



Regardless of Education Level, Immigration Lifts Wages of Native-Born Relative to Immigrants, Says New EPI Report

Native-born workers in the U.S. at every educational level experience modest wage increases relative to foreign-born workers in the U.S. as a result of new immigration, according to a new report from the Economic Policy Institute.

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Assuming that, over the long-term, immigration has no overall effect on the average national wage, the report, [*Immigration and Wages*](#), looks at who likely gains and who likely loses ground as a result of new immigration. With few exceptions, the results are clear: U.S.-born workers see modest wage increases relative to foreign-born workers, while foreign-born workers see significant wage declines relative to U.S.-born workers.

The fact that U.S.-born workers tend not to bear the brunt of new immigration is likely because these workers typically do not compete head-to-head with immigrants for jobs. Foreign-born workers already in the U.S., whose skills (for example, language) more closely mirror those of new immigrants, are more likely to compete directly for jobs with new immigrants.

“Americans are right to worry about the declining quality of jobs over the last few decades, but this report shows that, for native workers at all levels of education, immigration had very little to do with it,” said EPI economist Heidi Shierholz, author of the report. “Other factors, like employers’ aggressive anti-union tactics, the declining purchasing power of the minimum wage, and unbalanced foreign trade are the real culprits behind broad-based declines in wages and job quality.”

Nevertheless, said Shierholz, immigration could have a much more beneficial impact on the U.S. economy – and its impact on foreign-born workers already here could be mitigated – if the immigration system were given a comprehensive overhaul. “This report suggests that we have little to fear, and much to gain, from developing a fairer, more rational immigration system,” she said.

Immigration and Wages reviews wage data from the U.S. Labor Department between 1994 and 2007 and finds the arrival of 9.6 million immigrant workers (including naturalized U.S. citizens, permanent residents, temporary visa-holders, refugees, and undocumented workers) during that period boosted the weekly wages of U.S.-born workers by 0.4%, or \$3.68, relative to foreign-born workers, while reducing weekly wages by 4.6%, or \$33.11, for foreign-born workers already in the United States relative to U.S.-born workers. Specifically, the report found that:

- Immigration modestly increased the wages of U.S.-born men with education beyond high school, and either modestly increased or left unaffected the wages of

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U.S.-born women at all education levels, relative to foreign-born workers with the same levels of education. Wages for U.S.-born men with no education beyond high school declined slightly – by 0.2% – relative to foreign-born workers.

- Foreign-born workers already in the U.S. saw significant relative wage declines regardless of gender or education levels, ranging from a 2.5% decline for women with no high school diploma to a 7.1% decline for women with a college degree.
- The effects of immigration on average relative wages did not vary significantly for U.S.-born workers by race, although methodological limitations prevented an analysis of race by education level, where differences could be pronounced. The youngest U.S.-born workers – those with one to 10 years of labor market experience – saw modest wage gains due to immigration (up 0.8%) relative to foreign-born workers, while wages among U.S.-born workers with the most labor experience declined slightly (down 0.3%) relative to foreign-born workers.

In the four states with the largest increases in the number of immigrant workers – California, Florida, New York, and Texas – the overall effect of immigration on the relative wages of U.S.-born workers was generally positive, mirroring the nation as a whole. But there were differences among subgroups. For example, in California, U.S.-born workers with no high school diploma saw wage declines of 1.6% relative to foreign-born workers, while in Florida they saw relative wage increases of 1.2%. In all four states, foreign-born workers at all education levels saw relative wage declines due to immigration.

The report's methodology is consistent with other economic literature on immigration which assumes no long-term impact on wages from immigration, since although immigrants increase the labor supply, they also help grow the overall economy by working and spending their earnings on goods and services.

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