



Immigrants and the Current Economic Crisis: Research Evidence, Policy Challenges, and Implications

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Executive Summary

The United States is in an economic crisis that may already be the worst since the Great Depression and some fear that the country may be in a downward spiral. For immigration analysts and policymakers alike, the crisis raises fundamental questions about how current and prospective immigrants will fare, and how they will respond to the already severe downturn. A widening circle of government officials, business and community leaders, advocates, and researchers in the United States and other major immigrant-receiving countries, as well as major sending ones, are trying to think through the implications of these events — for the economy and society, for public policy, and for the individuals and families themselves.

At the heart of this issue are complex, and often politically charged, questions of whether immigrants — both legal and unauthorized — are leaving the United States in large numbers as certain job sectors contract? And are would-be immigrants deciding not to come at all? Though anecdotes abound, reliable answers to these questions are not easy to come by, primarily because there has been no analog to the current situation during the professional lives of those who study migration or make immigration policy. The picture is further complicated by the fluidity of the global economic climate and evolving immigration enforcement policies.

Nonetheless, one can look at what is known and use experience and insight to speculate about how this crisis might play itself out. Careful analysis of historical evidence and the most recent data, a nuanced understanding of the motivations and likely behavior of immigrants, and a degree of educated speculation together can provide a useful guide to the implications of the crisis.

This paper examines the current economic crisis, its impact on immigrants, and its likely effect on immigration flows to and from the United States. The paper's major findings include the following:

- A growing body of evidence suggests that growth in the US foreign-born population has slowed since the recession began in late 2007; much of the slowdown can be attributed to the fact that there has been no significant growth in the unauthorized population since 2006.
- Anecdotal evidence suggests that return migration to some countries, including Mexico, appears to have increased in the last two years; however, data do not yet substantiate these reports. As a result, there is no definitive trend *so far* that can be tied in a significant way to US economic conditions. Some observers' attempts to tie immigrants' returns (other than removals) to the substantial increases in interior immigration enforcement appear to be premature.
- Generally speaking, return migration flows appear to correlate more closely with economic, social, and political developments in countries of origin, *and with the ease of circulation*, than with economic conditions in receiving countries such as the United States. For instance, sustained economic improvements in Eastern Europe — along with the guarantee of continued labor market access — are widely thought to have facilitated the large-scale return migration of Poles and certain other Eastern Europeans since the British and Irish economies began to slow down in 2007.
- Nevertheless, several factors taken together, such as the growing anti-immigrant animus of the past few years; increasingly strict federal, state, and local immigration enforcement policies; a much more robust border enforcement effort; improving economic and political conditions in some migrant-sending countries; and the worsening US economic climate have contributed to a measurable slowdown in the historic growth in overall immigration.

- Legal immigration appears least tied to US economic conditions because most legal immigrants arrive on family-based visas that, in many cases, took years to secure. Employment-based immigration accounts for a relatively small share of overall legal immigration and the pent-up demand that exists for employer-sponsored visas should continue to drive employment-based immigration, at least for the near term. Generally, all social and humanitarian legal flows (family unification, refugee, and asylum flows) can be expected to behave without regard to the economic cycle for the foreseeable future.
- On average, most immigrants share the demographic characteristics of the workers who are most vulnerable during recessions, including relative youth, lower levels of education, and recent entry into the labor force. Immigrants are also highly overrepresented in many of the most vulnerable industries — including construction, many sectors in low value-added manufacturing, leisure and hospitality, and support and personal services — and in many of the most vulnerable jobs within those industries. Immigrants from Mexico and Central America are even more concentrated in many of these industries, and as a result, bear a disproportionate share of the downturn’s consequences.
- At the same time, immigrants (and especially recent immigrants) may be able to adjust more quickly than native-born workers to changing labor market conditions because they are more amenable to changing jobs and their place of residence for work-related reasons.
- Public policies — such as the lack of access to the social safety net for unauthorized immigrants and many recently arrived legal immigrants — may increase immigrants’ vulnerability to abject poverty if they become long-term unemployed. Consequently, there is an increasing probability that some immigrants may eventually choose to return to their countries of origin.
- Deeply felt family obligations (including the need to continue to send remittances to relatives in the country of origin) and lack of access to the federal social safety net often force immigrant workers to go to extraordinary lengths to remain employed or find new employment quickly. While such flexibility and determination are commendable, they may have less laudable consequences, such as pushing immigrant workers into dangerous working conditions or informal work.

I. Introduction

On December 1, 2008 the National Bureau of Economic Research (NBER) officially declared the United States in recession, and estimated that it began in December 2007.¹ This makes the current US recession already longer than all but two since World War II. And an avalanche of increasingly dismal economic assessments from most parts of the world points to a severe and deepening global economic crisis. It is still unclear how deep, wide, and long this recession will be. But one thing seems clear: the recent period of unparalleled economic growth and prosperity has come to an abrupt end, both in the United States and in most of the world, a fact that massive governmental interventions might mitigate but are not likely to reverse — at least not in the next year.

Before 2007, the US economy had grown in 23 of the past 25 years. During this period of sustained economic growth the United States attracted record numbers of new immigrants.² The US foreign-born population had quadrupled from 9.6 million in 1970 to about 38.1 million in 2007. For much of the past decade, more than one million immigrants have entered the United States legally each year, and about another half a million have settled illegally.

Although immigrants have come from all over the globe over the course of the last three decades, Mexico's share of the total foreign-born population in the United States has increased by a factor of four (from 8 to 31 percent). And immigrants from Latin America (including Mexico) and the Caribbean now account for over half (54 percent) of all immigrants (compared to 18 percent in 1970). Asians, who have also experienced significant, if less dramatic, growth account for another 27 percent (compared to 9 percent in 1970) while the combined share from Europe and Canada has plummeted to 15 percent — less than a quarter of its share 40 years ago (68 percent).

For policymakers and analysts, the current economic crisis raises fundamental questions about how immigrants who are already here and those slated to enter in the coming years will fare and how they might respond to the economic downturn. These questions appear particularly daunting because there has been no comparable crisis in recent memory. Both analysts and policymakers face many unknowns. Now, more than ever, expert judgment and insight must provide guidance.

This report combines careful analysis of the most recent data, a nuanced understanding of America's immigration history and the motivations and likely behavior of immigrants, and a degree of educated speculation to examine the potential impact of the economic crisis on immigration flows to and from the United States. In doing so, it relies on evidence about prior recessions and their effects on immigration trends. The paper poses and partially addresses the following policy questions:

- How has the number of immigrants in the United States changed since the recession began?
- How might the flows of immigrants by entry category change?
- Beyond the economy, what other factors might explain changes in immigration flows observed since the current economic crisis began?
- How do immigrants fare in the US labor market during recessions?

The analysis cannot answer the full range of questions that arise from the complex relationship between immigration flows and business-cycle fluctuations. Nor does it attempt to project the future trajectory of immigration flows to the United States or the performance of the US economy. Rather, it reviews the limited available literature and data on the impacts of economic crises on immigration flows and immigrants in the labor market, and it uses the available evidence to frame several important issues that, to the degree possible, policymakers will need to address.

II. How has the number of immigrants in the United States changed since the current economic crisis began?

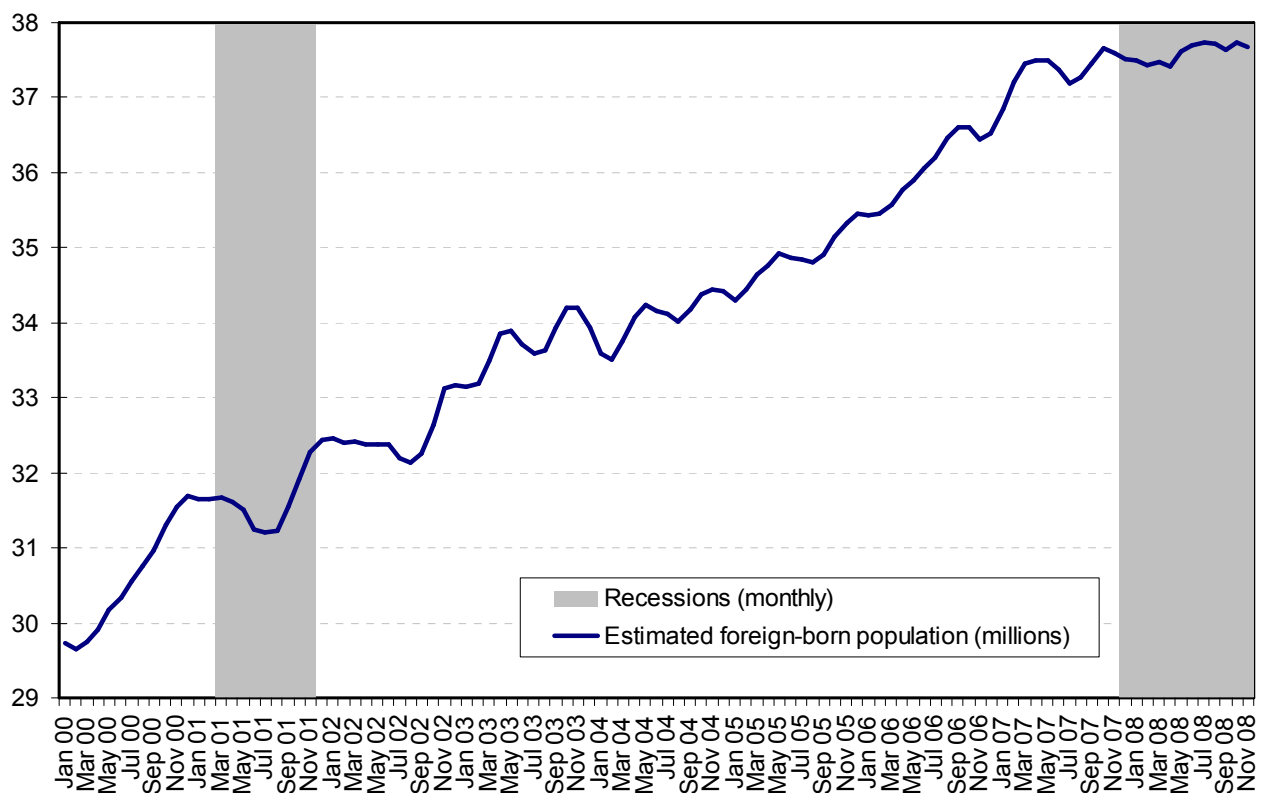
Given the current economic climate, many wonder how the stock of immigrants in the United States might change and how immigrants have already and will likely continue to respond to the recession. Available data suggest both slower growth in the stock of the foreign born in the United States and slightly slowing inflows of immigrants — especially from Mexico.

The growth of the stock of immigrants in the United States has slowed recently.

Data from official population surveys suggest that the historic growth in the stock of immigrants in the United States is slowing. The first slowdown appeared in the US Census Bureau American Community Survey (ACS) data for 2007. The ACS registered a net increase of just over 500,000 immigrants between 2006 and 2007 (from 37.5 million to 38.1 million).³ In contrast, between 2000 and 2006, the ACS, Current Population Survey (CPS), and other data sources suggest the net annual increase in the foreign-born population was higher — approaching one million.

More recent monthly data from the CPS, a monthly survey conducted by the US Bureau of Labor Statistics and the Census Bureau, show a leveling-off of the immigrant population since mid-2007, although the data also reflect seasonal trends (Figure 1).⁴

Figure 1. Monthly Estimate of the US Foreign-Born Population, January 2000 through November 2008



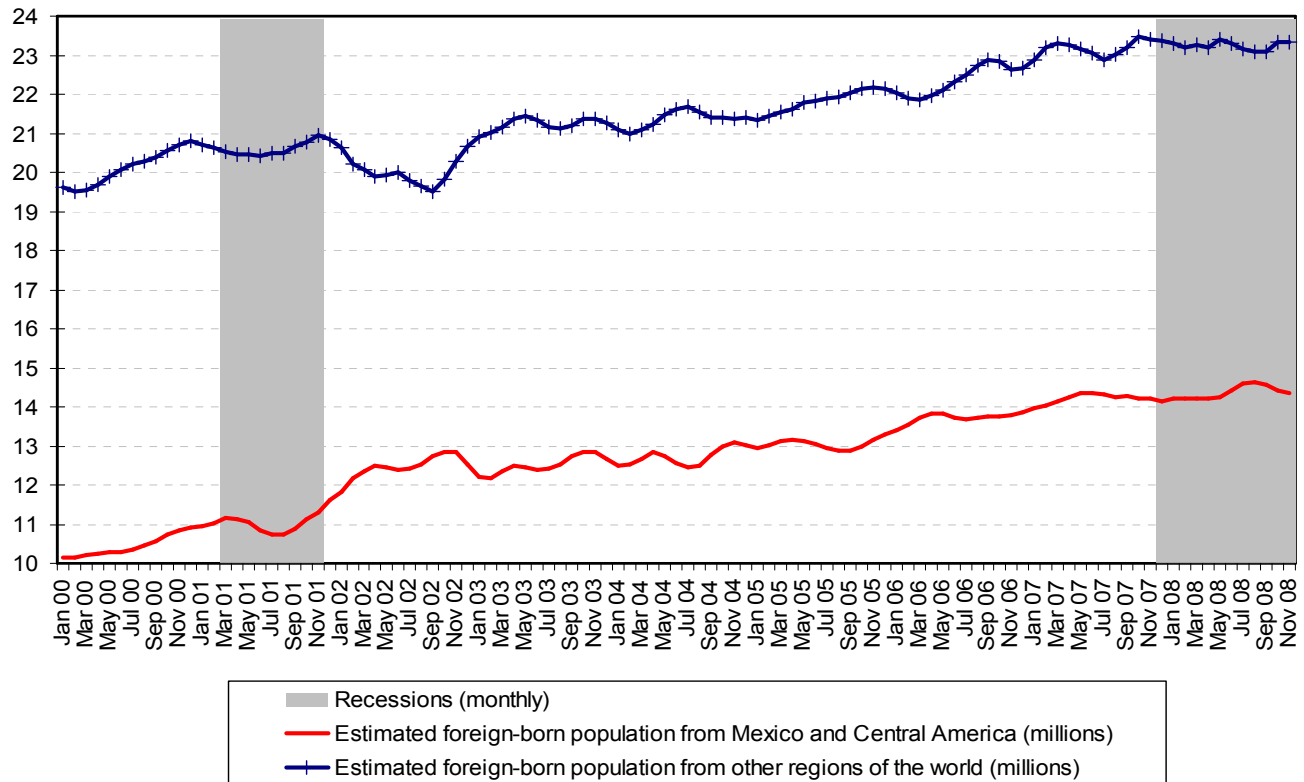
Note: Estimates are based on a three-month moving average.

Source: Migration Policy Institute analysis of US Census Bureau, Basic Current Population Survey, January 2000 to November 2008.

In November 2008, the latest month for which data are currently available, the CPS counted about 37.7 million immigrants in the United States, slightly up from 37.4 million in January 2008 and the 37.6 million immigrants counted in November 2007.⁵ However, the increases observed between November 2007 and January and November 2008 are not statistically significant — they could be due to statistical variation in population sampling in the CPS — so it is not clear whether the observed changes in the long-term trend amount to an actual decline. An increasing reluctance on the part of illegally resident immigrants to continue to respond to government surveys in an environment of strongly increasing enforcement, and greater proportions of more mobile, even itinerant, legal and unauthorized immigrants in search of jobs could also have a small influence on trends observed in the CPS. Data and statistical and respondent idiosyncrasies aside, however, it seems clear that the growth of the foreign-born population has slowed.

CPS data also show that similar to the recent past, the number of Mexican and Central American immigrants in the United States fluctuates seasonally — although the overall direction continues to be generally upward (see Figure 2).⁶ The number of immigrants from regions of the world other than Mexico and Central America also displays some seasonal trends but the general trend has been flat for about a year.

Figure 2. Monthly Estimate of the US Foreign-Born Population by Region of Origin, January 2000 to November 2008



Note: Estimates are based on a three-month moving average. The Mexico/Central America category includes foreign born from Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, and Panama.

Source: Migration Policy Institute analysis of US Census Bureau, Basic Current Population Survey, January 2000 to November 2008.

Official flow data are not recent enough to identify trends during the current recession, but unofficial estimates suggest a slowdown of an uncertain size.

Flow data on the entry of new legal immigrants to the United States are reported each fiscal year by the US Department of Homeland Security (DHS).⁷ The most recently reported data for fiscal year 2007 — which ended in September 2007 — are not recent enough to make any judgments about the flow since the recession started. However, estimates of flows can be derived from some sample surveys including the CPS.

Unofficial estimates of immigration flows based on the CPS suggest a slowdown in total immigration of an uncertain size. Pew Hispanic Center Demographer Jeffrey Passel estimates that immigration from Mexico has slowed and that flows from Central America show signs of a decrease as well, although the magnitude of these changes is not clear.⁸ Immigration from South America has slowed, but the slowdown is in line with longer-term trends since about 2000 and reflects in large part tighter visa-issuing policies by the US State Department (intended to reduce visa overstaying from certain countries in the region) and closer cooperation from Mexico in reducing the entry into Mexico of the third-country nationals most likely to subsequently seek to enter the United States illegally. Immigration flows from Europe and Canada also appear to be slowing. By contrast, immigration from Asia appears to be increasing; and flows from the Middle East are also increasing but are very small overall.

Other data sources confirm the slowdown in immigration from Mexico. According to the National Survey of Occupations and Employment (ENOE) — a labor force survey of 120,000 Mexican households conducted four times each year by Mexico's official statistical agency, the National Institute of Statistics, Geography, and Information Technology (INEGI) — the rate of outmigration from Mexico in the spring (February to May)⁹ has slowed over the past two years from 14.6 per 1,000 residents in 2006 to 10.8 per 1,000 in 2007 and 8.4 per 1,000 in 2008.¹⁰

III. How might the flow of immigrants by entry category change?

The number of immigrants in the United States fluctuated very little from its long-term upward trend during the most recent recession — which officially lasted from March to November 2001 — as Figure 1 (above) shows. Although the number of immigrants declined initially, it began increasing again midway through the recession in September 2001. The current recession is already longer and deeper than the 2001 recession. While all recessions are unique, historical evidence, knowledge of the complexities of the US immigration system, and a solid understanding of immigrants' motivations can provide insight into how the flow of immigrants entering through different legal channels might behave during the current recession.

Migration to the United States is composed of several major categories or types of flows: Lawful permanent residents (LPRs), humanitarian migrants (including refugees and asylum seekers), unauthorized migrants, and temporary workers and students. Each of these flows is likely to respond differently to changing labor market conditions.

LPRs, the largest group, are admitted to the United States primarily because of family ties and, only secondarily, directly for employment. They undergo a lengthy official immigration application

process and most have to endure long waiting periods. Refugees are resettled in an orderly manner from large pools of eligible applicants, and asylum seekers apply for refugee status after arriving at a port of entry or from inside the United States following a change of circumstances in their home country.¹¹ Unauthorized immigrants are those who either entered the country illegally — typically by crossing the border with Mexico — or overstay or otherwise violate the terms of a valid visa. Temporary workers are admitted on work visas issued after a successful petition by their prospective employer. Students enter the United States on visas whose duration corresponds to the term of their studies. Foreign students can work in the United States in addition to studying. In addition, some students are granted the right to work for a period of up to 18 months after completing their studies under the Optional Practical Training (OPT) regulation.¹²

On balance, historical evidence does not point to a direct, long-term relationship between business-cycle fluctuations and legal immigration flows.

Each period of US history is unique so historical comparisons must be taken with caution; however, available historical evidence does not suggest a direct, long-term relationship between legal immigration flows and the ups and downs of the US economy. Changes in the volume of immigration flows following recent recessions appear to be mostly the result of policy changes and administrative delays although some variation — especially in much earlier times — is likely due to economic conditions as well.

Research conducted by the Mexican Migration Project at Princeton University and the University of Guadalajara in Mexico found that during the Great Depression the annual flow of legal immigrants from Mexico declined dramatically from around 46,000 per year during the 1920s to less than 2,700 per year during the 1930s, when the US government conducted systematic roundup and removal operations directed at Mexican workers.¹³

More recent Migration Policy Institute (MPI) analysis of DHS data on legal permanent immigrant admissions and NBER historical data on US recessions show that the decline in legal immigration observed during the Great Depression (the recession that officially lasted from August 1929 to March 1933) actually began in 1928 — before the stock market crash of 1929 (see Figure 3). This timing suggests that the decline in legal immigration observed during the Great Depression may be also explained by the Immigration Act of 1924, which imposed severe quotas limiting the annual inflow of new immigrants from most countries and which took effect in 1928.

Political and legal factors also clearly influence immigration trends observed for the past three decades. Following the passage of the Immigration Reform and Control Act (IRCA) of 1986 — that legalized nearly 3 million unauthorized immigrants, reformed the seasonal agricultural worker program, and institutionalized penalties for employers who hire unauthorized workers — immigration trends became strongly influenced by policy changes and operational and administrative priorities and failures. The dramatic decline in admissions following the July 1990 to March 1991 recession is largely the result of the end of the wave of IRCA legalizations. Similarly, the decline following the 2001 recession is strongly related to the heightened security climate following September 11, 2001. After the attacks, both the Immigration and Naturalization Service (INS) and the State Department made extensive changes to their procedures in order to strengthen security screening and diverted adjudications personnel and resources to security operations. The changes required more rigorous reviews of all petitioners for immigration benefits by the Federal Bureau of

Investigation (FBI). These adjustments slowed the processing of applications dramatically in 2002 and 2003. Visa processing slowed for all applicants but the process ground to a virtual halt — sometimes for years — for a subset of applicants about whom the FBI had questions.

Lawful permanent immigration flows are least responsive to the US economy.

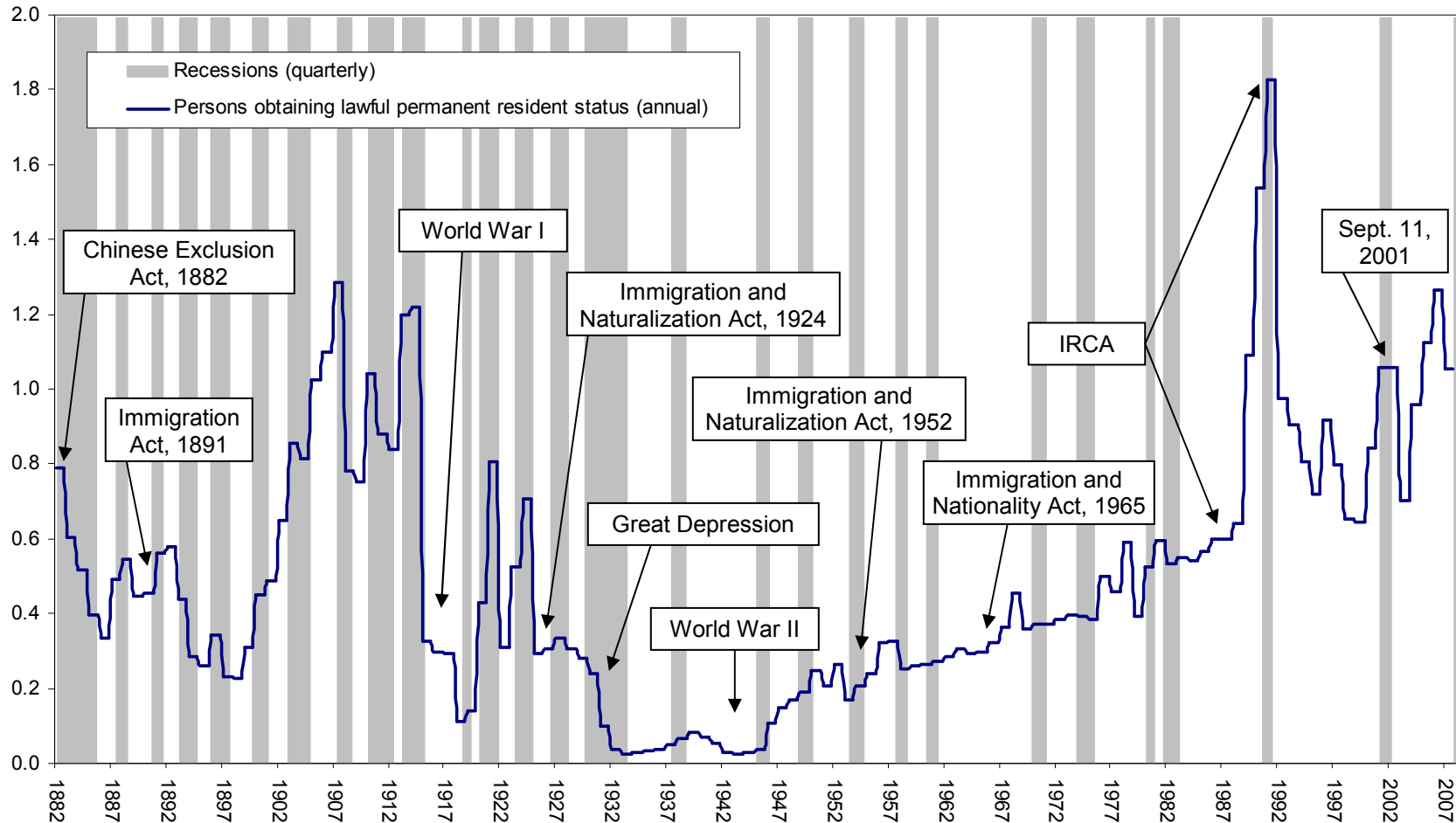
As a general rule, lawful permanent resident (LPR) immigration flows are less responsive to the US economic cycle than those for unauthorized immigrants and temporary workers.

1. *The majority of LPRs in recent years have been status adjusters who already reside in the United States and tend to have strong ties to the labor market.* The total yearly inflow of permanent immigrants is composed of status adjusters and new arrivals to the United States. Status adjusters are individuals who enter the United States in one legal status (such as that of a student or a temporary worker admitted under one of the few temporary work visa categories that allow the holder to change status) and then apply for permanent residency while still in the country. About 58 percent of LPRs admitted between 1998 and 2007 were status adjusters. Status adjusters appear to have higher labor market attachment than new arrivals and tend to be more embedded in the US economy and society than newly arriving immigrants. Over the period 1998 to 2007, status adjusters were about three times more likely to be sponsored by an employer than newly arriving LPRs (21 percent of status adjusters compared to 7 percent of new arrivals). Accordingly, the number of new status adjusters is less likely to immediately respond to changes in the labor market since so many are already employed and do not need to find new jobs. Together, the large share of status adjusters among total LPRs, and their high labor market attachment, reinforces the relative rigidity of the total LPR flow.

2. *Pent-up demand for employment-sponsored visas means that actual lower admissions in these categories are not anticipated in the immediate future.* Although they are designed to respond to labor needs, employment-based admissions do not appear to respond to business-cycle fluctuations. DHS admissions from the two most recent recessions are clear on this point. This trend is the result of pent-up demand for employment-sponsored visas and the relatively short duration of these recessions. Whenever there are more applicants for a visa category than there are available visas, the category becomes “oversubscribed” and immigrant visas are issued in the chronological order in which the petitions were filed until the annual numerical limit for the category is reached. Each month the State Department publishes the filing dates of petitions currently being processed. As of December 8, 2008, the State Department was processing visas for skilled employment-based visas (second and third preference) filed between October 15, 2001 and May 1, 2005 depending upon the nationality of the applicant.¹⁴ Even if new demand for employer-sponsored visas falls, pent-up demand will likely continue to drive employment-based immigration in the short term.

3. *The relatively small share of employment-based immigrants means that even if demand for such visas slackens in 2009, the effect on overall permanent admissions will be small.* LPRs arrive in the United States through several immigration categories: family reunification, employer sponsorship, humanitarian cases (refugee and asylum adjustments), the diversity visa program, and a variety of other smaller, targeted categories.¹⁵ Only employment sponsorship — which accounts for about 15 percent of all LPR inflows — is explicitly linked to labor market needs.¹⁶ By contrast, family reunification accounts for about two-thirds of lawful permanent immigration. (Most LPRs work once they reach the United States — regardless of whether they entered through family reunification.)

Figure 3. Persons Obtaining Lawful Permanent Resident Status in the United States (annual, in millions), the Business Cycle (peak to trough, quarterly), and Key Immigration Legislation, Fiscal Years 1882 to 2007



Note: These data represent persons admitted for lawful permanent residence during the 12-month fiscal year ending in October of the year designated. The total for 1976 includes both the fiscal year and transitional quarter data. Recessions are based on quarterly data from peak to trough of the business cycle. The National Bureau of Economic Research defines a recession as “a significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real GDP, real income, employment, industrial production, and wholesale retail sales.” The first broad modern assertion of the federal regulatory power in the immigration area is generally considered the Chinese Exclusion Act of 1882.

Source: Migration Policy Institute analysis of Table 1 in US Department of Homeland Security, Office of Immigration Statistics, *Yearbook of Immigration Statistics 2007*. Available at <http://www.dhs.gov/xlibrary/assets/statistics/yearbook/2007/table01.xls>. Data on recessions from National Bureau of Economic Research, *US Business Cycle Expansions and Contractions*. Available at <http://www.nber.org/cycles.html#announcements>. Legislation from, Michael Fix and Jeffrey S. Passel, *Immigration and Immigrants: Setting the Record Straight* (Washington, DC: The Urban Institute, May 1994).

Humanitarian immigration flows are largely independent of the US economic climate.

Refugees and asylees represent a small share (about 7 percent) of the US immigrant population.¹⁷ Because refugees and asylees are fleeing persecution, their flows are typically unrelated to economic conditions. While budget allocations for the refugee resettlement program can be susceptible to budget cuts that often occur during economic downturns, overall one should expect foreign wars, other international political upheavals, and changes in US policy priorities (such as increased admissions of Iraqi refugees) to be much more important than US economic conditions in determining refugee flows. As a result, if the economic crisis leads to humanitarian emergencies — such as armed conflicts or famines — new pressures on humanitarian flows are expected to emerge and the US government is likely to respond in ways that may also include some new admissions. Refugee admissions are set yearly by the administration and must be approved by Congress.

Many temporary worker flows gradually adjust to labor market conditions, but not all do so.

Temporary worker programs are intended to fill seasonal and other labor market gaps. While many temporary worker programs should respond to labor market changes, not all do so. There is a wide range in the duration and conditions of admission for temporary workers whose visas can be valid for as long as six years and, in some cases (such as with the O and TN visas) indefinitely.¹⁸ In many cases there are limits on the number of temporary workers allowed into the country each year — either through annual quotas (for example H-1B visas) or by requiring employers to prove that US workers are unavailable for a particular job (for example H-1B and H-2A visas).¹⁹

Where labor market tests are required to ensure that employers have made an effort to recruit local workers, temporary worker programs might be expected to respond relatively quickly to the business cycle. Rising unemployment during recessions will presumably steer workers already in the country toward sectors where jobs are available. These trends might lead to fewer labor shortages and lower demand for temporary workers.

However, this adjustment does not occur automatically.²⁰ Worker shortages may continue due to geographic mismatches and in occupations that are particularly unappealing and physically demanding (such as agriculture), require specialized knowledge or training (such as health care, information technology, or advanced sciences), or are expected to continue growing robustly (such as elder care). Some unemployed workers already in the country — including both natives and immigrants — may be unwilling to move to regions of the country where jobs are available due to family ties or other personal constraints, or they may be unwilling to take jobs that they find financially or socially unattractive. Others may prefer to drop out of the labor force entirely, deciding to rely on their savings, the income (and the hospitality) of family members, or the social safety net. Some workers who are able to do so, such as those without family obligations or with significant savings, may choose to continue their education rather than move or remain unemployed. The degree to which unemployed workers already in the country are willing and able to adjust to a changing labor market will strongly influence the demand for temporary workers during a recession.

Illegal immigration should be more responsive to economic changes than legal immigration. Still, large-scale return migration of the unauthorized is unlikely absent protracted and severe economic conditions in the United States.

The number of legal immigrant visas is set by legislation independent of economic conditions. However, demand for visas from both US employers and foreign workers exceeds the supply. These rigidities in the US legal immigration system force many economic migrants into illegal channels.²¹ Accordingly, illegal immigration flows should be more responsive to economic changes than legal immigration flows. The evidence overall, discussed below, confirms this viewpoint and suggests that illegal immigration flows tend to be highly responsive to the US economy.

While unauthorized migrants are motivated, in large part, by employment prospects in the United States, their migration decisions are influenced by other factors as well. As a result, large-scale return migration of the unauthorized is unlikely absent protracted and severe economic conditions in the United States. Indeed, several characteristics of the unauthorized immigrant population as well as recent trends along the Southwest border and in Mexico and Central America, suggest that large returns of unauthorized migrants may be unlikely. These include:

- unauthorized immigrants' high degree of attachment to the labor force,²²
- unauthorized workers' greater intersectoral mobility and high geographic mobility within the United States,
- the rising cost of illegal entry to the United States²³, which has contributed to reducing circular migration dramatically over the past two decades²⁴, and
- the unstable security climate fueled largely by rising narco-violence in Mexico and the Central American countries that together are the source of most unauthorized immigrants in the United States.

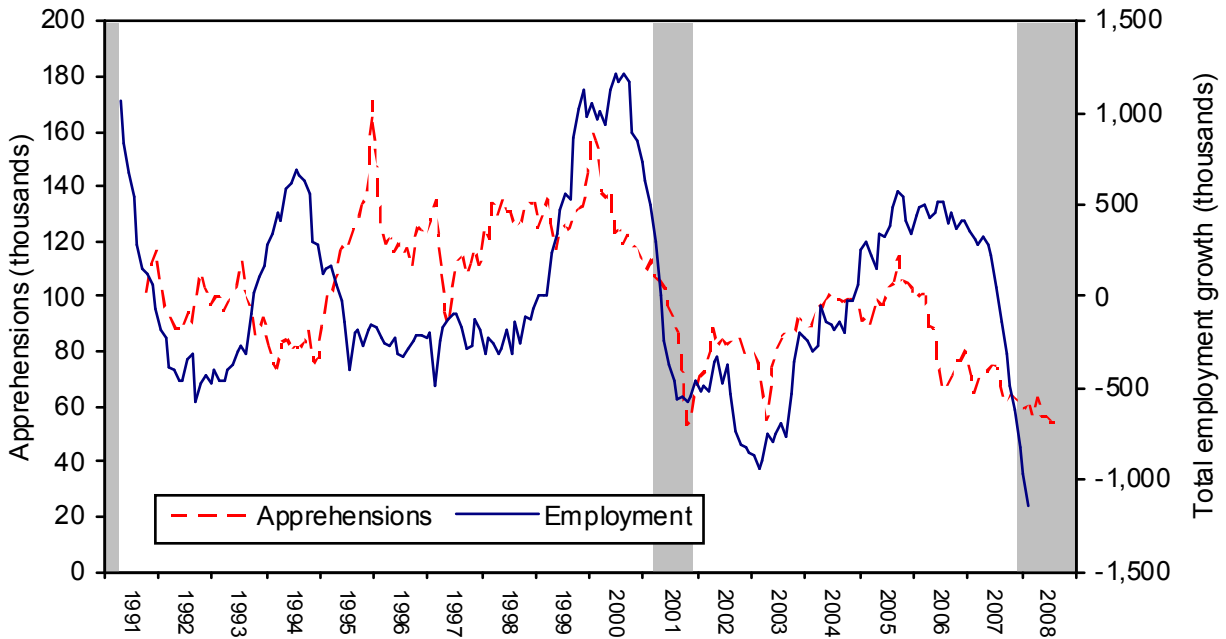
Some analysts have studied the relationship between illegal immigration and business-cycle fluctuations by relying on data from large official sample surveys and border apprehensions.²⁵ Although both sources are flawed, they provide the most complete portrait currently possible. These studies show that illegal migration to the United States is driven by both the prospect of employment in the destination country and the economic climate in source countries. Family reunification is another important factor driving illegal immigration.²⁶

Estimates of the unauthorized population over time based on the CPS show a strong correlation with recessionary periods in recent years. According to Pew Hispanic Center estimates, the growth of the unauthorized immigrant population in the United States has slowed recently although it is not yet clear if the slowdown represents a decline in the stock of unauthorized immigrants in the United States.²⁷ From 2000 to 2008, the unauthorized population increased by more than 40 percent — from an estimated 8.4 million to 11.9 million.²⁸ There were estimated increases in the unauthorized population in each of these years, except for 2001-02 and 2007-08.²⁹ Thus, the most recent recession and the current recession are the only two time periods when the estimated unauthorized population observed in these data did not increase.

Border apprehensions data add support to the conclusion that illegal immigration is correlated with the business cycle. Federal Reserve Bank of Dallas Senior Economist Pia Orrenius observes that, when a six-month lead is accounted for, fluctuations in migrant apprehensions along the Southwest border closely track changes in US labor demand since about the 2001 recession (see Figure 4).³⁰

Using survey data from interviews with immigrants in the Mexican state of Oaxaca and in San Diego County, California, Cornelius et al. reach a similar conclusion finding that “undocumented migration responds to changing US economic conditions, with steep increases in the flow toward the end of expansion phases of the business cycle and significant decreases during economic downturns.”³¹

Figure 4. Border Apprehensions as a Function of US Labor Demand, 1991 to 2008



Note: De-trended employment shifted six months. Apprehensions data correspond to the month indicated; employment data correspond to six months after the month indicated.
Source: Courtesy of Pia Orrenius, Federal Reserve Bank of Dallas. Data from: US Department of Labor, Bureau of Labor Statistics; US Department of Homeland Security, Office of Immigration Statistics.

IV. Beyond the economy, what factors might explain changes in immigration flows observed since the current economic crisis began?

On balance, the evidence suggests that inflows of new immigrants to the United States have slowed substantially since the economic crisis began. Still, the precise relationship between immigration flows and business cycles is difficult to pin down. Migrants decide to move for various reasons and political and social factors often influence their decisions as much as economic ones.³² As a result, both businesses and individuals are unlikely to make long-term decisions regarding employment and residence based on what are often perceived (at least initially) as short-term fluctuations in the business cycle — particularly given the lag between the onset of a recession and adjustments on the part of both employers and workers. Yet when a recession is deep and prolonged — as the current crisis appears to be — there are more opportunities for employers and workers to adjust their expectations and behaviors. These adjustments become further complicated when economic crises are international — as is the current one.

In addition to changing demand for workers in the US labor market, several other variables are contributing to the changes in immigration observed since the economic crisis began. They include:

- Changing US federal immigration enforcement policies and strategies and the proliferation of state laws targeting unauthorized immigrants and their employers;
- Sustained high levels of deportations;
- The depth and speed with which the economies of migrant-sending economies (especially Mexico and Central America) have been affected by the US downturn;
- The intensity of anti-immigrant animus in many parts of the country; and
- The growing effectiveness of the border enforcement effort.

Federal, state, and local immigration enforcement policies and other factors are likely initially to divert unauthorized immigrants to other destinations rather than induce return migration.

Some observers have argued that increasingly strict enforcement of immigration laws by federal, state, and local authorities is deterring illegal immigration and convincing some unauthorized migrants to return to their home countries. A recent study suggested that a significant drop in the number of less-educated Hispanic immigrants in the monthly CPS data, from summer 2007 to spring 2008, could be attributed in part to the economy and in part to enforcement.³³ DHS formally deported 319,382 immigrants in fiscal 2007 — a record number and a 14 percent increase from 2006.³⁴ That figure grew to about 361,000 in fiscal 2008 according to preliminary DHS reports.³⁵ In addition, DHS has been conducting a steady stream of high-profile worksite raids, often arresting significant numbers of unauthorized workers for removal. Teams of immigration enforcement agents, in an initiative called the National Fugitive Operations Program (NFOP), have been locating growing numbers of noncitizens with outstanding orders of removal because of non-immigration crimes, as well as unauthorized immigrants who happen to be in the same household or nearby.³⁶

At the same time, several states — most notably Arizona, Colorado, Mississippi, Oklahoma, and South Carolina — have enacted legislation designed to curb illegal immigration through mandatory verification of employment eligibility; criminalization of harboring and transporting unauthorized immigrants; restrictions on eligibility for public services; and similar provisions.³⁷

Data are not yet available to show definitive trends, but anecdotal evidence suggests that some immigrants (both legal and unauthorized) are leaving states that have imposed strict immigration regulations.³⁸ It is not possible to identify the destinations of those who have left these states, and it is difficult to disentangle the effects of the economic crisis from those of much more stringent enforcement regimes and the unwelcoming environment that enforcement creates. However, unless implementation of enforcement regimes — both on the federal and state levels — is nationwide, state laws and selective enforcement strategies will probably first divert unauthorized immigrants to other destinations within the United States rather than induce return migration. They may also force unauthorized immigrants into increasingly informal and precarious employment situations and further isolate them from US society. In the context of a slowing economy, state laws and selective enforcement could also erode a state's business competitiveness and encourage businesses to relocate to neighboring states, further destabilizing local labor market and broader economic conditions.

The depth and speed with which the economies of migrant-sending economies are affected by the US downturn will strongly influence immigration trends.

Migration is driven by both the economic climate in source countries and the prospect of employment in the destination country. It is the perception of a large “opportunity differential” between countries that leads many to migrate. As a result, how sending and receiving countries fare during business-cycle fluctuations matters a lot in trying to anticipate how immigrants and prospective immigrants might behave during a severe downturn. Traditionally, recessions spread quickly from the developed to the developing world. However, the degree to which some emerging economies may have partially “decoupled” from business cycles in developing countries could dramatically alter the recession’s impact on immigration flows.

A robust debate continues over whether some emerging economies will be able to sustain growth despite the global slowdown.³⁹ The International Monetary Fund (IMF) and the World Bank project that some emerging economies — notably China, India, and Brazil — will grow through 2009 although at slower rates than in the recent past.⁴⁰ Similar to trends observed over the past decade, the employment prospects for some highly skilled migrants returning to these economies appear strong. However, more recent indicators — including slack energy demand (in Brazil), falling industrial output (in India), and the approval of an economic stimulus plan by the Chinese government reportedly to boost domestic demand — suggest that the global slowdown is spreading quickly to these emerging economies. Given the pace at which the global economic outlook is deteriorating, a healthy degree of skepticism is useful when considering projections that suggest that emerging economies will be immune to the developed world’s woes.

For Mexico, the forecast is less optimistic. The IMF expects that the Mexican economy will continue to be closely tied to the US economy and predicts that economic growth will slow from 4.9 percent in 2006 to 1.8 percent in 2009; the World Bank expects that economic growth in Mexico will slow to 1.1 percent. In particular, the collapse of the US automobile industry could have dire implications for employment prospects in Mexico, which has become increasingly dependent on automobile and automobile parts exports to the United States. Historically, economic crises in Mexico have resulted in higher levels of migration to the United States. In a study correlating apprehensions along the Southwest border with relative wages in the United States and Mexico, economists Gordon Hanson and Antonio Spilimbergo conclude that when wages in Mexico change relative to wages in the United States, apprehensions respond within the current month.⁴¹ More precisely, they estimate that a 10 percent decrease in the Mexican real wage relative to the United States gives rise to at least a 6.4 to 8.7 percent increase in attempted illegal immigration.

Currency fluctuations are wild cards in peoples’ decisions whether to emigrate, stay abroad, or return to their countries of origin.

Currency fluctuations in response to the business cycle may encourage some migrants to remain abroad rather than return to their countries of origin. A strengthening US dollar increases the real value of remittances (relative to country of origin currency) by making migrants’ income even more valuable for family members remaining in the country of origin. For instance, the recent rapid depreciation of the Mexican peso, the Brazilian real, and the Indian rupee has suddenly increased the real value (in pesos, reais, and rupees) of remittances to these countries. Over the past year (from December 1, 2007 and December 1, 2008), the Mexican peso depreciated 22 percent, the Brazilian

real dropped 33 percent, and the Indian rupee fell 25 percent against the US dollar.⁴² (By contrast, the Chinese yuan has appreciated by about 7 percent over the same period.) These changes make dollar-denominated income increasingly valuable for the families of migrants in the United States. This, in turn, may encourage new immigration flows or, at least, fewer outflows as migrants who were contemplating return decide to remain in the United States.

Return migration flows generally correspond more with developments in the country of origin, and with the ease of circulation, than with economic conditions in immigrant-receiving countries.

The size of the foreign-born population in the United States is dynamic and characterized by regular population churn: New immigrants constantly arrive while some existing immigrants constantly depart. Generally, arrivals outpace departures by large margins, but that could change during economic crises. Accordingly, the observed slowdown in the growth of the foreign-born population could be the result of slowing inflows, greater outflows, or both.

Estimating foreign-born emigration from the United States is notoriously difficult. The Immigration and Naturalization Service (INS) tracked departing foreign-born immigrants between 1908 and 1957, but abandoned this practice due to concerns about the quality of the data.⁴³ While those concerns are valid, it is widely accepted that the emigration rate of the foreign born did increase significantly during the Great Depression.⁴⁴ Between 1928 and 1937, over half a million immigrants left the United States, although it is not clear if they returned to their home countries or settled elsewhere.⁴⁵ While about one immigrant departed for every three admitted between 1908 and 1957, the ratio rose to one departure for every two entries during the Great Depression.

On balance, historical examples — such as Greece, Ireland, Portugal, and Spain — suggest that return migration correlates more to economic, social, and political developments in the country of origin than to the job market in destination countries.⁴⁶ In these countries, return migration became the dominant flow (relative to out-migration) only as the countries made the transition from developing to developed economies.

Where the development gap between countries remains large — such as between the United States and China (until very recently), India, and Mexico — return migration is typically seasonal, for investment or entrepreneurial activities, or for retirement.⁴⁷ Currency fluctuations, enforcement regimes, and changing economic conditions in receiving countries may temporarily influence these trends, but such changes will likely prove to be short-lived absent broader changes — either in destination-country immigration policies or in economic conditions in origin countries.

The ease of circulation and the strength of attachments that migrants maintain with their countries of origin are also important variables that influence return migration. Recent evidence from migration flows between the United Kingdom, Ireland, and Poland suggest that when job opportunities disappear in the country of destination, having the guaranteed right to return encourages circular movements especially when the job market in the country of origin is strong.⁴⁸ Hence, policies encouraging circular migration can introduce flexibility into the labor market — during both economic booms and busts.

V. How do immigrants fare in the US labor market during recessions?

Recessions affect all workers, but some workers suffer more than others. Immigrants — especially those from Mexico, Central America, and many from the Caribbean and the rest of Latin America — are more vulnerable than other workers during recessions both because of their human capital characteristics (including language, education, and work experience prior to immigration to the United States) and because the sectors in which they are employed tend to suffer early and heavy job losses during economic downturns.

Many immigrants share the demographic and socioeconomic profiles of the most vulnerable workers and, as a result, suffer disproportionately during economic downturns.

Research consistently shows that less-skilled workers, nonwhites, younger workers, and recent labor market entrants are most vulnerable to fluctuations in the business cycle and experience much higher job losses during recessions.⁴⁹ Workers without a high school diploma had job loss rates about twice the rate of workers with a college degree or more in all years between 1981 and 1995 and job losses for workers with less than a high school degree peaked during the 1981 and 1990 recessions.⁵⁰ Employers are simply more willing to shed employees with low marginal productivity or with relatively little specialized training. In addition, higher-skilled workers may move down the skill chain (preferring skill underutilization or underemployment to unemployment), displacing lower-skilled workers.

Immigrants share many of the demographic and socioeconomic characteristics of these particularly vulnerable workers during recessions. Immigrants are on average younger, have less formal education, tend to have less US-specific work experience, and tend to be more concentrated than natives in several low-skilled sectors that are particularly vulnerable to fluctuations of the business cycle (see Table A and Figure 5). These factors put immigrants at greater relative risk of job loss during recessions.

On average, immigrants from Mexico and Central America are younger and less educated than the overall foreign-born population and are therefore even more vulnerable. In the US labor market, immigrants from some Latin American countries tend to have relatively low educational attainment — nearly half (49.4 percent) of immigrants from Mexico and Central America⁵¹ have less than a high school education — and are disproportionately employed in the low-value added jobs that are most vulnerable during recessions.⁵²

Evidence from recent recessions confirms that Hispanic immigrants are especially vulnerable to labor market conditions during recessions. Studies show that Hispanic workers suffered more job losses than non-Hispanic workers during the 1991 recession,⁵³ and, during the 2001 recession, the likelihood of a new Hispanic immigrant finding work was lower than the likelihood of that immigrant remaining unemployed.⁵⁴

Table A. Demographic and Labor Force Characteristics of Native- and Foreign-born Workers in the Civilian Labor Force, 2008

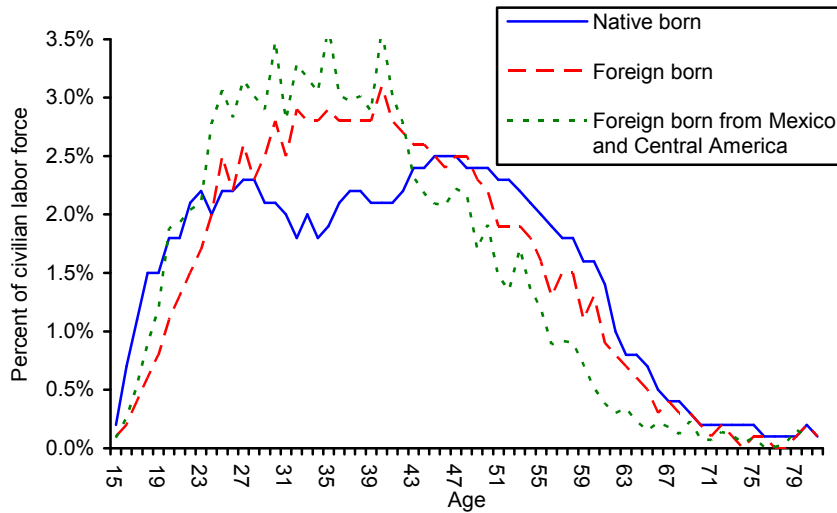
	Native born		Foreign born		Foreign born from Mexico and Central America	
	Male	Female	Male	Female	Male	Female
Age*	66,422,669	60,687,321	13,961,919	9,536,052	6,405,800	2,916,901
18 to 24	13.1%	13.4%	9.6%	8.2%	13.9%	10.9%
25 to 34	21.2%	21.1%	28.1%	23.4%	33.1%	26.5%
35 to 44	22.5%	22.1%	27.9%	28.6%	28.4%	32.4%
45 to 54	23.9%	24.2%	21.0%	23.8%	17.1%	20.7%
55 to 64	14.9%	15.0%	10.2%	12.8%	6.0%	7.5%
65 and older	4.4%	4.1%	3.1%	3.0%	1.6%	2.1%
Education**	57,726,447	52,582,943	12,615,446	8,749,635	5,516,539	2,600,319
Less than high school	6.7%	4.6%	30.8%	20.7%	58.7%	49.4%
High school diploma or GED	31.4%	27.8%	24.8%	25.3%	26.7%	27.6%
Some college or Associate's degree	28.1%	32.0%	14.0%	19.3%	8.8%	14.2%
Bachelor's degree	22.2%	23.2%	16.9%	22.7%	3.9%	6.6%
Professional degree	11.6%	12.4%	13.5%	12.0%	1.9%	2.2%
Industry*	66,286,816	60,536,442	13,928,844	9,478,325	6,388,077	2,884,609
Agriculture, forestry, fishing, and hunting	2.0%	0.7%	3.0%	1.0%	6.0%	2.7%
Mining	0.9%	0.1%	0.3%	0.1%	0.5%	0.1%
Construction	12.2%	1.7%	20.1%	1.2%	32.3%	1.1%
Manufacturing	14.7%	6.5%	13.9%	11.3%	13.4%	15.6%
Wholesale and retail trade	15.1%	13.6%	12.0%	12.4%	9.9%	12.0%
Transportation and utilities	8.0%	3.0%	6.5%	2.5%	4.8%	2.1%
Information	2.7%	2.3%	2.0%	1.6%	0.6%	0.8%
Financial activities	6.3%	8.3%	4.4%	6.5%	2.0%	3.9%
Professional and business services	11.5%	10.2%	12.3%	11.5%	11.3%	11.2%
Educational and health services	10.2%	35.3%	8.3%	29.2%	2.5%	20.1%
Leisure and hospitality	7.0%	8.9%	10.9%	11.4%	11.7%	18.3%
Other services	4.3%	4.6%	4.5%	8.7%	4.4%	10.5%
Public administration	5.2%	4.9%	1.8%	2.5%	0.5%	1.6%
Year of immigration*	-	-	13,961,919	9,536,052	6,344,432	2,893,603
Before 1970	-	-	6.0%	7.1%	3.1%	4.6%
1970 to 1979	-	-	10.8%	12.5%	9.7%	12.4%
1980 to 1989	-	-	22.9%	25.0%	23.2%	27.0%
1990 to 1999	-	-	31.4%	32.1%	32.3%	34.7%
Since 2000	-	-	28.9%	23.3%	31.7%	21.3%

Notes: Includes workers in the civilian labor force. * Workers age 18 and older. ** Workers age 25 and older. "Mexico and Central America" includes Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, and Panama.

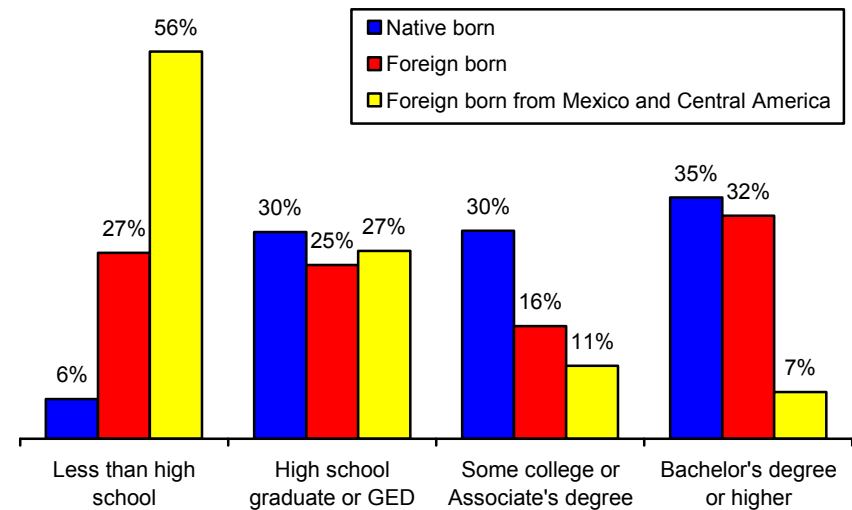
Source: Migration Policy Institute analysis of US Census Bureau, Current Population Survey, Socioeconomic Supplement, March 2008.

Figure 5. Demographic and Labor Force Characteristics of Native- and Foreign-born Workers in the Civilian Labor Force, 2008

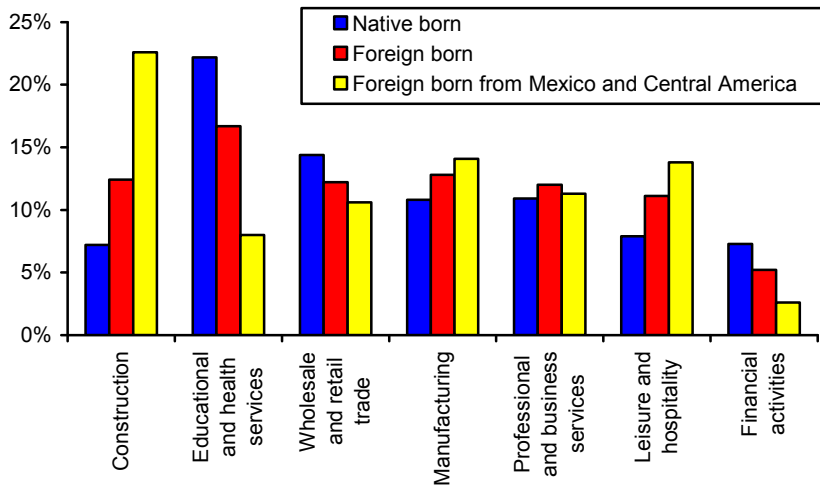
Immigrant workers are on average younger than natives...



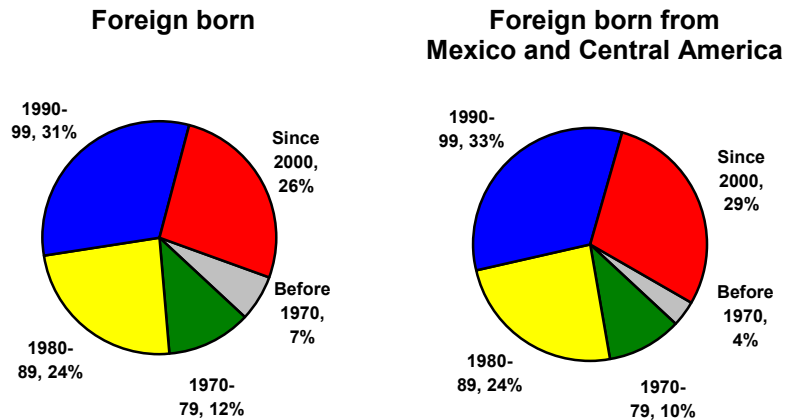
*They are also more likely to be less educated... ***



*And tend to work in different sectors than natives... *
(Distribution of native- and foreign-born in leading industries.)*



*A large share of immigrants are recent entrants to the US labor market. *
(Year of immigration of the foreign born.)*



Includes workers in the civilian labor force. * Workers age 18 and older. ** Workers age 25 and older. "Mexico and Central America" includes Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, and Panama.

Source: Migration Policy Institute analysis of US Census Bureau, Current Population Survey, Socio-economic Supplement, March 2008.

The unemployment rate among Hispanic immigrants also increased dramatically during 2008. Between the third quarter of 2007 and the third quarter of 2008, the unemployment rate for foreign-born Hispanics increased from 4.5 to 6.4 percent (compared with an increase from 7.1 to 9.6 percent among native-born Hispanics and an increase from 4.8 to 5.3 percent among all workers).⁵⁵ The unemployment rate for Mexican immigrants rose from 4.3 to 6.3 percent over the same period, and that for Central American immigrants from 4.5 to 7.0 percent. For recent Hispanic immigrants (those arriving since 2000), the unemployment rate rose from 5.5 to 7.2 percent.⁵⁶ Because, recent Hispanic immigrants are a large share of the total Hispanic population (about one-quarter of foreign-born Hispanics in the labor force in 2008 were recent immigrants) they are more vulnerable to losing their jobs.

The Pew Hispanic Center also found that year-to-year median real income of all noncitizen households fell between 2001 and 2003, and then fell again in 2007. Specifically, in 2007, households headed by noncitizens from Latin America, recent immigrants, adults with less than a high school education, single-parent households, and adults who worked in production occupations experienced the largest declines in median real income.⁵⁷

Immigrants are more concentrated than natives in the sectors that have suffered the most job losses over the past year.

A recent report by the Federal Reserve Board suggests that the slowdown nationally is being felt most strongly in the finance, non-financial services, construction, real estate, manufacturing, and tourism industries, but less strongly in agriculture and extractive industries such as oil and gas.⁵⁸ However, slackening energy demand (particularly for oil) and the consequent collapse in oil prices may dampen the employment outlook for the oil and gas industry. Not all sectors (and occupations) suffer uniformly during recessions, but immigrants disproportionately work in many of the sectors that have been most affected by the current recession.

Nationally, immigrants — and particularly immigrants from Mexico and Central America — are disproportionately employed in many of the industries such as construction, manufacturing, and hospitality services that have suffered the heaviest job losses during this recession. The 15 industries that shed the most jobs between November 2007 and November 2008 employed about 21 percent of native-born workers in 2007.⁵⁹ However, these same 15 industries employed about 30 percent of foreign-born workers, and 43 percent of workers from Mexico and Central America.

While the foreign born are about 16 percent of the total non-farm labor force, they represent a higher share of workers in several industries that experienced the largest job losses between November 2007 and November 2008. Most notably, the foreign born are over a quarter of all “accommodation” workers — the majority of whom are hotel workers. The foreign born are also nearly one-quarter of construction and administrative and support workers, and just over one-fifth of furniture and related product manufacturing workers (see Figure 6).

The impact on immigrants of the slowdown in the construction industry, which started in 2007, has been well documented. Rakesh Kochhar of the Pew Hispanic Center estimates that nearly 250,000 Hispanics lost jobs in the construction sector during 2007 and that most of these job losses were among Mexican immigrants.⁶⁰ Kochhar attributes much of the recent rise in Hispanic immigrant unemployment to declines in construction industry employment.

Figure 6. Native and Foreign Born Employment in Industries with the Largest Net Job Losses, 2007 to 2008

Industry	Change in employment, 2007 to 2008		Total Native born employment in industry, 2007		Total Foreign born employment in industry, 2007		Foreign born from Mexico and Central America employed in industry, 2007	
	Number ('000)	Percent	Number ('000)	Percent of total	Number ('000)	Percent of total	Number ('000)	Percent of total
Total nonfarm	-1,870	-1.4%	127,750	84.3%	23,765	15.7%	9,484	6.3%
Construction	-568	-7.6%	9,292	77.2%	2,746	22.8%	1,945	16.2%
Administrative and support services	-532	-6.6%	4,550	76.6%	1,392	23.4%	872	14.7%
Transportation equipment	-153	-9.1%	2,115	88.0%	287	12.0%	109	4.5%
Motor vehicle and parts dealers	-126	-6.6%	1,811	88.9%	226	11.1%	99	4.9%
Accommodation	-109	-5.8%	1,184	70.4%	497	29.6%	215	12.8%
Durable goods	-108	-3.4%	2,068	86.8%	315	13.2%	107	4.5%
Credit intermediation and related activities	-79	-2.8%	1,298	87.7%	181	12.3%	35	2.4%
Fabricated metal products	-70	-4.5%	1,222	85.3%	210	14.7%	108	7.5%
Clothing and clothing accessories stores	-65	-4.2%	1,189	83.3%	238	16.7%	62	4.3%
Wood products	-63	-12.4%	494	85.4%	84	14.6%	64	11.0%
Furniture and related products	-62	-11.7%	487	78.1%	137	21.9%	90	14.5%
Truck transportation	-59	-4.2%	1,701	86.8%	259	13.2%	127	6.5%
Building material and garden supply stores	-55	-4.3%	1,412	92.3%	118	7.7%	51	3.3%
General merchandise stores	-53	-1.8%	2,628	88.7%	333	11.3%	107	3.6%
Plastics and rubber products	-43	-5.8%	614	84.3%	114	15.7%	58	8.0%

Notes: Employment is seasonally adjusted (excluding construction). Industries are at the NAICS three-digit level (excluding construction). "Mexico and Central America" includes Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, and Panama.

Sources: Migration Policy Institute analysis of Bureau of Labor Statistics, Current Employment Statistics, November 2007 to November 2008 (change in total employment) and US Census Bureau, American Community Survey, 2007 (foreign born employment). American Community Survey: Steven Ruggles, Matthew Sobek, Trent Alexander, Catherine A. Fitch, Ronald Goeken, Patricia Kelly Hall, Miriam King, and Chad Ronnander, Integrated Public Use Microdata Series: Version 4.0 [Machine-readable database], Minneapolis, MN: Minnesota Population Center [producer and distributor], 2008.

Nevertheless, and as noted, job losses during recessions are not uniform across the economy. Over the past year, a number of sectors reported large job gains — mainly health care, education, social services, agriculture, and extractive industries. Agriculture has long been a mainstay for immigrants — especially the unauthorized — and nearly one-quarter (22.5 percent) of workers in agriculture, forestry, and fishing and hunting are foreign born.⁶¹ Health care has also historically attracted large numbers of more highly skilled immigrants.

Given the uneven nature of the economic slowdown thus far, one outcome could be a shift of immigrant employment from construction, manufacturing, hospitality and other low-wage, low-value added personal service sectors back into agriculture — the reverse of the pattern observed during recent decades.⁶² Returning to agricultural jobs would typically result in a decline in wages and working conditions for immigrant workers. At present, such a shift is anecdotal and has yet to appear in official statistics.

Public policies may increase immigrants' hardship during economic downturns.

Beyond demographic and labor force characteristics, public policies may also make immigrants more likely to feel the effects of downturns much more deeply than other populations. Since the implementation of the 1996 welfare law, known as the Personal Responsibility and Work Opportunity Act (PRWORA), many legal immigrants who are not citizens and have been in the United States for less than five years are excluded from access to major federal public benefit programs, such as cash welfare and food stamps, which are important sources of support during periods of job loss, underemployment, or other economic hardship.⁶³ Some states, including California, New York, Texas, Florida, Illinois, and New Jersey have restored state-based coverage to these recent legal immigrants⁶⁴ although collapsing tax revenues have spread the economic pain throughout the country and state governments are scrambling to cover ever-widening deficits. This new fiscal reality in most states makes immigrants who lose their jobs particularly vulnerable regardless of whether a state has formally restored benefits to them or not.

Except for a specified group of emergency services, unauthorized immigrants are generally ineligible for federal benefits and services. For instance, unauthorized immigrants are ineligible for unemployment insurance, the Earned Income Tax Credit, Temporary Assistance for Needy Families, food stamps, and Medicaid.

Overall, public benefits permit many low-wage natives and naturalized citizens to survive periodic economic downturns by providing a stable source of emergency income.⁶⁵ For low-skilled noncitizens without access to these public benefits, periodic or even just short-term unemployment can lead to greater economic hardship.

Many immigrants appear to adjust more quickly to labor market upheavals by changing their place of residence for work-related reasons or by changing jobs.

Evidence from the last 50 years suggests that most labor market adjustments to employment shocks are the result of labor mobility rather than business location decisions, and the foreign born appear to adjust more quickly to these shocks than natives.⁶⁶ Immigrants (especially the unauthorized) are more mobile geographically within the United States and, to a lesser degree, between industries and occupations than natives. While 20 percent of noncitizens reported having changed residence over

the previous year, only 13 percent of natives and 8 percent of naturalized citizens have done so; among movers, 28 percent of noncitizens report changing residence for job-related reasons compared to 19 percent of natives and 20 percent of naturalized citizens.⁶⁷ Thus, while immigrants may face higher job losses during recessions, they may also adjust more quickly to labor market upheavals.

Like all recessions, the current recession has had uneven impacts on different regions of the country. Some of the highest unemployment rates as of November 2008 were in states with large and/or recently arrived immigrant populations, including California, Florida, Georgia, Illinois, Nevada, North Carolina, and South Carolina.⁶⁸ Moreover, between November 2007 and November 2008, the unemployment rate grew most rapidly in many recent immigrant destinations including, Georgia (+3.0 percent), Nevada (+2.9 percent), and North Carolina (+3.2 percent).

By contrast, the unemployment rate has remained relatively stable (less than 1 percent change between November 2007 and November 2008) in agricultural states or states with large oil and gas industries in the interior of the country, including Iowa, Kansas, Nebraska, New Hampshire, South Dakota, Utah, and Wisconsin. However, the jobless rates may be rising due to the recent collapse of food and energy prices and the increasing difficulty in obtaining the financing needed for energy extraction and further exploration. All of these states have relatively small foreign-born populations — the number of foreign born does not exceed 8 percent of the total state population in any of them, compared to 13 percent nationwide. If current economic trends persist, one might expect that to change, with increased immigration into these states.

VI. Policy Challenges and Implications

Although some studies have examined how immigrants fare in the US labor market during economic downturns, surprisingly little research has focused on the relationship between economic downturns and immigration flows. This may be the result of the relatively short duration of the last two recessions and the unprecedented period of strong economic growth over the past quarter century.

Overall, immigration flows — both legal and illegal — respond to varying degrees to the conditions of the labor market. However, the relationship is complex. Nor do job losses and unemployment rates alone tell the full story of what happens to immigrants and how immigrants adapt to bad economic times. In general, legal immigration flows are slow to respond to economic reversals because of: (a) the different responses to labor market conditions by status adjusters versus newly arriving immigrants; (b) pent-up demand for employer-sponsored visas; and (c) the relatively small share of legal immigrants admitted directly for employment.

By contrast, illegal immigration flows appear to be much more responsive to labor market fluctuations, in part because many unauthorized immigrants tend to fill the demand for work not met by the legal immigration system and other US workers. As the US labor market tightens and competition for jobs increases, the demand for new workers will decline. Historically, unauthorized immigrants have introduced flexibility into the US labor market by providing a ready pool of highly mobile workers during expansions who often returned to their countries of origin (most often in Mexico and Central America) when the US labor market tightened.

However, this may not longer be the case. Much tighter border enforcement (which has made back-and-forth movement increasingly difficult, dangerous, and costly), high labor-force attachment among unauthorized immigrants, and immigrants' relatively high occupational and geographic mobility within the United States suggest that above-normal return migration is unlikely *unless* the US economic downturn turns out to be particularly prolonged or severe, economic conditions show consistent improvement in origin countries (which appears unrealistic in the near term), *and* potential leavers are guaranteed that they would be allowed to return to the United States when economic conditions change. The latter two conditions are thought to have been instrumental in the large-scale return migration of Poles and certain other Eastern Europeans when the British and Irish economies slowed dramatically beginning in late 2007. The absence of these two conditions is thought to be at the heart of Spain's inability to persuade its hundreds of thousands of unemployed immigrants to return to their countries of origin despite financial incentives to do so.

Typically, low-skilled workers, young workers, and recent labor market entrants are more vulnerable to unemployment during recessions than better educated, established older workers. Immigrants from Mexico and Central America (and especially unauthorized immigrants from these countries) share these characteristics to a greater extent than other immigrants or native-born workers. As a result, one would expect more mobility — and responsiveness to labor market upheavals — among these groups. Since not all sectors or all regions of the country suffer uniformly during recessions, immigrants are typically able (or compelled by circumstances) to move in search of better opportunities.

Unlike native-born workers and naturalized citizens, recently arrived legal immigrants and unauthorized immigrants are generally ineligible for public support limiting their ability to pursue non-labor force activities during recessions, such as continuing their education. Family obligations (such as the need to continue to send remittances to relatives in the country of origin) and a lack of access to the federal social safety net often force immigrant workers to go to extraordinary lengths to remain employed or find new employment quickly — even if it implies relocating, taking jobs that do not fully utilize their skills, or accepting substandard wages and working conditions. While such flexibility and determination may be commendable, they may have troubling consequences — including putting downward pressure on the wages and working conditions of others who work side-by-side with them (or even across firms) and contributing to the growth in the underground economy.

This analysis leaves many unanswered questions, in large part because there is relatively little systematic empirical work about how immigrants respond to business-cycle fluctuations, and because the United States faces a recession whose likely depth we have not experienced since the Great Depression. In many ways it is inappropriate to compare the current crisis with the Great Depression. The United States and other advanced economies have a panoply of public- and private-sector tools and the financial wherewithal that were not available in the late 1930s. Nonetheless, the most vulnerable may experience economic pain quite similarly. Given this reality, the questions that we need to continue to seek answers to include the following:

- How will immigrants of different status adjust to the labor market shocks?
- Are better educated and skilled immigrants (and natives) more likely to take jobs that underutilize and otherwise discount their skills during a recession? And if they do, will they crowd the less prepared out of the labor force and with what human implications?

- How will low-skilled native-born workers (including African Americans) fare in an extended and deep recession relative to low-skilled immigrant workers?
- If the economic crisis spreads and is felt with similar intensity across societies with well-established and complex migration relationships, such as between the United States and Mexico and much of Central America, how will migration flows respond? Will fewer immigrants come due to diminished job prospects in the United States? Will many immigrants return out of desperation? Or, will more people decide to migrate as economic conditions at home continue to deteriorate?
- Will the United States continue, or even intensify, its interior enforcement operations against illegal immigration if the recession cuts deeper and lasts longer than many expect? What will be the political pressures and counter-pressures on the Obama administration on this issue and how will it react?
- Will legal immigrants who arrive and enter the labor market during the recession suffer from a long-term penalty, for example, lower wages for a sustained period of time in the future?

Nor are these the only set of questions we will need answers to. An additional set of questions must focus on whether the recession (and how key actors respond to it) will provide impetus to and inform a badly needed conversation about an immigration system that serves Americans' and America's interests best. Among the questions that should be considered are the following:

- Should there be a formula for reducing certain kinds of immigration during times of economic contraction? How would such a policy work given the administrative delays inherent in the immigration process and the unpredictability of the economic cycle?
- Are labor market tests effective mechanisms for adjusting worker inflows to changing levels of demand — a question that a prolonged recession will certainly put to the test — and are the tests that have been on the books since the 1950s up to the task?
- Will changing the skill mix of legal admissions — for instance, by giving greater preference to immigrants with more formal education or specialized skills in growing economic sectors and areas— serve US interests better overall, including during economic downturns?
- What type of workforce development (i.e., education, training, and job linkage) policies might best help ameliorate the impact of economic downturns on the most vulnerable workers regardless of their birthplace?
- Finally, what types of enforcement strategies (e.g., border, worksite, other interior) are most sensible during periods of economic decline? And what economic consequences do different enforcement strategies have — for example, on people and their families, and on a state or locality's competitiveness?

The rapidly changing character and magnitude of the economic crisis, its unanticipated contagion around the globe, and the unique nature of all recessions make any program of specific policy recommendations premature. However, the current economic crisis brings into stark relief the relative inflexibility of the US immigration system in comparison to the highly dynamic and constantly evolving global economy. Now, more than ever, the United States needs an immigration system that better serves US economic and social interests regardless of economic fluctuations. An essential first step toward developing practical, policy-oriented responses to the questions raised in this paper would be to establish a Standing Commission on Immigration and Labor Markets — as proposed by the Migration Policy Institute's Independent Task Force on Immigration and America's Future.⁶⁹ The standing commission would make regular recommendations to Congress and to the

administration for adjusting admissions levels based on labor markets needs, employment and unemployment patterns, and changing economic and demographic trends. While a severe economic downturn may not immediately appear to be the most opportune moment to address the chronic disconnect between the US immigration system and its labor market, farsighted policymakers will recognize that the crisis may provide impetus toward creating a more nimble and thoughtful immigration system — one that is both more consistent with our values as a nation and serves better and more consistently US economic interests.

Endnotes

¹ The National Bureau of Economic Research (NBER) is the official body responsible for deciding when the US economy has entered a recession. NBER defines a recession as a “significant decline in economic activity spread across the economy, lasting more than a few months, normally visible in real gross domestic product (GDP), real income, employment, industrial production, and wholesale-retail sales.”

² Throughout this paper we use the terms “immigrant” and “foreign born” interchangeably.

³ The American Community Survey (ACS) is administered monthly, and data are released annually. The 2006 and 2007 figures cited here represent averages across all 12 months in each year. Demographers estimate that the ACS and other official surveys may undercount the unauthorized immigrant population by as much as 10 percent, and so these figures may be slight underestimates (see also footnotes 19 and 23 below).

⁴ Like the ACS, the Current Population Survey (CPS) is administered monthly, but the data are released for each individual month. The CPS sample size is much smaller than the ACS. As a result, in addition to potential undercounts, there is also a wider margin of error on the CPS monthly estimates of the foreign-born. Thus it is difficult to tell at this point whether the monthly figures for 2008 represent just a slowdown in the growth of the foreign-born population or an actual decline (see also footnotes 19 and 23 below).

⁵ Estimates are based on a three-month moving average (the estimate for the current month, the previous month, and the subsequent month). The November 2008 estimate is based only on the average of the October and November 2008 estimates. Similarly, the January 2000 estimate averages only January and February 2000 estimates since person weights calibrated to the 2000 Census are not available for years prior to 2000.

⁶ Includes foreign born from Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, and Panama.

⁷ Flow data are derived from administrative records collected by the US Department of Homeland Security (and its predecessor agencies) and correspond to fiscal years rather than calendar years. They include only immigrants arriving through legal channels. Since 1976, US government fiscal years have run from October 1 of the year prior to the listed year to September 30 of the listed year. Prior to 1976, the US government’s fiscal year ran from July 1 of the year prior to the year listed to June 30 of the year listed.

⁸ Estimates are based on a three-month moving average of the foreign-born population entering the United States since 1990 for each regional-origin group. Jeffrey S. Passel, “Recent Trends in Undocumented Migration,” (presentation at the Migration Policy Institute, Washington, DC, November 24, 2008). (See also footnote 5 above.)

⁹ Migration trends from and to Mexico display seasonal fluctuations with outflows peaking in the spring and inflows peaking in the fall of each year.

¹⁰ Instituto Nacional de Estadística, Geografía e Informática, “Ejercicio estadístico del INEGI confirma el descenso en la salida de Mexicanos al Extranjero,” (Comunicado Núm. 240/08, Aguascalientes, Mexico, November 20, 2008).

¹¹ The lawful permanent resident (LPR) category includes refugees and successful asylum seekers who have been in the United States for more than a year and have completed their permanent residency applications.

¹² “Extending Period of Optional Practical Training by 17 Months for F-1 Nonimmigrant Students With STEM Degrees and Expanding Cap-Gap Relief for All F-1 Students with Pending H-1B Petitions,” 73 Federal Register 68 (April 8, 2008), pp. 18944-18956.

¹³ Douglas S. Massey, Jorge Durand, and Nolan J. Malone, *Beyond Smoke and Mirrors: Mexican Immigration in an Era of Economic Integration* (New York: Russell Sage Foundation, 2002): 34.

¹⁴ Other categories of employment-sponsored visas were current, including visas for priority workers (mostly workers with extraordinary abilities, outstanding professors or researchers, or multinational executives or managers and their families), other special immigrants (such as religious workers, employees of the US government born abroad and employees of international organizations, and their families), and investors and their families. US Department of State, *Visa Bulletin IX*, no. 4 (January 2009). Available at http://travel.state.gov/visa/frvi/bulletin/bulletin_4406.html.

¹⁵ Smaller, targeted categories include parolees, children born abroad to alien residents, individuals who have had a removal notice canceled, Nicaraguan Adjustment and Central American Relief Act entrants, and Haitian Refugee Immigration Fairness Act entrants.

¹⁶ Annual average employment-sponsored legal permanent immigration for 1998 to 2007. Based on *Yearbook of Immigration Statistics 2007* (Washington, DC: Department of Homeland Security, Office of Immigration Statistics, 2008).

¹⁷ Jeffrey S. Passel, *The Size and Characteristics of the Unauthorized Migrant Population in the US* (Washington, DC: Pew Hispanic Center, March 7, 2006).

¹⁸ O visas are granted to persons who have extraordinary ability in the sciences, arts, education, business, or athletics, or extraordinary achievements in the motion picture and television field, and to their supporting personnel. TN visas are granted to professional workers from North American Free Trade Agreement (NAFTA) countries (Canada and Mexico). Deborah Waller Meyers, “Temporary Worker Programs: A Patchwork Policy Response,” (Independent Task Force on Immigration and America’s Future Insight No. 12, Migration Policy Institute, Washington DC, January 2006). Available at http://www.migrationpolicy.org/ITFIAF/TFI_12_Meyers.pdf.

¹⁹ There are two types of labor market tests: labor certification and labor attestation. Labor certification, which is required for H-2A and H-2B workers, requires that employers conduct an affirmative search for available US workers and can demonstrate to the US Department of Labor that admitting the foreign worker will not adversely affect the wages and working conditions of similarly employed US workers. Labor attestation, which is required for H-1 and certain other workers, requires that employers attest in an application to the US Department of Labor that the employer will pay the foreign worker the greater of the actual wages paid other workers in the same job or the prevailing wages for that occupation. In addition, the employer must provide working conditions for the foreign worker that do not cause other workers’ working conditions to be adversely affected and the employer must attest that there is no strike or lockout whose outcome might be affected by the employment of the foreign workers. Finally, the firm must provide a copy of the application to representatives of the bargaining unit or — if there is no bargaining representative — must post the application in a conspicuous location at the worksite. Labor attestation is typically less onerous for employers than labor certification.

²⁰ Analysts have long questioned the effectiveness of the labor certification process. See for example Demetrios G. Papademetriou and Stephen Yale-Loehr, *Balancing Interests: Rethinking the US Selection of Skilled Immigrants* (Washington, DC: Carnegie Endowment for International Peace, 1996); and Martin Ruhs, “The Potential of Temporary Migration Programmes in Future International Migration Policy,” *International Labour Review* 145, no. 1-2 (2006): 7-36.

²¹ See for example Gordon Hanson, “The Economic Logic of Illegal Immigration,” (Council on Foreign Relations, Council Special Report No. 26, April 2007). Economist George Borjas makes this argument with respect to newly arrived immigrants who disproportionately tend to be unauthorized. See George J. Borjas, *Does Immigration Grease the Wheels of the Labor Market* (Brookings Papers on Economic Activity, No. 1, March 2001).

²² Randy Capps, Karina Fortuny, and Michael E. Fix, *Trends in the Low-Wage Immigrant Labor Force, 2000-2005* (Washington, DC: The Urban Institute, 2007).

²³ Wayne Cornelius, “Controlling ‘Unwanted’ Immigration: Lessons from the United States, 1993-2004” *Journal of Ethnic and Migration Studies* 31, no. 4 (July 2005): 775-794.

²⁴ Jorge Durand, Nolan J. Malone, and Douglas S. Massey, *Beyond Smoke and Mirrors: Mexican Immigration in an Era of Economic Integration* (New York: Russell Sage Foundation, 2003); Demetrios Papademetriou, “The Shifting Expectations of Free Trade and Migration,” *NAFTA’s Promise and Reality: Lessons from Mexico for the Hemisphere* (Washington, DC: Carnegie Endowment for International Peace, 2004); Elena Zúñiga Herrera, Paula Leite Neves, and Luis Acevedo Prieto, *Mexico-United States Migration: Regional and State Overview* (Mexico, DF: Consejo Nacional de Población, 2006).

²⁵ Large official surveys such as the CPS have substantial sampling errors and may undercount unauthorized immigrants; moreover, analysts must make assumptions in assigning legal status to noncitizens, which may further bias the end result. Smaller-scale surveys may be influenced by trends at the microeconomic level and are not necessarily reflective of the overall US economy or population. On the other hand, data on border apprehensions, which are often used as a proxy measure for trends in illegal immigration, fail to capture fully the extent of such immigration since individuals are counted as many times as they are caught and do not include unauthorized migrants who succeed at entering the United States without getting caught. Other factors also influence how apprehensions data are interpreted in two important ways: (1) highly publicized enforcement efforts may deter potential unauthorized migrants from attempting to cross the border, thus skewing any observed relationship between illegal crossings and the US economy, and (2) apprehension data may better reflect Border Patrol resources dedicated to preventing entry rather than attempted crossings.

²⁶ Randy Capps and Karina Fortuny, “Immigration and Child and Family Policy,” (paper prepared for the Urban Institute and Child Trends Roundtable on Children in Low-Income Families, January 12, 2006).

²⁷ Jeffrey S. Passel and D’Vera Cohn, *Trends in Unauthorized Immigration: Undocumented Inflow Now Trails Legal Inflow* (Washington, DC: Pew Hispanic Center, October 2, 2008).

²⁸ *Ibid.*

²⁹ There are significant margins of error around the estimates in the US Current Population Survey data employed by the Pew Hispanic Center in Passel and Cohn (2008). These are due to potential undercounts of the unauthorized population, limited sample sizes, adjustments of the weighting scheme in some years, and the imprecision of assigning legal status to noncitizens in the data. Thus the decline shown in the report for 2007-08 may in fact reflect more of a slowdown in the rate of growth.

³⁰ Unpublished data courtesy of Pia Orrenius, Federal Reserve Bank of Dallas.

³¹ Wayne A. Cornelius et al., “Controlling Unauthorized Immigration from Mexico: The Failure of ‘Prevention through Deterrence’ and the Need for Comprehensive Reform,” (Washington, DC: Immigration Policy Center Briefing paper, June 2008).

³² Theories explaining why people migrate include *neoclassical economic theory*, which posits that international migration stems from geographic differences in the supply and demand for labor, and

the *new economics of labor migration*, which assumes that migration decisions are not made by individuals but by larger units of interrelated people such as households or families that work together to collectively overcome failures in capital, credit, and social insurance markets. In reality, migrants' decisions combine these motivations in varying configurations. See generally, Stephen Castles and Mark J. Miller, *The Age of Migration: International Population Movements in the Modern World* (London: Palgrave Macmillan, 2003).

³³ Steven A. Camarota and Karen Jensenius, *Homeward Bound: Recent Immigration Enforcement and the Decline in the Illegal Alien Population* (Washington, DC: Center for Immigration Studies, July 2008).

³⁴ Department of Homeland Security, Office of Immigration Statistics, *Yearbook of Immigration Statistics 2007* (Washington, DC: Author, 2008).

³⁵ Unpublished data courtesy of the US Department of Homeland Security.

³⁶ Immigration and Customs Enforcement, "ICE Fugitive Operations Program," (Fact Sheet, August 2007); Immigration and Customs Enforcement, "Frequently Asked Questions About Worksite Enforcement," (Fact Sheet, August 2008).

³⁷ See generally, Cristina Rodriguez, Muzaffar Chishti, and Kimberly Nortman, *Testing the Limits: Assessing the Legality of State and Local Immigration Measures* (Washington, DC: Migration Policy Institute, 2007). Available at

http://www.migrationpolicy.org/pubs/NCIIP_Assessing%20the%20Legality%20of%20State%20and%20Local%20Immigration%20Measures121307.pdf. For access to specific laws, see the Migration Policy Institute's, "State Responses to Immigration: A Database of All State Legislation." Available at http://www.migrationinformation.org/datahub/statelaws_home.cfm.

³⁸ Arizona: Daniel Gonzalez, "New Hiring Law Nears, Migrants Flee," *The Arizona Republic*, August 27, 2007; South Carolina: Daniel Brownstein, "Are Hispanics Leaving Because of the Crackdown?" *The Island Packet*, September 2, 2008; Arizona, Colorado, and Oklahoma: Emily Bazar, "Illegal Immigrants Moving Out," *USA Today*, September 26, 2007.

³⁹ For a discussion, see M. Ayhan Kose, Christopher Otrok, and Eswar Prasad, "Global Business Cycles: Convergence or Decoupling" (Institute for the Study of Labor Discussion Paper No. 3442, April 2008).

⁴⁰ International Monetary Fund, *World Economic Outlook October 2008: Financial Stress, Downturns, and Recoveries* (Washington, DC: Author, October 2008); The World Bank, *Global Economic Prospects 2009: Commodities at the Crossroads* (Washington, DC: Author, December 2008).

⁴¹ Gordon H. Hanson and Antonio Spilimbergo, "Illegal Immigration, Border Enforcement, and Relative Wages: Evidence from Apprehensions at the US-Mexico Border," *American Economic Review* 89, no. 5 (December 1999): 1337-1357.

⁴² Daily averages using interbank rates.

⁴³ Jennifer Van Hook, Weiwei Zhang, Frank D. Bean, and Jeffrey S. Passel, "Foreign-born Emigration: A New Approach and Estimates Based on Matched CPS Files," *Demography* 43, no. 2 (May 2006): 361-382.

⁴⁴ Robert Warren and Jennifer Marks Peck, "Foreign-Born Emigration from the United States: 1960 to 1970," *Demography* 17, no. 1 (February 1980): 71.

⁴⁵ US Bureau of the Census, *Historical Statistics of the United States* (Washington, DC: US Government Printing Office, 1960).

⁴⁶ Jean-Christophe Dumont and Gilles Spielvogel, "Return Migration: A New Perspective," in Organization for Economic Cooperation and Development (OECD), *International Migration Outlook, Annual Report 2008* (Paris, OECD, 2008).

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- ⁴⁷ China: Yaohui Zhao, “Causes and Consequences of Return Migration: Recent Evidence from China,” *Journal of Comparative Economics* 30, no. 2 (June 2002): 376-394; India: AnnaLee Saxenian, *The New Argonauts: Regional Advantage in the Global Economy* (Cambridge, Massachusetts: Harvard University Press, 2006); Mexico: Belinda Reyes, *Dynamics of Immigration: Return Migration to Western Mexico* (San Francisco, California: Public Policy Institute of California, 1997).
- ⁴⁸ Naomi Pollard, Maria Latorre, and Dhananjaya Sriskandarajah, *Floodgates or Turnstiles? Post-EU Enlargement Migration Flows to (and from) the UK* (London: Institute for Public Policy Research, April 2008).
- ⁴⁹ Steve Davis, John Haltiwanger, and Scott Schuh, *Job Creation and Destruction* (Cambridge, MA: MIT Press, 1996); Demetra Smith Nightingale and Michael Fix, “Economic and Labor Market Trends,” *The Future of Children* 14, no. 2 (Summer 2004): 49-59; Demetra Smith Nightingale, et al., *The Employment Safety Net for Families in a Declining Economy: Policy Issues and Options* (Washington, DC: Urban Institute, March 2001); Hilary Hoynes, “The Employment, Earnings, and Income of Less-Skilled Workers over the Business Cycle,” (Institute for Research on Poverty Discussion Paper no. 1199-99, University of California, Berkeley, October 1999).
- ⁵⁰ Henry S. Farber, “The Changing Face of Job Loss in the United States, 1981-1995” (working paper #382, Princeton University Industrial Relations Section, June 1997).
- ⁵¹ Includes foreign born individuals (from Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, and Panama) age 25 and older in the civilian labor force. Migration Policy Institute analysis of US Census Bureau, Current Population Survey, Socioeconomic Supplement, March 2008.
- ⁵² Randy Capps, Karina Fortuny, and Michael E. Fix, *Trends in the Low-Wage Immigrant Labor Force, 2000-2005* (Washington, DC: The Urban Institute, 2007).
- ⁵³ Johanne Boisjoly and Greg J. Duncan, “Job Losses among Hispanics in the Recent Recession,” *Monthly Labor Review* 117, no. 16 (June 1994): 16-23.
- ⁵⁴ Rakesh Kochhar, *Jobs Lost, Jobs Gained: The Latino Experience in the Recession and Recovery* (Washington, DC: Pew Hispanic Center, October 2003).
- ⁵⁵ Rakesh Kochhar, *Latino Workers in the Ongoing Recession: 2007 to 2008* (Washington, DC: Pew Hispanic Center, December 15, 2008).
- ⁵⁶ *Ibid.*
- ⁵⁷ Rakesh Kochhar, *Sharp Decline in Income for Non-Citizen Immigrant Households, 2006-2007* (Washington, DC: Pew Hispanic Center, October 2, 2008).
- ⁵⁸ Federal Reserve Board, *Summary of Commentary on Current Economic Conditions by Federal Reserve District*, Washington DC, December 2008.
- ⁵⁹ With the exception of construction, industries are included at the North American Industrial Classification System (NAICS) three-digit level. Includes only non-farm employment
- ⁶⁰ Rakesh Kochhar, *Latino Labor Report, 2008: Construction Reverses Job Growth for Latinos* (Washington, DC: Pew Hispanic Center, June 2008).
- ⁶¹ Includes workers in the civilian labor force. US Census Bureau, Current Population Survey, Socioeconomic Supplement, March 2008.
- ⁶² David Card and Ethan G. Lewis, “The Diffusion of Mexican Immigrants During the 1990s: Explanations and Impacts,” (National Bureau of Economic Research Working Paper No. W11552, August 2005).
- ⁶³ See generally, Michael Fix, ed., *A Decade Later: Welfare Reform and Immigrant Children and Families* (New York: Russell Sage Foundation, forthcoming 2009).

⁶⁴ Michael Fix and Jeffrey Passel, “The Scope and Impact of Welfare Reform’s Immigrant Provisions,” (Assessing the New Federalism Discussion Paper 02-03, The Urban Institute, January 2002).

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⁶⁶ Olivier Jean Blanchard and Lawrence F. Katz, “Regional Evolutions,” (Brookings Papers on Economic Activity, 1: 1992).

⁶⁷ US Census Bureau, Current Population Survey, Social and Economic Supplement, March 2008. Job-related reasons include a new job or job transfer, to look for work for due to a lost job, or other job-related reasons.

⁶⁸ US Department of Labor, Bureau of Labor Statistics, “Regional and State Employment and Unemployment: November 2008,” (USDL 08-1830, December 19, 2008). Available at <http://www.bls.gov/news.release/pdf/laus.pdf>.

⁶⁹ See Doris Meissner, Deborah W. Meyers, Demetrios G. Papademetriou, and Michael Fix, *Immigration and America’s Future: A New Chapter* (Washington, DC: Migration Policy Institute, 2006).

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