

Research and Evaluation Brief

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Immigration and the Labor Force

This brief looks at foreign immigration into Massachusetts from 1990 to 2003 including a discussion about its impact on the state's resident population and labor force. Estimates are based on the findings of the 2000

Census of Population and Housing, and the 5-100 PUMS data files provided by the U.S. Census Bureau. Monthly Current Population Survey (CPS) public use files for calendar year 2003 are the basis for estimates of the numbers, characteristics, and labor force status of new immigrants residing in Massachusetts in 2003. Foreign immigrants in this paper are defined as anyone born outside of the 50 states and the District of Columbia.

During the 1990s, Massachusetts' population (including inmates of institutions and armed forces members) increased from 6.016 million to 6.349 million people, a gain of 333,000 or 5.5%. The state also experienced a substantial outflow of residents to other states of 241,000, while at the same time, a total of 350,209 new foreign immigrants were estimated to have come to reside in the state. These new immigrants accounted for more than all (105%) of the net population increase over the 1990s. In the absence of new foreign immigration, the state's resident population might have declined by nearly 18,000.

REPORT FOCUS

Foreign Immigration Developments in Massachusetts, 1990 – 2003: Their Impacts on Population and Labor Force Growth in the Commonwealth

The Immigrant Population

New immigrants came from a diverse array of countries and territories. A total of 83 different countries and territories sent 500 or more immigrants to Massachusetts over the 1990s. The ten countries and territories that accounted for the largest number of new foreign immigrants together accounted for 52% of all new immigrants residing in the state in 2000. The number of immigrants from these areas ranged from a high of nearly 38,000 in Puerto Rico to a low of nearly 8,700 in Colombia. Most came from non-English-speaking countries.

The new immigrant population was divided fairly evenly between men and women (50.4% were women). The overwhelming majority was of working age (82.3%) and over half (51%) were between the ages of 16 and 34. Another 24% were between the ages of 35 and 54. Only 7% were 55 years and older.

The educational backgrounds of these new immigrants were quite diverse. Almost one-half (49.7%) of the working-age immigrants had completed at least one year of post-secondary schooling, while 31.9% held a bachelor's or more advanced academic degree. Another 30.1% lacked a high school diploma or its equivalent, a ratio more than twice as high as that of the native born population. The educational backgrounds of these immigrants have implications for their labor force behavior, with better educated

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immigrants being more likely to be active in the labor force and more successful in obtaining employment when they do seek work.

Labor Force Behavior

At the time of the 2000 Census, nearly 62% of all working-age immigrants were actively participating in the civilian labor force, a rate six percentage points below that of the state’s native-born, working-age population. Immigrant males were considerably more likely to be in the labor force than their female counterparts (69% vs. 54%). The unemployment rate of these new immigrant workers at the time of the Census was 6.8%, with women facing an unemployment rate of just under 8% versus an unemployment rate of slightly under 6% for males.

During the 1990s, the Massachusetts resident labor force increased at a very modest pace, growing by only 66,089 or slightly more than 2%. The state’s labor force

growth rate was ranked fourth lowest among the 50 states. In this period, nearly 184,000 new immigrants joined the state labor force. These new immigrants accounted for 278% of the net growth in the resident labor force. Without this influx of new immigrants into the labor force, the state’s civilian labor force would have likely shrunk by nearly 118,000 over the decade.

Gender Differences

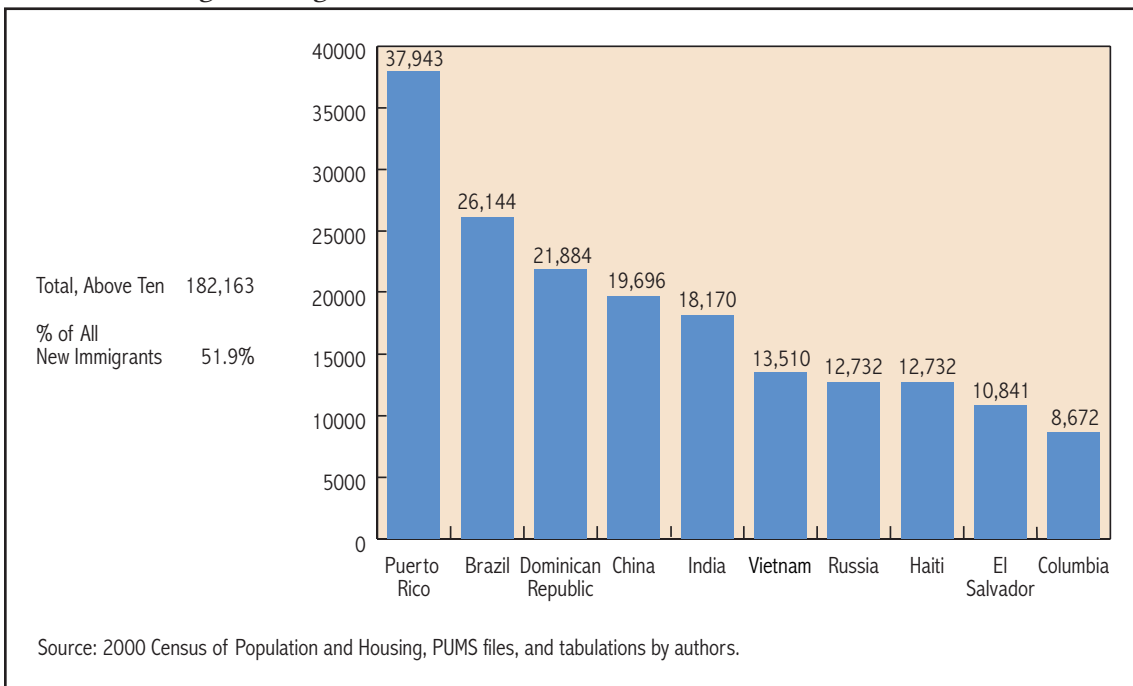
Among males, a decline of 100,000 native-born males in the labor force was offset by an inflow of 102,000 new male immigrants into the labor force of the state. Among women, the number of native-born labor force participants declined by approximately 17,700 during the past decade, but their shrinking numbers were more than completely offset by an increase of 81,877 in new immigrant female workers.

Population Changes

Between April 2000 and July 2003, the state’s resident population was estimated to have grown from 6.349 million to 6.433 million, a gain of 1.3%, with a substantial level of domestic out-migration taking place during the depressed economic conditions from 2001 through 2003. The population of Massachusetts grew more slowly than any other New England state between 2000 and 2003 and tied for ninth lowest of the 50 states along with Kansas, Mississippi, and South Dakota.

The major factor holding down the growth of the

Table 1: The Ten Countries, Territories Accounting for the Largest Number of New Foreign Immigrants in Massachusetts in 2000



The major factor holding down the growth of the Massachusetts population over the past three years was a high level of domestic out-migration.

Massachusetts population over the past three years was a high level of domestic out-migration. Nearly 103,000 more individuals left the state to move to other states between 2000 and 2003 than came here from other states. Notwithstanding the recent modest job growth and lower employment, out-migration appears to have

accelerated more recently as the state economy continues to remain in a severe slump, with declining wage and salary employment and rising unemployment. Between July 2002 and July 2003 alone, domestic out-migration was estimated to be 45,100.

As was true in the 1990s, the growth of the state's population over the past three years was entirely dependent on an influx of a new wave of foreign immigrants. Net international migration into the state between 2000 and 2003 was estimated to be 108,737. In the absence of this new wave of foreign immigrants, the state's population would have declined by nearly 25,000.

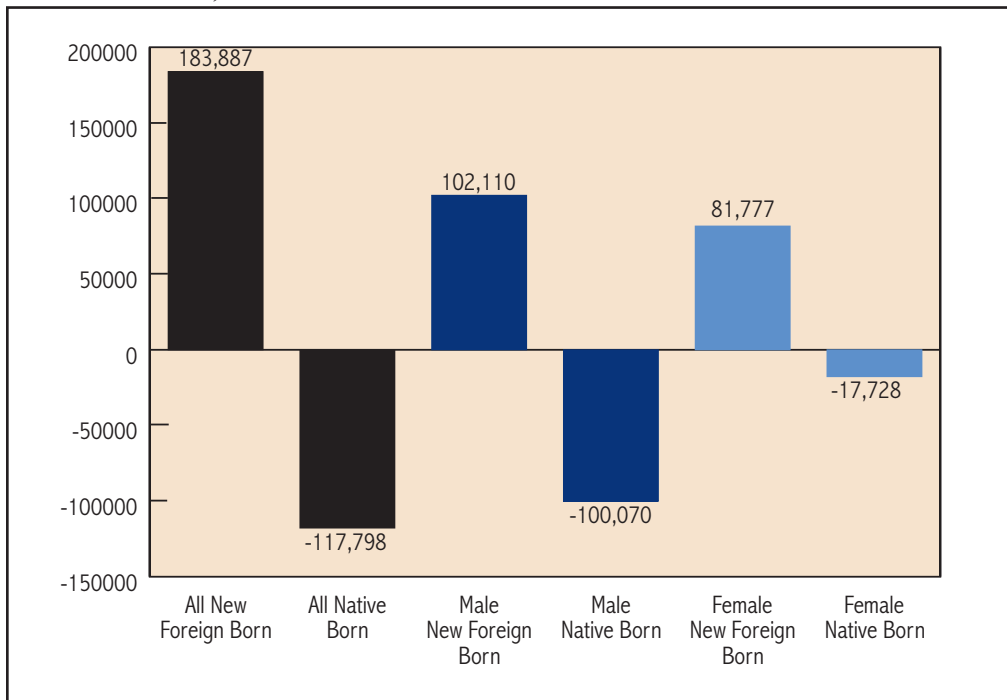
Characteristics of Immigrants in 2003

Of the approximately 115,500 new foreign immigrants residing in Massachusetts in 2003, eleven countries accounted for nearly 63% of them. Brazil was the largest single source, accounting for nearly 1 of every 5 new immigrants and El Salvador was the second largest (with 9%). Males accounted for 55% of the new foreign immigrants in the state. A substantial majority of these new immigrants were of working-age, with 83% being 16 and older, and 56% were between 16 and 34 years old. Only 7% were 55 and older. Most of them came from non-English speaking countries, and their educational backgrounds were quite varied. About 45% of the new immigrants reported that they had completed one or more years of post-secondary schooling, and 33% reported that they held a bachelor's or more advanced degree. Nearly one quarter (23%) lacked a high school diploma.

The Labor Force Behavior of New Immigrants in Massachusetts in 2003

On average, during 2003, slightly more than 65% of the working-age, new immigrants were actively participating in the state's labor force, versus 63% of their national counterparts. Of the 63,640 labor force participants, slightly more than 5,800 or 9.1% were unemployed on average during calendar year 2003. This unemployment rate was more than three percentage points higher than that for the state's entire resident labor force. The employment/population ratio for the state's new immigrants was 59.2%, suggesting that nearly 6 of every 10 working-age immigrants were employed on a typical month during calendar year 2003.

Table 2: Growth of Massachusetts' Labor Force by Gender and Nativity Status, 1990 – 2000



“A relatively high fraction of the new immigrants lack strong English-speaking proficiencies, and an above average fraction (22% to 25%) of the new adult immigrants failed to complete high school in their native countries.”

Labor Force Growth, 2000 - 2003

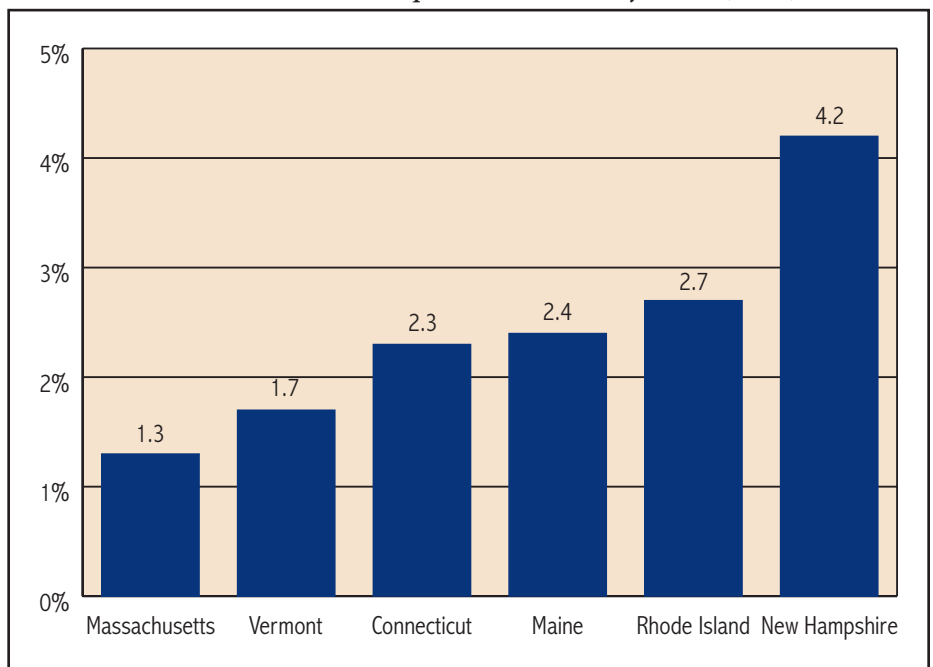
Between 2000 and 2003, the resident civilian labor force of Massachusetts is estimated to have increased by 103,000, or slightly more than 3% (though this estimate may be biased upward, given the slow growth of the state’s population over the past three years). The number of new immigrants in the labor force of the state in 2003 was just under 64,000; thus, new immigrants contributed at least 62% of the growth in the state’s resident labor force over the past three years.

Workforce Development Implications

The state’s growing dependence on foreign immigration for its population and labor force growth poses a number of challenges for the state’s schools, employers, and workforce development system. A relatively high fraction of the new immigrants lack strong English-speaking proficiencies, and an above average fraction (22% to 25%) of the new adult immigrants failed to complete high school in their native countries. The limited English-speaking proficiencies and formal education of these new immigrant arrivals will place constraints on their employability, their access to high skilled occupations, and their future earnings. There is a growing need for effective ABE, ESL, and workplace literacy programs to boost the human capital skills of these individuals.



Table 3: Growth Rates of the Resident Population of Each New England State Between April 2000 and July 2003 (in %)



For more information, contact Johan Uvin, juvin@commcorp.org. Please visit the Center for Research and Evaluation’s web site at www.commcorp.org/wss/re for additional workforce development findings.