled jobs paying good wages are high school graduates, often with postsecondary degrees or credentials, and speak English fluently. Going forward, with the decimation of the residential construction industry, the prospects for immigrants with little formal education and limited English skills have weakened significantly even as funding for the institutions positioned to bolster their skills has eroded.

To read the full study and the methodology from which this Report in Brief is drawn, *Still an Hourglass? Immigrant Workers in Middle-Skilled Jobs*, please visit:
www.migrationpolicy.org/pubs/sectoralstudy-Sept2010.pdf.



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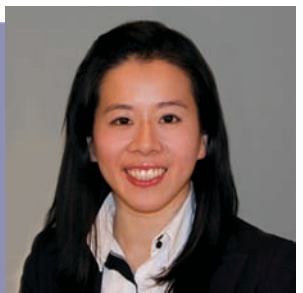
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The Migration Policy Institute is a nonprofit, nonpartisan think tank dedicated to the study of the movement of people worldwide. MPI provides analysis, development, and evaluation of migration and refugee policies at the local, national, and international levels. It aims to meet the rising demand for pragmatic and thoughtful responses to the challenges and opportunities that large-scale migration, whether voluntary or forced, presents to communities and institutions in an increasingly integrated world.

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