

On April 17, the Senate introduced bipartisan comprehensive immigration reform legislation that recognizes the critical role that immigrants play in our economy. This fact sheet—the third in our series on immigrants and the economy—details five reasons why immigrants are vital for the future of the U.S. labor force while recognizing that long-term labor needs must be addressed through education policy as well. Access AS/COA's Get the Facts series at: [www.as-coa.org/immigration-facts](http://www.as-coa.org/immigration-facts).

—April 2013

## Five Reasons Why the U.S. Labor Force Needs Immigrants

### **1** Despite an unemployment rate of 7.6 percent (March 2013), employers struggle to hire for certain positions with millions of jobs unfilled each month.<sup>1</sup>

- In the U.S., 49 percent of employers find it difficult to fill mission-critical positions—15 percentage points higher than the global average.<sup>2</sup>
- By 2018, more than 230,000 science, technology, engineering, and mathematics (STEM) jobs requiring an advanced degree will not be filled even if every U.S.-born STEM grad finds a job.<sup>3</sup>
- Immigrants will be critical to filling future labor gaps, with 76 million baby boomers retiring and only 46 million U.S.-born workers entering the workforce by 2030.<sup>4</sup>

### **2** Immigrants bring skill sets that are critical for the U.S. economy, especially in projected growth industries.

- Construction is projected to add 1.8 million jobs by 2020.<sup>5</sup> A study of Latino immigrant construction workers found that nearly 60 percent arrived in the U.S. with a deep and sophisticated knowledge of the trade.<sup>6</sup>
- The foreign born represent 25 percent of scientists and engineers in the United States.<sup>7</sup>
- Immigrants, although 13 percent of the U.S. population, make up 28 percent of the in-home health care workforce, with one in five direct care workers lacking documentation.<sup>8</sup>
- In recent years, immigrants have had higher labor force participation rates than people born in the United States, with 68 percent of immigrants participating in the labor force in 2012 versus 63 percent for the U.S. born.<sup>9</sup>

### **3** The U.S. is in a global competition to attract and retain human capital.

- The U.S. only issues 15,000 more employment-based green cards than Australia does of its visa equivalent despite having 14 times the population.<sup>10</sup> Caps on immigration force 20,000 U.S.-educated students to leave the U.S. every year.<sup>11</sup>
- The U.S. is competing with countries such as Chile, which offers immigrants \$40,000 in equity-free capital and a one-year visa to start a company. The Chilean program has drawn more than 1,600 applications from 70 countries, with applicants based in the U.S. leading the way.<sup>12</sup>

### **4** The U.S. population is aging and the potential of unfilled jobs and talent shortages may impede economic growth.

- By 2030, the U.S. will need to add 25 million workers to the labor force to sustain current levels of economic growth.<sup>13</sup>
- Without immigrants, the U.S. will not have enough new workers to support retirees. Seventy years ago, there were 150 workers for every 20 seniors; 10 years ago, there were 100 workers per 20 seniors. By 2050, there will only be 56 workers for every 20 seniors.<sup>14</sup>
- Immigrants are vital for maintaining a strong workforce, with more than one-third of U.S. population growth attributed to the arrival of new immigrants.<sup>15</sup> By 2050, 93 percent of the growth of the U.S. working-age population will be accounted for by immigrants and their children.<sup>16</sup>
- Approximately 75 percent of the foreign-born labor force is comprised of workers in the vital 25-to-54-year-old category—10 percentage points higher than their U.S.-born counterparts.<sup>17</sup>

### **5** Immigrants, with their language skills and international linkages, open new, global business and trade opportunities.

- Immigration boosts trade, with a 10 percent increase in a country's number of immigrants increasing the volume of trade by about 1.5 percent.<sup>18</sup>
- Every 100 H1-B visas issued results in 183 jobs created for U.S.-born workers, with every 100 H2-B (less skilled, nonagricultural) visas creating 464 additional jobs.<sup>19</sup>

This fact sheet is a product of the AS/COA Hispanic Integration and Immigration Initiative, which advances the integration of immigrants and promotes positive dialogue around the economic contributions of immigrants and Latinos overall across the United States. It was produced by Jason Marczak, AS/COA Director of Policy, in collaboration with Leani García and Andreina Seijas, and with support of the ManpowerGroup. For more information, visit AS/COA Online at: [www.as-coa.org](http://www.as-coa.org). For media inquiries or to speak with an expert on this topic, please contact Adriana La Rotta in our communications office at: [alarotta@as-coa.org](mailto:alarotta@as-coa.org).

## Endnotes

- 1 Over 3.9 million jobs were still open at the end of February 2013. <http://www.bls.gov/news.release/jolts.nr0.htm>
- 2 ManpowerGroup, "Talent Mismatch: 2012 ManpowerGroup Talent Shortage Survey Fact Sheet," 2013.
- 3 The Partnership for a New American Economy and the Partnership for New York City, "Not Coming to America: Why the U.S. is Falling Behind in the Global Race for Talent," 2012, p.2. <http://www.renewoureconomy.org/sites/all/themes/pnae/not-coming-to-america.pdf>
- 4 Jennifer Hunt and Marjolaine Gauthier-Loiselle, "How Much Does Immigration Boost Innovation?," *American Economic Journal: Macroeconomics*, 2(2):2010.
- 5 Richard Henderson, "Industry Employment and Output Projections to 2020," *Monthly Labor Review*, Bureau of Labor Statistics, 2012, p. 79. <http://www.bls.gov/opub/mlr/2012/01/art4full.pdf>
- 6 Natasha Iskander and Nichola Lowe, "The Politics of Skill: Rethinking the Value of 'Low-Skilled' Immigrant Workers," *Immigration Policy Center*, 2012, p.3.
- 7 R.T. Herman and R.L Smith, *Immigrant, Inc.*, (New Jersey: John Wiley & Sons, 2010), p. xxvi.
- 8 Cynthia Hess and Jane M. Henrici, "Increasing Pathways to Legal Status for Immigrant In-Home Care Workers," *Institute for Women's Policy Research*, 2013, p.5. <http://www.iwpr.org/publications/pubs/increasing-pathways-to-legal-status-for-immigrant-in-home-care-workers/>
- 9 Bureau of Labor Statistics, "Foreign-Born Workers: Labor Force Characteristics—2011," U.S. Department of Labor. <http://www.bls.gov/news.release/pdf/fborn.pdf>
- 10 The Partnership for the New American Economy and the Partnership for New York City, "Not Coming to America: Why the U.S. is Falling Behind in the Global Race for Talent," 2012, p.15. <http://www.renewoureconomy.org/sites/all/themes/pnae/not-coming-to-america.pdf>
- 11 Steve Case, "If You Want More Jobs, You Should Want More Immigrants," *The Atlantic*, 2012.
- 12 The Partnership for the New American Economy and the Partnership for New York City, "Not Coming to America: Why the U.S. is Falling Behind in the Global Race for Talent," 2012, p.24. <http://www.renewoureconomy.org/sites/all/themes/pnae/not-coming-to-america.pdf>
- 13 World Economic Forum, "Practising Talent Mobility for Economic Growth," 2011. <http://www.iom.int/jahia/webdav/shared/shared/mainsite/microsites/IDM/workshops/economic-cycles-demographic-change/Session-2-Anna-Janczak.pdf>
- 14 Immigration Policy Center, "The Future of a Generation: How New Americans Will Help Support Retiring Baby Boomers," 2012. <http://www.immigrationpolicy.org/just-facts/future-generation-how-new-americans-will-help-support-retiring-baby-boomers>
- 15 The Partnership for a New American Economy, "Fact Sheet," p.4. <http://www.renewoureconomy.org/sites/all/themes/pnae/img/facts.pdf>
- 16 Pew Research Center, "Second Generation Americans: A Portrait of the Adult Children of Immigrants," 2013, p.8. [http://www.pewsocialtrends.org/files/2013/02/FINAL\\_immigrant\\_generations\\_report\\_2-7-13.pdf](http://www.pewsocialtrends.org/files/2013/02/FINAL_immigrant_generations_report_2-7-13.pdf)
- 17 Bureau of Labor Statistics, "Foreign-Born Workers: Labor Force Characteristics—2011," U.S. Department of Labor. <http://www.bls.gov/news.release/pdf/fborn.pdf>
- 18 Murat Genc, Masood Gheasi, Peter Nijkamp, and Jacques Poot, "The Impact of Immigration on International Trade: A Meta-Analysis," *Norface Migration*, 2011, p.18. [http://www.norface-migration.org/publ\\_uploads/NDP\\_20\\_11.pdf](http://www.norface-migration.org/publ_uploads/NDP_20_11.pdf)
- 19 Madeline Zavodny, "Immigration and American Jobs," *American Enterprise Institute for Public Policy Research and the Partnership for a New American Economy*, 2011, p.4. [http://www.aei.org/files/2011/12/14/-immigration-and-american-jobs\\_144002688962.pdf](http://www.aei.org/files/2011/12/14/-immigration-and-american-jobs_144002688962.pdf)