



With Millions of Unfilled U.S. Jobs, What Role Is There for Immigration?

Today's Event

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- Related report: ***Leveraging the Skills of Immigrant Health-Care Professionals in Illinois and Chicago***
<https://bit.ly/immskills22>



Speakers



Jeanne Batalova, Senior Policy Analyst, Migration Policy Institute (MPI)



Alexandra Manuel, Consultant, World Education Services and Washington State Professional Educator Standards Board



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Harry Holzer, John LaFarge Jr. S.J. Professor of Public Policy, McCourt School of Public Policy, Georgetown University; former Chief Economist, U.S. Labor Department



Jina Krause-Vilmar, President and CEO, Upwardly Global

Labor Shortages, Skills, and Immigrants: Some Thoughts

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April 2022

Is There Now a Labor Shortage in the US?

- Yes!
- Hi Job Vacancy Rate – 7% (Unemployment Rate is 3.8%)
- Hi Wage Growth – Over 5% Nominal; 8% over 2 years
- Due to: 1) Low Labor Force Participation
 - 2) Hi Quits
 - 3) Lo Acceptance of Potential Offers

Worse Shortage for Skilled Labor?

- Short- v. Long-Run Perspectives – Vacancy and Wage Data are Short-Run
- Definition of Skills: AA, BA, >BA; Specific Occupational

Skills and Shortages in the Short Run

- Highest Vacancy Rates and Wage Growth in Low-Skill Jobs:
 - Leisure/Hospitality: VR 10%, Wage Growth 15% (2-year) –
 - Retail: VR 6-7%, Wage Growth 10%
- But also in Professional Services and Health Care
 - Health Care: VR - 9% Wage Growth: 12%
 - Professional Service: VR – 9% Wage Growth: 10%
- Specific Occupational Skills: Long-Haul Trucking, Machinists and Welders, Nursing

Skills and Shortages in the Long Run

- College-Educated Workforce: Not a Shortage Overall, but Better Trends in Earnings, LFP than HS
- >BA: Strong Real Earnings Growth – Very Strong Demand
- Specific Occupations: Lasting Challenges for Employers in Skilled Technical Workforce (NAS Study)
- Specific Skill Shortages Will Likely be Exacerbated by Baby Boomer Retirements – Construction, Manufacturing, Health Care, IT, TDL
- Health/Elder Care Demand Will Rise with Baby Boomer Aging

Immigrants: Does the US Need More?

- Yes!
- Why?
 - 1) Declining Native Born Population – Aging and Birth Rates
 - 2) Declining Growth in Labor Force – Needed for Growth!
 - 3) Fiscal Effects, Price Inflation
 - 4) Supply of Immigrants has Fallen! Trump, Covid Effects

Skilled v. Unskilled Immigration (College)

- Skilled: More Positive Economic Effects – Create Jobs and Innovation: Patents, Start-Ups; STEM needs of Employers
- Less-Skilled: Competition with Native-Born; Raise Inequality (Small amount)
- But Other Positive Effects of Less-Skilled – e.g., less institutionalization of the elderly (Butcher and Watson)
- Composition of Immigrants Has Already Been Shifting – Fewer Mexicans, More Asians – Should Be Reinforced By Policy?

Possible Economic/Political Compromise

- Raise immigration overall
- More Tilt towards High-Demand Sectors and Skills
- Caveat: Fed Raising Interest Rates – Soft or Hard Landing? Recession in the Short or Medium Term – Dampen/Eliminate Shortages but Doesn't Change Longer Term Picture

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