

Immigration Is Remaking U.S. Workforce

Historic influx has changed shape of and outlook for labor market and economy

BY PAUL KIERNAN

The U.S. is experiencing its largest immigration wave in generations, swelling the population and changing the makeup of the U.S. labor force in ways that are likely to reverberate for decades.

The number of people who have migrated to the U.S. legally and illegally since the end of 2020—subtracting those who have left—exceeds nine million, the Congressional Budget Office estimates. That is nearly as many as in the whole of the prior decade. Immigration has lifted U.S. population growth to almost 1.2% a year. Without it, the population would be growing just 0.2% a year—and would begin shrinking around 2040, the CBO projects.

The surge in immigration has been controversial. Less than 30% of migrants, or 2.6 million, are what the CBO counts as “lawful permanent residents,” which includes green-card holders and other immigrants who came through legal channels. The CBO refers to most of the other 6.5 million as “other foreign nationals.” The bulk of that group crossed the southern border without prior authorization and requested asylum. They were assigned court dates, sometimes years in the future. While waiting, most of them work.

There is much that we don't know with precision about this population. But information trickles in, via a monthly Census Bureau survey of 60,000 households and the Transactional Records Access Clearing-house, a database of immigration- court filings curated by Syracuse University. The number of post-2020 immigrants who participate in the Census survey is small, and demographers believe unauthorized immigrants are less likely to respond. But looking at the people who do respond allows some inferences. The Journal looked at the May-July average.

Of foreigners who arrived since 2020, 78% are between the ages of 16 and 64, compared with 60% of those born in the U.S., according to the monthly census data. That helps explain why they are more likely to be in the labor force. Of recent immigrants age 16 or older, 68% are either working or looking for a job, compared with 62% for U.S.-born Americans.

Recent immigrants' participation rate is likely to climb further in coming years. It often takes more than six months for someone who has entered the U.S. to receive a work permit. Labor-force participation for foreigners who arrived from 2004 through 2019 is a lofty 73%, according to census data.

The 12 largest source countries for newcomers assigned immigration-court hearings since late 2020 are in Latin America or the Caribbean, the TRAC data show, led by Venezuela at 14%, Mexico at 13% and Honduras at 8.5%. Monthly census data paint a slightly different picture: Mexico, followed by Venezuela and India.

But while most recent immigrants are able to work, many aren't ready for highskilled jobs: The census data show immigrants who arrived since the start of 2020 are more than twice as likely to lack a high-school diploma as U.S.-born workers. But recent immigrants are also slightly more likely to hold a bachelor's degree or higher than the U.S.-born. The data don't make it clear why.

According to immigration court data, about 80% of recent immigrants' spoken language is Spanish. A survey last year by KFF and the Los Angeles Times found that around half of overall U.S. immigrants say they speak English “very well” or exclusively.

Immigrants who have arrived since the start of 2020 face higher jobless rates than the broader population—averaging 8.2% between May and July.

Recent immigrants tend to earn less than U.S.-born workers. They might also compete with existing workers with less education and put downward pressure on their wages, too. So the surge in immigration could weigh slightly on overall wages and productivity in the near term, according to the CBO. However, the drag fades as migrants gain experience, and those with college degrees contribute to innovation, the CBO says. And from the day they start working, migrants pay federal taxes.

An outsize share of post-2020 immigrants are working in low-paying jobs. The most-common occupations, according to the census data: construction laborer, maid and housecleaner, and cook. But many fill skilled jobs; the eighth most common occupation is software developer.

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