

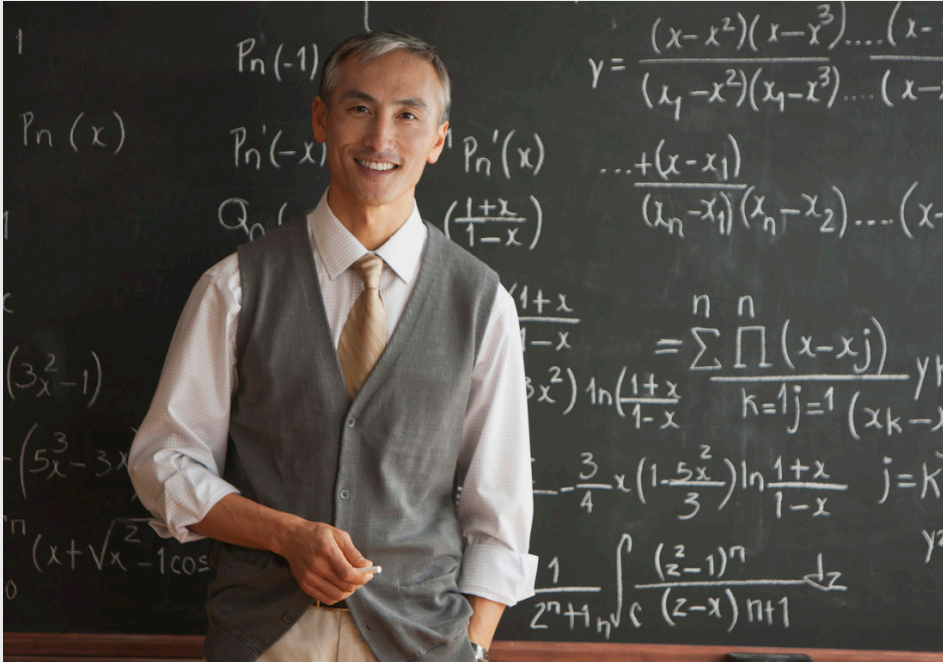
# Immigrants and the economy

**FAQ** • By Daniel Costa, Josh Bivens, Ben Zipperer, Ismael Cid-Martinez, and Daniel Perez • April 15, 2025

## Overview

# Immigrants and the economy

**In this section we answer the questions:** How many immigrants reside in the United States? What are the immigration statuses that immigrants have? What is the makeup of the U.S. immigrant population in terms of race and ethnicity?



**Immigration is among the most important economic and political issues and a main topic of discourse and debate among policymakers and the public. But misperceptions persist about many fundamental aspects of this crucial topic, such as:**

- the size and composition of the immigrant population
- the effects of immigration on the economy and workforce
- the difference between permanent immigration pathways that lead to green cards versus temporary and precarious immigration statuses
- various other facets of the U.S. employment-based migration system
- policy options for reform

This document provides essential background and facts, as well as answers to frequently asked questions, including relevant data, charts, and extensive citations to key sources.

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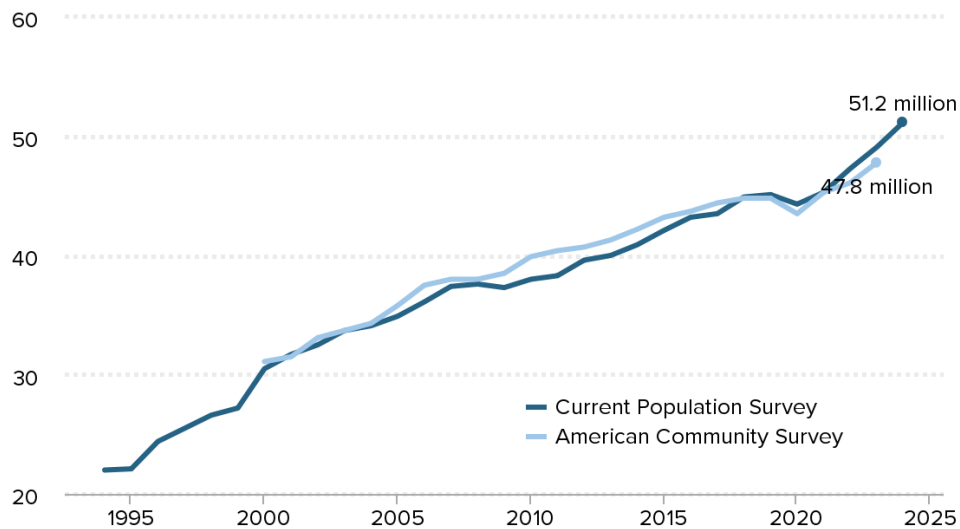
## How many immigrants live in the US?

There were 47.8 million migrants and immigrants who resided in the United States as of 2023 (see **Figure A**), which includes all foreign-born persons of any immigration status and those who lack a status. This estimate is based on American Community Survey (ACS) data, a commonly used source for the size of the immigrant population. Because the latest ACS data only run through 2023, we also show more recent data based on the Current Population Survey (CPS). The CPS counts 51.2 million foreign-born persons residing in the United States in 2023.

Figure A

### The immigrant population has grown steadily over the last three decades

Foreign-born population size (millions) from the American Community Survey (2000–2023) and Current Population Survey (1994–2024)



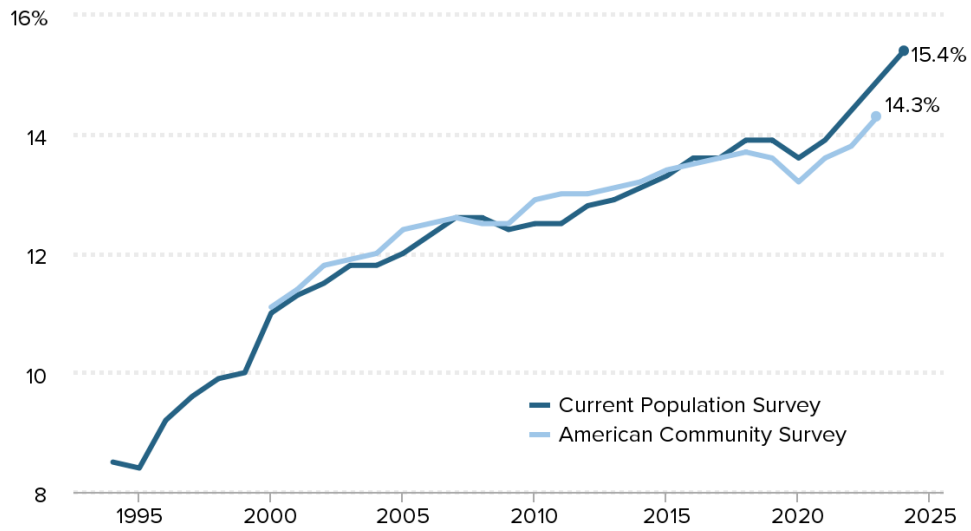
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While the absolute number of foreign-born persons in the United States has increased by about 17 to 21 million since 2000, and by about 8 to 13 million since 2010, they make up just a slightly higher share of the total U.S. population today. As **Figure B** shows, about 11.1% of the U.S. population were foreign-born in 2000 according to the ACS, and this figure increased by almost 2 percentage points a decade later (with immigrants making up 12.9% of the total U.S. population in 2010) and then rose to 14.3% in 2023. According to the Current Population Survey, the immigrant population has increased its share by less than 5 percentage points between 2000 and 2024.

Figure B

### The immigrant share of the population has grown by less than five percentage points since 2000

Foreign-born population as a share of total population from the American Community Survey (2000–2023) and Current Population Survey (1994–2024)



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As the figures above suggest, 2023 and 2024 saw an increase in immigration, but there is some uncertainty about the exact size of that increase.

## What is immigration status? What are the different immigration statuses, and how many people are in each status?

Foreign-born persons in the United States generally fall into four major categories in terms of immigration status. Two of the statuses provide nearly full and equal rights to foreign-born persons on par with U.S.-born citizens, one is temporary, and the last one is the absence of a status:

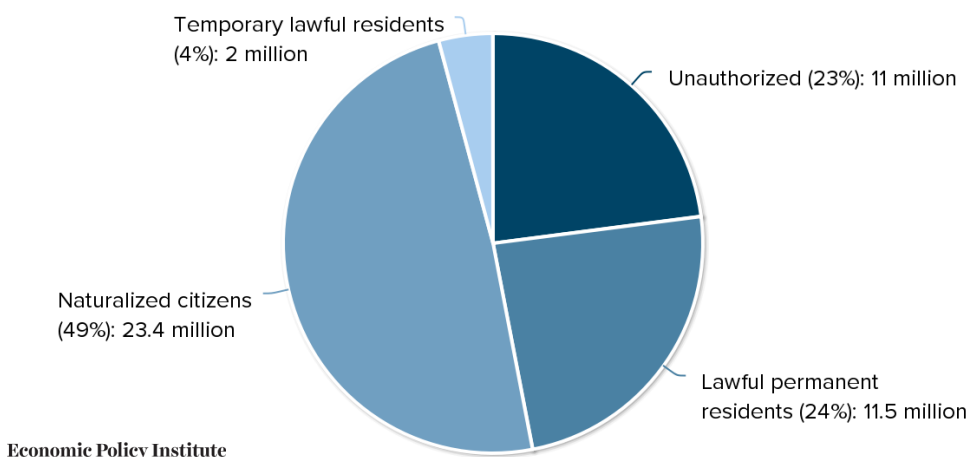
- lawful permanent residence (commonly referred to as having a “green card”)
- citizenship (meaning they have become naturalized U.S. citizens after having a green card)
- temporary lawful status (known as a “nonimmigrant” status because they are residing in the United States with a nonimmigrant visa, which only provides a temporary status)
- the lack of a lawful immigration status (often referred to as being in an undocumented, unauthorized, or irregular status)

Some migrants who lack a formal immigration status may, nevertheless, be in an authorized period of stay in the United States where they are temporarily “lawfully present,” which can occur if they have qualified for some sort of temporary immigration relief like deferred action, parole, or Temporary Protected Status, or if they are pursuing an asylum claim. Because of their temporary nature, we refer to them as precarious statuses (see the forthcoming section on precarious statuses in this FAQ). Other analysts like those at the Migration Policy Institute have referred to them as “twilight,” “liminal,” or “limbo” statuses. For the purpose of broader population estimates—in part because of

Figure A

### Nearly half of all immigrants are U.S. citizens, and one-quarter have green cards

Immigration statuses of the foreign-born population residing in the United States, 2022 (shares and totals, in millions)



data limitations—the migrants who have qualified for some sort of precarious temporary immigration relief are counted as unauthorized immigrants, even though they technically have a form of authorized stay.

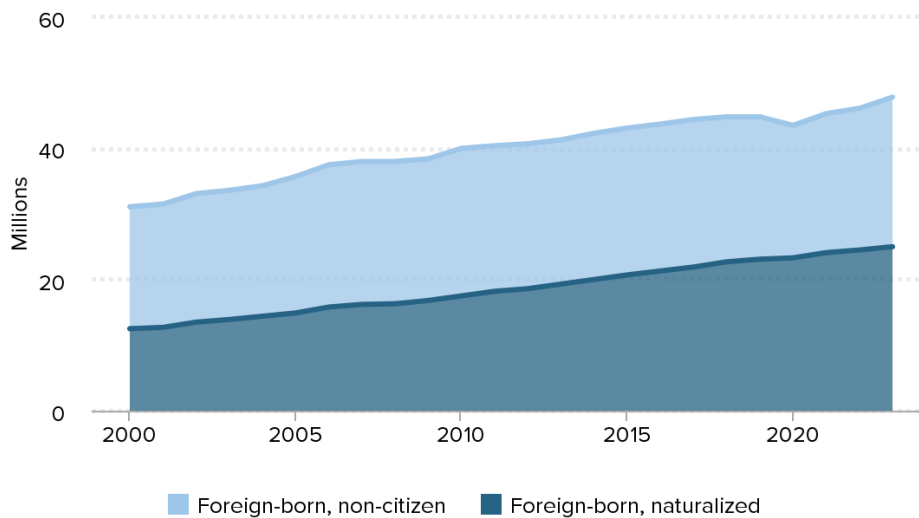
According to an analysis by the Pew Research Center, represented in **Figure A**, as of 2022, roughly half of all immigrants were naturalized U.S. citizens (49%), nearly one-quarter were lawful permanent residents (24%), 4% were temporary lawful residents, and 23% were unauthorized immigrants (lacking an immigration status).

Our analysis of American Community Survey data in **Figure B** looks at the immigrant population over time according to citizenship status. **Figure B** shows that of the roughly 48 million immigrants in the United States, slightly more than half (52.3%) are naturalized U.S. citizens. The share of naturalized immigrants has increased by 12.1 percentage points over the last two decades, from 40.2% in 2000 to 52.3% in 2023. As a result, the share of immigrants who are noncitizens has decreased since 2000: Less than half (47.7%) of immigrants were noncitizens in 2023. In terms of the absolute number of immigrants who report noncitizen status, it has changed relatively little since 2010 when it totaled 22.5 million.

Figure B

### Over 47.8 million immigrants resided in the United States in 2023, and more than half are naturalized U.S. citizens

Number of naturalized and non-citizen foreign-born residents in the United States, 2000–2023 (in millions)



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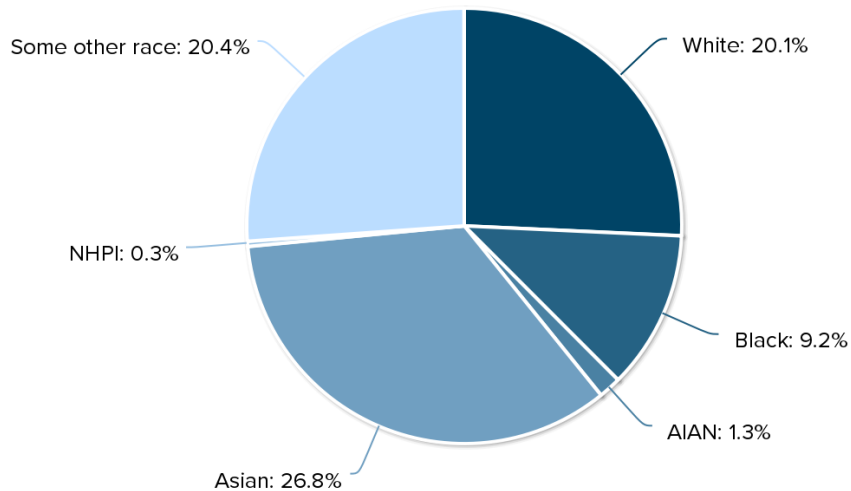
## What is the makeup of the U.S. immigrant population in terms of race and ethnicity?

The U.S. foreign-born population is not a monolith in terms of race and ethnicity. Most immigrants (78.1%) self-identified as being of a single race, while 21.9% of immigrants identified as being multiracial with two or more races in 2023. **Figure A** shows the breakdown among immigrants who identify as a single race: 26.8% Asian, 20.1% white (15.9% were white alone, not Hispanic or Latino), 9.2% Black, 1.3% American Indian and Alaska Native, and less than 1% Native Hawaiian and other Pacific Islander. About 1 in 5 (20.4%) foreign-born individuals identified as being of some other race in 2023.

Figure A

### The U.S. immigrant population is diverse

Foreign-born residents self-identifying as single-race, shares by race, 2023



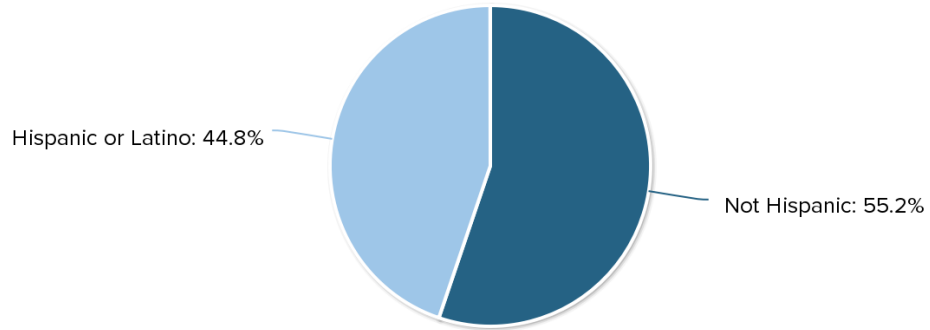
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**Figure B** looks specifically at the portion of the U.S. immigrant population that identifies as Hispanic or Latina/Latino. It shows that, perhaps contrary to popular perception, less than half (44.8%) of all immigrants in the United States identified as Hispanic or Latina/Latino in 2023. Only 33.5% (or 21.5 million) of the 65.1 million Hispanics and Latinos in the United States are foreign-born.

Figure B

## Less than half of the U.S. immigrant population is Hispanic or Latino

U.S. foreign-born population self-identifying as Hispanic or of Latino origin (any race), 2023



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# How much do immigrants contribute to the economy?

One way to quantify the contribution of immigrants to the U.S. economy is by accounting for the wages and salaries they earn, as well as the income of immigrant-owned businesses, as a share of all wages, salaries, and business income during a given period. For the United States as a whole, immigrants' share of total output was 18.0% in 2023 (see **Table 1**) or \$1.9 trillion in 2024 dollars. This means that the contribution of immigrants to economic output is larger than their share of the total population, as immigrants made up 14.3% of the total U.S. population in the same year.

Table 1

## Immigrants punch above their weight in the U.S. economy

Real contribution to economic output compared with population size, by nativity, 2023

	Total wage, salary, and business proprietor income (2024\$)	Income share	Population share
U.S.-born	\$9.5 trillion	82.0%	85.7%
Foreign-born	\$2.1 trillion	18.0%	14.3%
Total population	\$11.6 trillion	100.0%	100.0%

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Immigrants have an outsized role in U.S. economic output because they are disproportionately likely to be working and are concentrated among prime working ages. Despite accounting for 14.3% of the population, immigrants made up 18.6% of the labor force in 2023. Immigrants are also more likely to start businesses. Relative to their share of the population and to native-born peers, immigrants are significantly more likely to start companies of all sizes, including those that generate employment. Between 2005 and 2010, by one measure, immigrants had an 80% higher rate of firm founding than their U.S.-born peers. Even if many of these business openings ultimately result in closings, the constant churn is important to economic growth. According to another study, immigrants in 2013 accounted for 16% of the U.S. labor force but were 18% of business owners, and 28% of main street businesses, which are defined by the authors as retail, food services and accommodation, and neighborhood services such as nail salons, beauty shops, and gas stations).

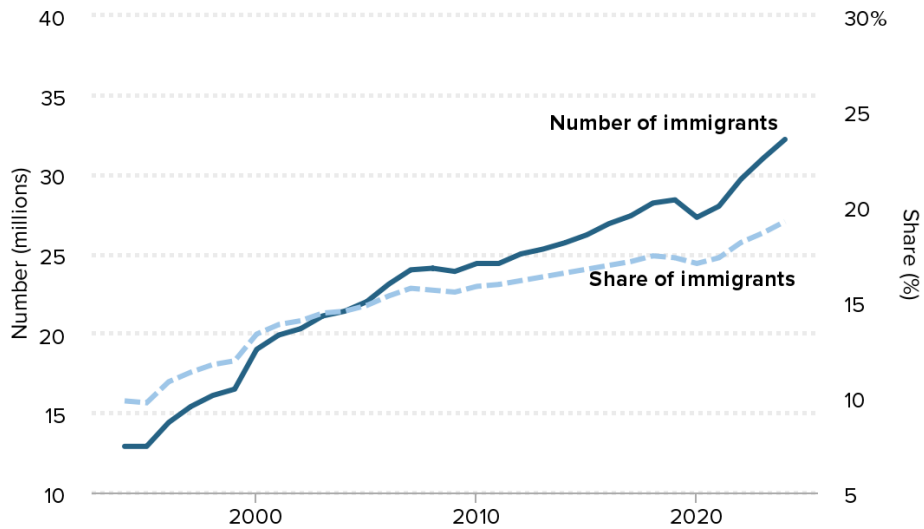
# How many immigrants work in the United States?

The size of the immigrant workforce in the United States has steadily increased over the last three decades. As **Figure A** shows, immigrants comprised 19.2% of the total labor force in 2024, up from 9.8% in 1994, according to the Current Population Survey. The total number of immigrants grew fastest in the late 1990s and then gradually slowed until rising again in 2023 and 2024. After a fall in immigration during the beginning of the COVID-19 pandemic, the immigrant workforce grew to a total of 32.2 million in 2024.

Figure A

## The immigrant workforce has steadily grown over three decades

The number and share of immigrants in the U.S. labor force, 1994–2024



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## How much workforce growth has been attributable to immigration?

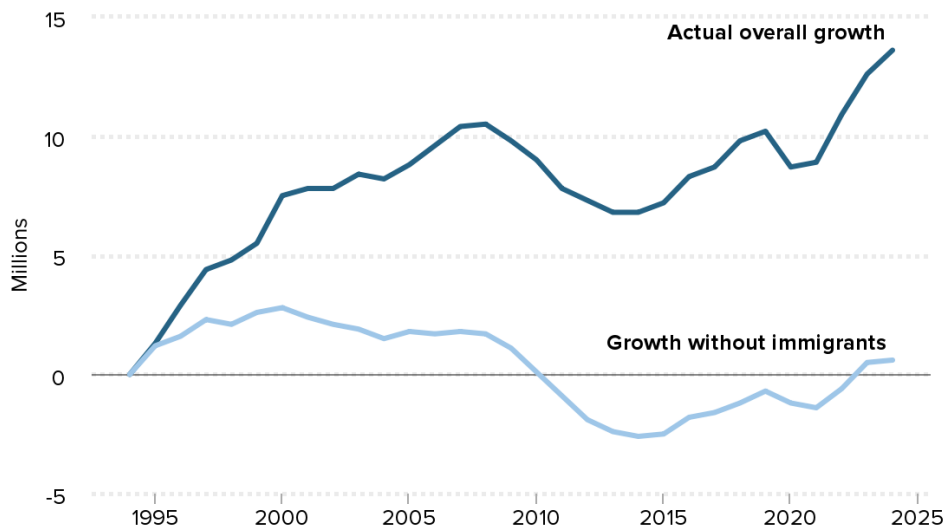
Immigration is an important source of growth in the size of the U.S. workforce, particularly because overall U.S. population growth has been slowing. For example, the U.S. Census Bureau recently estimated that if there were no future immigration, the overall U.S. population would begin to shrink in absolute terms.

In terms of the workforce, immigration is a major reason the U.S. labor force has grown in recent years. As **Figure A** shows, the number of people in the labor force in their prime working years (ages 25 through 54) grew by 13.6 million between 1994 and 2024. Almost all of the increase was due to a growing immigrant population. Without immigrants, the prime-age labor force in 2024 would essentially be at 1994 levels.

Figure A

### Immigration is the primary source of growth in the prime-age labor force

Labor force growth for ages 25–54, overall and without immigrants (in millions), 1994–2024



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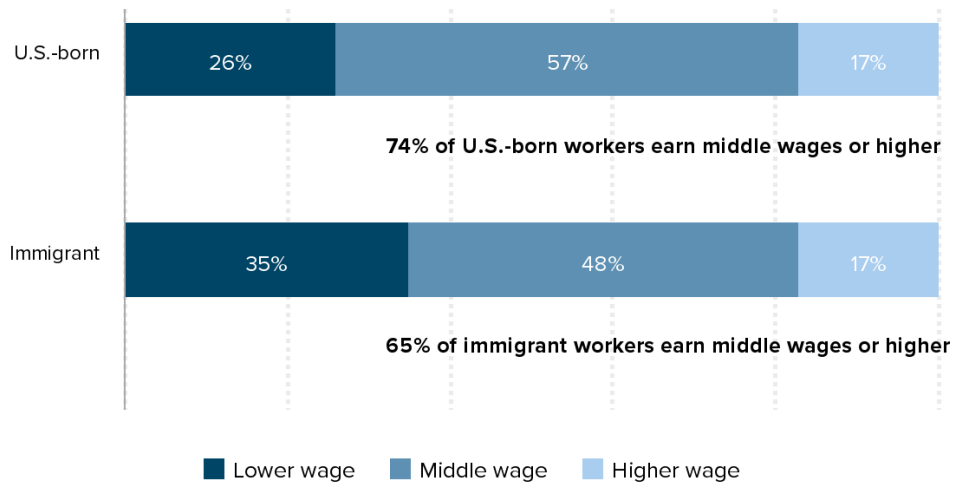
# What are the education and wage levels of immigrants?

The commonly held belief that most immigrants work in low-wage jobs is inaccurate. As depicted in **Figure A**, the Immigration Research Initiative found that among persons who work full-time and year-round, immigrants are just as likely as U.S.-born workers to have higher-wage jobs that pay more than twice the median earnings level (both are at 17%). They also found that 65% of immigrant workers who work full-time and year-round earn at least two-thirds of median earnings

Figure A

## Two-thirds of immigrant workers earn middle wages or higher

Earnings distribution of full-time year-round workers in 2017–2021, for U.S.-born and foreign-born



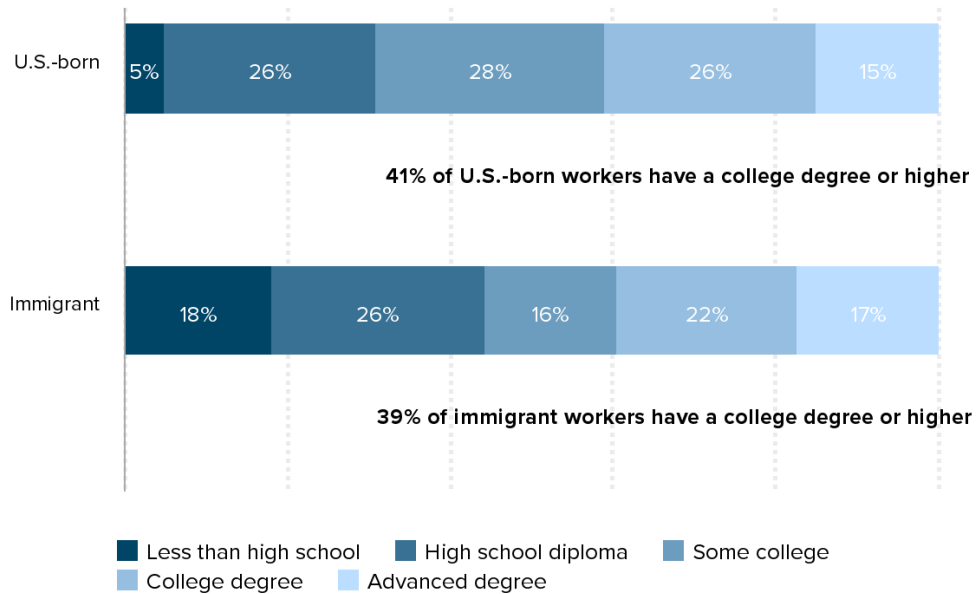
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Immigrants may be overrepresented in some jobs and underrepresented in others, but the difference between the U.S.- and foreign-born shares is rarely as dramatic as is often assumed. Immigrants are strongly represented in some high-wage jobs and play a significant role in many middle-wage jobs. For example, 25.0% of dental, nursing, and health aides are immigrants, as are 38.7% of computer software developers—well above immigrants' 19.1% share of the employment overall. While immigrants are overrepresented in low-wage occupations, immigrants are a significant part of the top, middle, and bottom of the economic ladder in the workforce.

Figure B

## Immigrants and U.S.-born workers have similar levels of high-school and college education

Educational distribution of the labor force in 2024, for U.S.-born and foreign-born



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Immigrants and U.S.-born workers have similar levels of college education. As **Figure B** shows, 39% of immigrants in the labor force have an undergraduate degree or higher, compared with 41% of those who are U.S.-born. Immigrants, however, are much more likely to have less than a high school diploma compared with U.S.-born workers, although they are equally as likely to have only a high school diploma as U.S.-born workers, at 26%.

# What are the top occupations for immigrants?

In 2024, immigrants made up about 19.1% percent of U.S. employment, and many are disproportionately concentrated within a select number of occupations. **Table 1** shows the top-10 major occupation groups with the highest shares of immigrants. The “Immigrant share of occupation” column shows the share of all workers in the occupation who are foreign-born. **Table 1** shows that these top-10 occupations have immigrant shares of employment ranging from about 22% to 40%, and altogether the top 10 comprise just over half of all employed immigrants in 2024.

Table 1

## Immigrants comprise a significant share of workers in both high- and low-paying major occupations

Top-10 occupations for immigrants by share of employment in the occupation, number of immigrants employed in each occupation, median hourly wage for the occupation, and difference from national median wage for all workers

Occupation	Number of immigrants employed	Immigrant share of total employment in occupation	Median wage for the occupation	Difference from national median wage for all workers
Farming, fishing, and forestry	386,000	40%	\$16.64	-34%
Building and grounds cleaning and maintenance	2,285,000	40%	\$17.95	-29%
Construction and extraction	3,037,000	36%	\$24.83	-2%
Computer and mathematical science	1,695,000	27%	\$47.36	87%
Food preparation and serving related	2,043,000	25%	\$16.21	-36%
Production occupations	1,960,000	25%	\$22.14	-12%
Healthcare support	1,311,000	24%	\$18.33	-28%
Transportation and material moving	2,838,000	24%	\$19.98	-21%
Personal care and service	892,000	22%	\$17.74	-30%
Life, physical, and social science	405,000	22%	\$37.95	50%

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Immigrants make up a large share of workers in agricultural occupations, but the number employed is relatively small compared with other occupations. For example, in 2024, 2.3 million immigrants were employed in “building and grounds cleaning and maintenance” occupations, like janitors, custodial workers, and landscapers, accounting for 40% of employment in the occupation. Immigrants were also about one out of every four (24%) workers in “healthcare support occupations,” which includes jobs like home care aides and nursing, dental, and medical assistants.

While immigrants work in some high-paying occupations, many of the occupations where immigrants are disproportionately concentrated typically pay low wages. **Table 1** shows that a majority of the top-10 occupation groups with higher shares of immigrants have median hourly wage rates that are substantially lower than the overall national median wage. For example, building and grounds cleaning and maintenance workers, who had a national median wage of \$17.95 an hour in 2023, were paid 29% less than the 2024 national median wage of \$25.28 per hour.

Health care support occupations are also paid a wage that is much lower than the median national wage (28% lower). These occupations, however, are expected to be among the fastest-growing occupations over the next decade according to the Bureau of Labor Statistics (BLS). If BLS employment projections turn out to be correct and if we assume that immigrant workers will continue to fill the same share of jobs in the occupation that they do now (24%), then that implies that nearly 275,000 more immigrants will be needed for those jobs alone between 2023 and 2033. A higher share of immigrants in the occupation would mean more immigrants would be needed. The second-fastest growing occupation according to BLS will be in computer and mathematical occupations, which are expected to grow by 12.9% in the next decade and where 27% of current workers are immigrants.



## How do immigrants affect the economy?

Immigration expands the economy and does not lead to higher jobless rates among U.S.-born jobseekers. The year 2023 was a prime example of this. While the United States likely saw higher-than-usual levels of new immigrant arrivals, the unemployment rate for U.S.-born workers hit a record low, while the share of prime-age U.S.-born individuals with a job and the prime-age labor force participation rate for U.S.-born individuals hit its highest rate in more than two decades.

It's important to remember that the number of jobs in an economy is not fixed. As the labor force grows—regardless of the source of this growth—policymakers have both the ability and the responsibility to ensure that there is sufficient demand to provide employment for all willing workers. Policymakers' ability to generate demand to quickly drive unemployment rates back down after adverse shocks has been confirmed by the experience after the COVID-19 economic shock. The economy returned to the pre-pandemic unemployment rate after just two years (and essentially just one year after vaccines allowed for substantial renormalization of economic activity) because policymakers took their obligation to restore pre-crisis levels of unemployment seriously.

Additionally, immigration does not make the job of ensuring that there is enough demand to keep the available labor supply fully employed much more difficult because new immigrants who join the labor force also create growth in demand, which, in turn, helps create jobs. In other words, immigrants are potential workers, but they are also consumers who increase the demand for goods and services, expanding the overall economy.



## Do immigrant workers affect wages for U.S. workers?

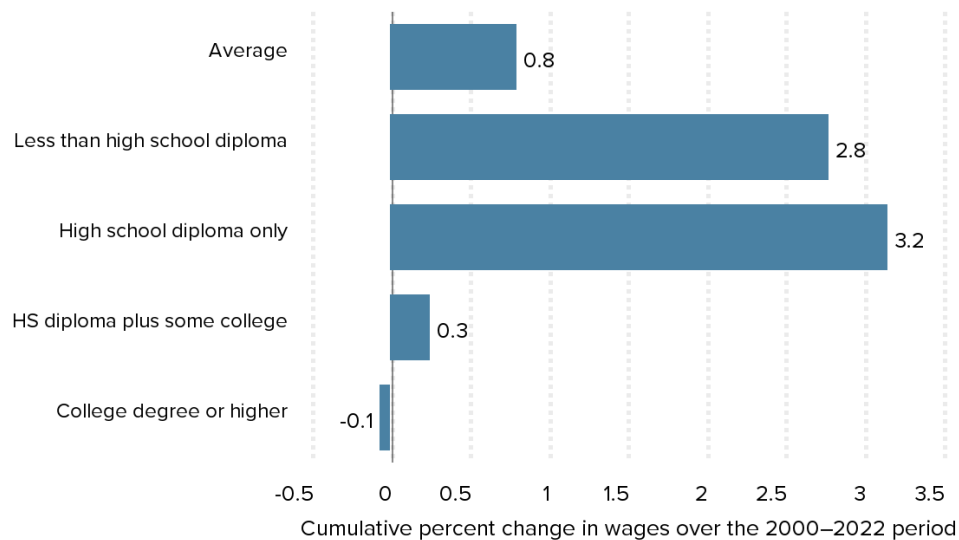
The most rigorous work on the effect of immigration on wages finds extremely modest effects for native-born workers, including those with low levels of education. A review by Giovanni Peri of more than 270 estimates from 27 published studies found that the average effect of immigration on native-born wages is essentially zero. Two-thirds of these studies were clustered around zero, finding small positive or small negative effects. The comprehensive National Academies of Science review from 2017 found that “when measured over a period of more than 10 years, the impact of immigration on the wages of natives overall is very small.” A recent study by Alessandro Caiumi and Giovanni Peri found even more positive effects, with immigration raising the wages of the average U.S.-born worker, even those with lower levels of education.

There are several reasons why immigration does not significantly depress U.S.-born workers’ wages at the macro level. One is that while immigration increases the supply of labor available to employers, it does not necessarily push down market wages because immigration also increases the demand for goods and services, as immigrants purchase food and housing, raising the overall demand for labor. Capital investment adjusts to the change in population, reducing the possibility of negative effects on average wages.

Figure A

### Immigration’s wage effects on U.S.-born workers estimated to be positive and progressive since 2000

Estimated effect of immigration flows on hourly wages by educational level, 2000–2022



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**Figure A** shows estimates from Caiumi and Peri of the effect on wages by education level for U.S.-born workers stemming from immigration flows from 2000–2022. The estimates are very small, but positive: Over more than two decades, immigration has raised the average U.S.-born worker’s wage by 0.8%. Workers with a high school diploma or less education saw slightly larger increases in the range of 2.8% to 3.2%. The estimated impact for college-educated workers is slightly negative, but its effect translates into less than 4 cents per hour over more than two decades.

It is important to note that the above results are for U.S.-born workers only. Previous research by Ottaviano and Peri (from 2012) showed that wage effects of larger immigration flows were more negative for immigrant workers who already resided in the United States. This is likely still true, as newly arriving immigrants are more likely to possess skills that are similar to those of previous immigrant arrivals. This fact reinforces our emphasis that immigration policies must ensure that immigrant workers arrive in the United States with full labor and workplace rights.

Moreover, because these studies assess immigration at the macro level, they may obscure important differentials in impact based on the immigration status of workers. For example, a recent EPI report discusses the impact of immigration status on wages and working conditions. EPI has also published research that demonstrates how work visa programs may permit employers to underpay migrant workers relative to average wage rates, and there is evidence that industries with high concentrations of unauthorized immigrant workers also experience high rates of wage theft and other violations that can undermine standards more broadly.

## Immigration policy often favors employers over workers and needs to be reformed

To the extent that there are challenges with respect to the nexus of immigration and wages, it is not related to the scale of immigration flows, nor to the characteristics of immigrants, but instead from employers who take advantage of migrant and immigrant workers who lack an immigration status or only have a temporary or precarious status. One need look no further than the landmark study and survey of 4,300 workers in three major cities that found that unauthorized immigrants were more than twice as likely to be victims of wage theft for minimum wage violations than U.S.-born citizens (37.1% to 15.6%). Further, the study found that an astounding 84.9% of unauthorized immigrants were not paid the overtime wages they worked for and were legally entitled to.

Employers also take advantage of temporary work visa programs in which workers have limited rights and are tied to one employer. Immigration policy with respect to work visas often intentionally gives employers “monopsony power” over workers—tying workers to a single employer and short-circuiting their ability to shop around for better jobs. This monopsony power prevents migrants with work visas from getting better jobs and raising their wages, which can have negative spillover effects on U.S.-born workers in the same sectors.

A useful framework for thinking about this is that any situation where workers’ individual bargaining power is reduced is going to put downward pressure on their wages, and therefore, also on the wages of workers in similar occupations and industries. (See more discussion about this in the previous subsection.) The simple policy solution for this is to provide legal status to unauthorized immigrants and to provide a quick path to a permanent status to those who only have a temporary or precarious status. Doing so will allow all immigrant workers to have full workplace rights and hold lawbreaking employers accountable, as well as to more easily join and form unions without fear of retaliation.

To explain further, migrants employed in temporary work visa programs who don’t have the legal right to change employers have greatly reduced bargaining power. If their employer violates their rights and breaks the law, they have very little recourse to hold their employers accountable. If these workers are fired, they become deportable and lose their right to work and remain in the United States. Additionally, some “prevailing” wage rules in temporary work visa programs often allow employers to pay migrants a lower wage than the market rate.

It’s a similar story for unauthorized immigrants. They face real and practical constraints on their bargaining power and labor and employment rights. For example, if they complain about workplace safety violations or about being paid less than the minimum wage, an employer can fire them or threaten them with deportation.

For both groups of workers, their weak bargaining position affects the wages and working conditions of all workers—both native- and foreign-born—in the occupations in which they are employed. Degrading wages and working conditions for one group drags them down for all groups. Granting a permanent immigration status and workplace rights to these workers, however, will raise wages and improve conditions, not just for the workers themselves, but also the native-born workers who work alongside them.