An Early Readout on the Economic Effects of the COVID-19 Crisis

Immigrant Women Have the Highest Unemployment

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Executive Summary

The COVID-19 pandemic and efforts to slow its spread through social distancing, lockdowns, and other measures have led to historically high U.S. unemployment rates, which at their peak in April 2020 far surpassed those seen during the recession of 2008–09. More than half a year after the first measures to combat the public-health crisis were taken in mid-March 2020, some groups of Americans faced much higher unemployment than others, with immigrant women among those hit hardest. Their unemployment peaked at 18.5 percent in May before declining to 11.2 percent in September, while the unemployment rates of the other three groups in the adult civilian labor force (ages 16 and older) analyzed in this fact sheet—immigrant men, U.S.-born women, and U.S.-born men—never topped 16 percent, and fell below 8 percent in September.

Combined with falling labor force participation, the spike in unemployment led to a steep decline in employment among working-age immigrant women in 2020. The share of foreign-born women ages 16 and older who were employed shrank 7 percentage points: from 53 percent in January to 46 percent in September. Over the same period, the employment rate among working-age U.S.-born women fell 4 points: from 56 percent to 52 percent. Immigrant women's labor force participation fell from 55 per-

cent to 52 percent over this period, while the participation of U.S.-born women fell from 58 percent to 56 percent.

Why have immigrant women been hit so hard by the coronavirus-induced recession? Their drop in labor force participation may be due, in part, to their often-dual roles as workers and parents. Women with school-age children (ages 5 to 17) faced a steeper decline in labor force participation than women without such children, and immigrant women were more likely than their U.S.-born peers to have children within this age range (26 percent versus 17 percent). Thus, the decline in immigrant women's labor force participation may reflect the difficulties they experienced working while supervising their children's at-home schooling in many parts of the country where schools were operating remotely.

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The stubbornly high unemployment rate for immigrant women, on the other hand, is likely related to their concentration in certain labor market niches. Overall, foreign-born women were only slightly over-represented in leisure and hospitality—the

industry responsible for almost one-third of all job losses between January and September. But they were concentrated in several leisure and hospitality occupations (such as waitstaff, maids, and housekeepers) that saw the largest job losses. As a result, immigrant women working in that industry had a higher unemployment rate in September than did other workers: 28 percent versus under 20 percent. Immigrant women also experienced relatively high unemployment *within* some occupations in the industry—such as waitstaff and food service managers— suggesting that their relatively low employment levels are only partially explained by their occupational distribution.

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Reduced employment among immigrant women means reduced income, increased poverty, and the generation of social assistance needs in immigrant families. In the longer term, it can also lead to skills atrophy and lower lifetime earnings. High unemployment among immigrant women, just like unemployment among other groups, can also lead to overall lower economic activity, especially in places with high immigrant concentrations. Economic

recovery efforts should therefore include measures to address the particular child-care and other parenting responsibilities of immigrant women. In the longer term, training to prepare these women for higher-skill and less-vulnerable occupations will help insulate them from future economic shocks.

1   Introduction

In spring 2020, the COVID-19 pandemic and the resulting recession raised unemployment in the United States to rates not seen since the Great Depression of the 1930s. Unemployment peaked at 14.7 percent in April, before falling steadily to 7.9 percent in September.[1] The U.S. economy lost 25 million jobs between January and April, with just over half of those jobs (14 million) recovered by September.[2] Meanwhile, the total labor force shrank by 4.5 million workers between January and September as some U.S. workers found it impossible to balance work and family responsibilities, gave up on finding work, or feared working in certain jobs due to the risk of contracting the virus.[3]

This recession has affected different segments of the U.S. workforce unevenly. Black workers, mothers of all races, workers without a college diploma, and low-wage earners have all been hit particularly hard by COVID-19–related job losses and have seen a slower recovery than the average U.S. worker.[4] Less attention has been paid to the fact that foreign-born workers—especially immigrant women—also experienced steep job losses during the spring, and saw consistently higher unemployment rates than U.S.-born workers even when overall employment rebounded.

This fact sheet compares the unemployment, employment, and labor force participation trends for immigrant women to those of three other groups: immigrant men, U.S.-born women, and U.S.-born men. It also explores some of the reasons for the

Unemployment Rates of Adults (ages 16 and older) in the U.S. Civilian Labor Force, by Nativity and Gender, January–September 2020
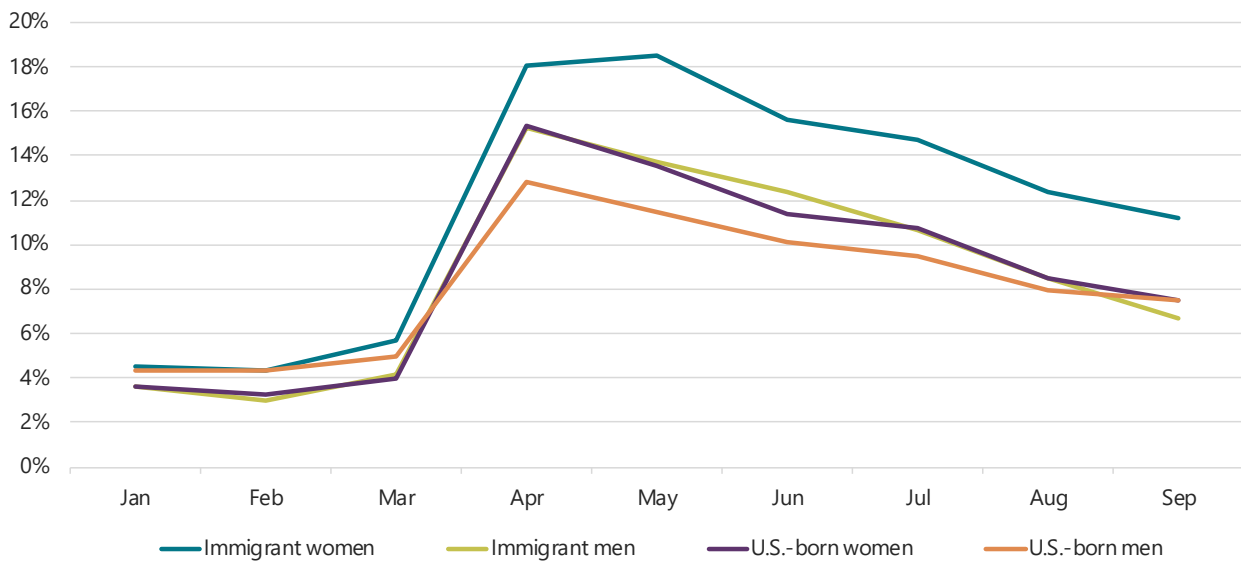
Note: Unemployment rates are for civilians ages 16 and older and have not been seasonally adjusted.
Source: Migration Policy Institute (MPI) analysis of data from the U.S. Census Bureau's January–September 2020 monthly U.S. Current Population Survey (CPS).

greater job losses experienced by immigrant women. It investigates how labor force participation and employment rates changed between January and September for immigrant and U.S.-born mothers and fathers of young children. And it explores immigrant women's concentration in the industries and occupations hardest hit during the pandemic.

2 How Have Labor Market Outcomes Changed for Immigrant Men and Women?

Unemployment rates among immigrant workers rose sharply early in the pandemic—more so for women than men. In January, before the start of the public-health crisis, immigrant and U.S.-born workers had the same low unemployment rate: 4 percent. But as unemployment skyrocketed in April, a gap opened between the rate for all foreign-born

workers (16.4 percent) and that for all U.S.-born workers (14.0 percent). Both groups experienced declining unemployment through the summer, and by September, the gap had closed to about 1 percentage point: 8.6 percent for immigrants, compared to 7.5 percent for the U.S. born.

However, these averages obscure the particularly high unemployment of immigrant women over this whole period, which peaked at 18.5 percent in May (see Figure 1). In September, immigrant women still had an unemployment rate exceeding 11 percent—well above the 7.5 percent rate for both U.S.-born men and women and the rate for immigrant men, who then had the lowest rate of any nativity-gender group, at 6.7 percent.

These trends are in some ways similar to and in some ways different from those seen during the 2008–09 recession. In that economic downturn, immigrants had higher initial unemployment, but also experienced a relatively quick recovery to near parity with natives within a few months. Employment

also recovered more slowly for immigrant women than men, though the gender gap in unemployment has been much wider in the COVID-related recession than it was in 2008–09.[5]

Employment and Labor Force Participation

Higher unemployment combined with lower labor force participation led to a steep decline in the employment rate of immigrant women. In September, 46 percent of immigrant women ages 16 and older were working, compared with 53 percent in January (see Figure 2). The decline in employment among immigrant men was more modest (from 76 percent to 71 percent), as was the decline for U.S.-born women (56 percent to 52 percent).

Immigrant women were less likely than immigrant men or U.S.-born workers to be in the labor force even before the current recession. In January, immigrant men had higher labor force participation rates

(79 percent) than U.S.-born men (67 percent), while immigrant women had lower rates than U.S.-born women (55 percent and 58 percent, respectively). While this pattern held through the recession, immigrant women experienced a larger decline in labor force participation (2.7 percentage points) than U.S.-born women (1.7 percentage points), as more immigrant women than immigrant men or U.S.-born workers gave up on trying to find jobs, stopped wanting to work, or were no longer able to work.

Immigrant women were less likely than immigrant men or U.S.-born workers to be in the labor force even before the current recession.

Immigrant women were less likely to be in the labor force than U.S.-born women in part because they were more likely to have children under age 18 at home and to have competing demands on their

FIGURE 2

Employment Rates of Adults (ages 16 and older) in the U.S. Civilian Labor Force, by Nativity and Gender, January–September 2020
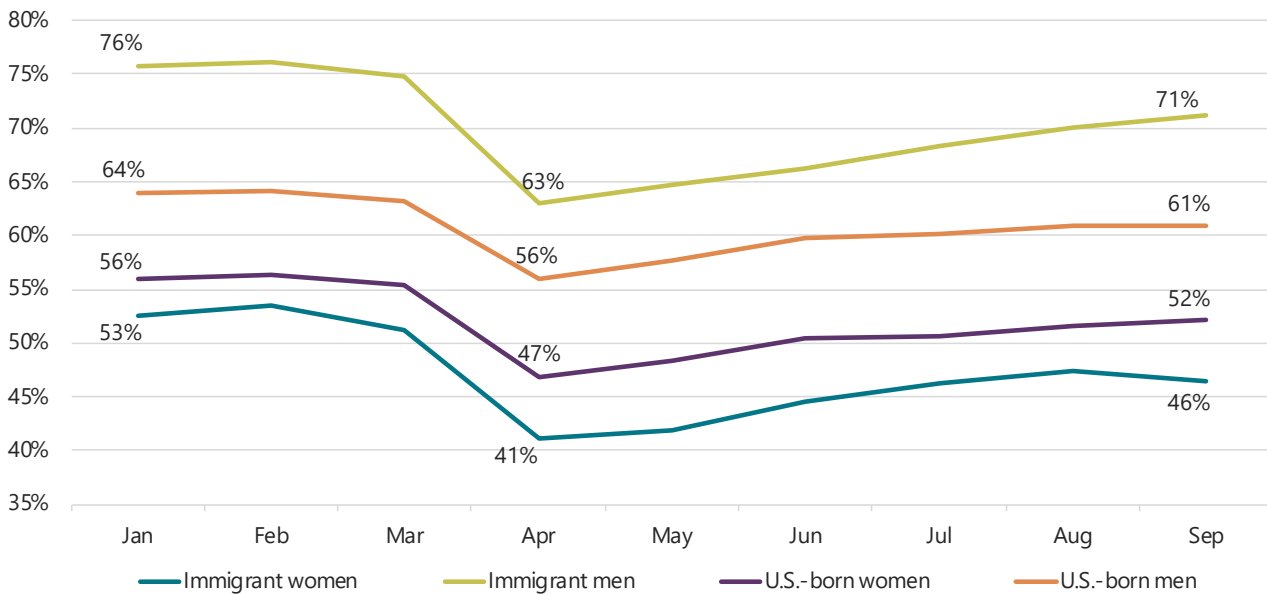
Note: Employment rates are for civilians ages 16 and older and have not been seasonally adjusted.
Source: MPI analysis of data from the U.S. Census Bureau's January–September 2020 monthly CPS.

time. In January, before the pandemic, 44 percent of working-age immigrant women (ages 25 to 64) had a child at home, compared to 31 percent of U.S.-born women. And immigrant women with children at home historically are less likely to be in the labor force than U.S.-born women with children. In January, 61 percent of immigrant mothers with children participated in the labor force, versus 77 percent of U.S.-born mothers.

As of fall 2020, women with school-age children (ages 5 to 17) had seen the largest declines in labor force participation. Between January and September, the labor force participation rate fell 4.2 percentage points for immigrant women with school-age children, compared with a drop of 1.7 percentage points for those without school-aged children in the home. Among native-born women, participation fell 3.0 percentage points for those with school-age children and 1.6 percentage points for those without.[6] Immigrant women were also more likely to have

school-age children than U.S.-born women (26 percent versus 17 percent).

3 Why Have Immigrants, and Especially Immigrant Women, Had the Highest Unemployment Rates?

Early in the pandemic, as lockdowns and social distancing measures severely affected some industries, unemployment rose to unprecedented heights. The most affected industry—leisure and hospitality—saw its unemployment rate hit 38 percent in April. Retail, construction, manufacturing, and education and social assistance also experienced massive layoffs (see Figure 3). By September, however, employment outcomes had improved across most of these

FIGURE 3

Unemployment Rates for All Adults (ages 16 and older) in the Civilian Labor Force, by Select Major Industry Group, January–September 2020
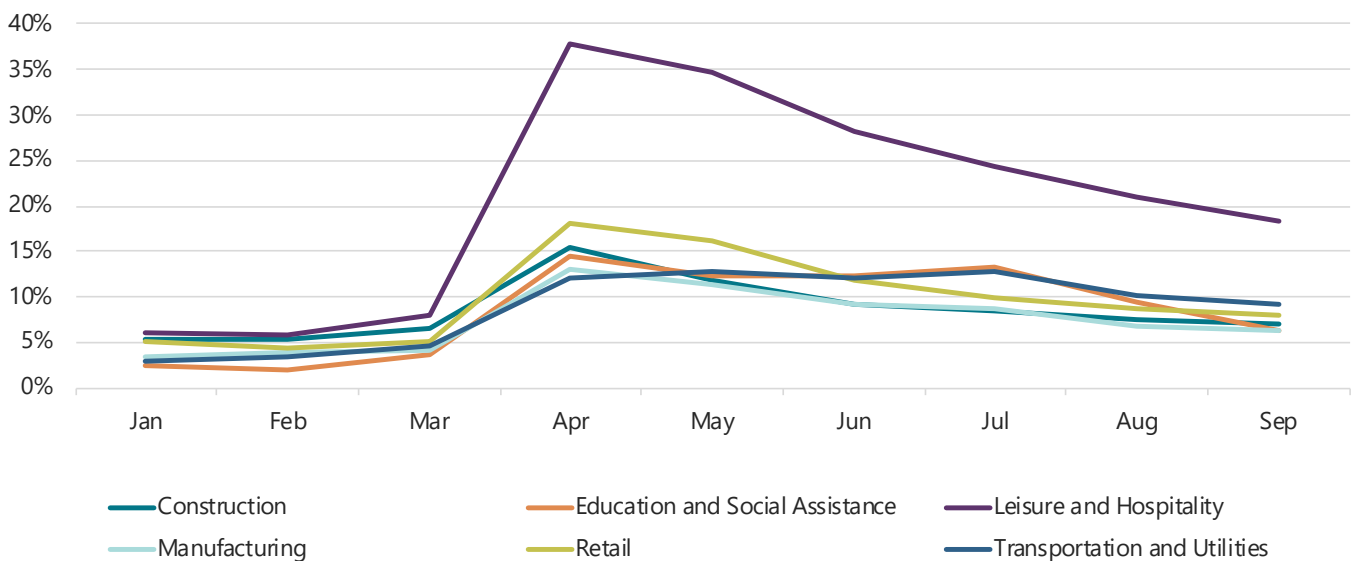
Note: Unemployment rates are for civilians ages 16 and older and have not been seasonally adjusted. The six industry groups shown had the highest unemployment rates for all workers in April 2020.
Source: MPI analysis of data from the U.S. Census Bureau's January–September 2020 monthly CPS.

industries as restrictions eased, economic activities resumed, and people returned to job sites. For example, unemployment in manufacturing and in education and social assistance fell to 6 percent, and unemployment in construction fell to 7 percent. But job recovery in leisure and hospitality—an industry that includes restaurants, hotels, arts, and entertainment—was painfully slow, with unemployment still at 18 percent in September, six months into the COVID-19 pandemic. In fact, leisure and hospitality accounted for almost one-third of all jobs lost between January and September.

One possible reason why immigrant women have experienced ongoing high unemployment during this recession is that they are heavily concentrated in the industries hit hardest. But does this explanation hold up under closer analysis? Immigrant women were only slightly more likely than others to work in the leisure and hospitality industry. In January, 11 percent of immigrant women worked in this industry, compared to 10 percent of immigrant men and U.S.-born women, and 8 percent of U.S.-born men. Immigrant women were more heavily concentrated

in industries that fared better during the recent economic recovery. In January, before the pandemic, 18 percent worked in health services, 15 percent worked in professional and business services, and 14 percent worked in education and social assistance. In September, the industries with the most immigrant women had relatively low overall unemployment rates: health services (4 percent), professional and business services (7 percent), and education and social services (6 percent).[7]

Foreign-born men were also most heavily concentrated in industries with relatively low unemployment. In January, 17 percent of immigrant men worked in construction, 17 percent in professional and business services, 12 percent in manufacturing, and 10 percent in leisure and hospitality. Aside from leisure and hospitality, these industries had unemployment rates of 7 percent or below in September 2020.

While foreign-born women were not disproportionately concentrated in the leisure and hospitality industry, they did experience disproportionately

FIGURE 4

Unemployment Rates of Adults (ages 16 and older) in the U.S. Civilian Labor Force, by Nativity, Gender, and Select Industries, September 2020
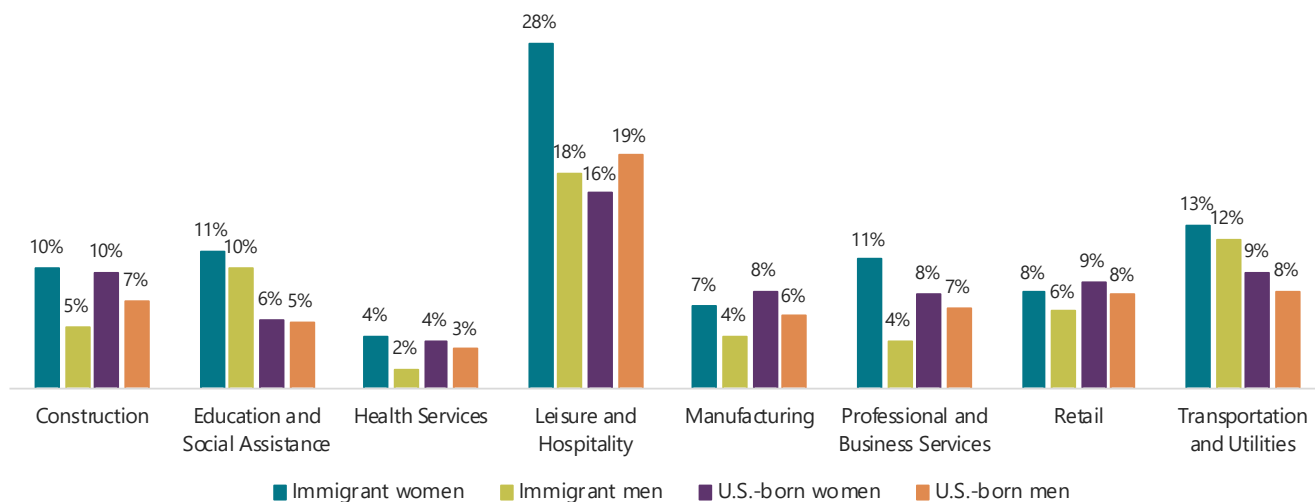
Note: Unemployment rates are for civilians ages 16 and older and have not been seasonally adjusted. The eight industries shown include those with the highest concentrations of employed immigrant women and immigrant men in January 2020.
Source: MPI analysis of data from the U.S. Census Bureau's September 2020 monthly CPS.

FIGURE 5

Unemployment Rates of Adults (ages 16 and older) in the U.S. Civilian Labor Force, by Nativity and Gender in the Leisure and Hospitality Industry, January–September 2020
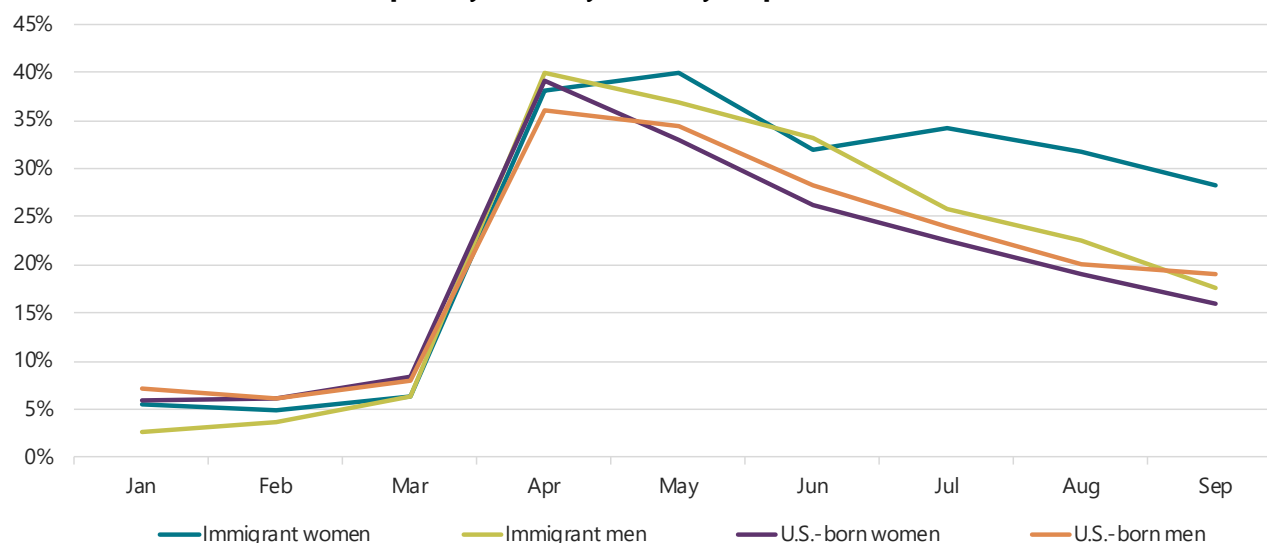
Note: Unemployment rates are for civilians ages 16 and older and have not been seasonally adjusted.
Source: MPI analysis of data from the U.S. Census Bureau's January–September 2020 monthly CPS.

high unemployment within that industry: 28 percent were unemployed in September, compared to less than 20 percent for the other three groups (see Figure 4). Immigrant women working in professional and business services (an industry that includes accountants, researchers, managers, human resource professionals, administrative assistants, and other occupations) also had relatively high unemployment compared to immigrant men and U.S.-born workers. Foreign-born men and women alike had higher unemployment rates than U.S.-born workers in two industries: education and social assistance, and transportation and utilities.

All four groups—immigrants and natives, men and women—working in hospitality and leisure saw their unemployment peak at nearly 40 percent in April. But as the economy recovered in subsequent months, unemployment remained stubbornly high for immigrant women, even as it steadily declined for the other three groups (see Figure 5).

Immigrant women have experienced higher unemployment in part because they worked in occupations that were highly vulnerable to the pandemic. Within the leisure and hospitality industry, 60 percent of immigrant women worked in just five occupations during the first quarter of 2020 (January through March):[8] cooks, waitstaff, maids and housekeepers, food service managers, and food preparation workers. Two of these occupations saw particularly high unemployment rates for all workers in the third quarter of the year (July–September): waitstaff (27 percent) and maids and housekeeping (34 percent). At the same time, immigrant women also faced higher unemployment than other workers *within* the occupations of waitstaff and food service managers—suggesting that occupational distribution is not the only explanation.

Another potential reason for immigrant women's higher unemployment within industries and occupations is that they were more likely than U.S.-born workers to live in areas of the country that experienced prolonged economic contractions. For ex-

ample, four states with the highest concentrations of immigrants—California, Illinois, Massachusetts, and New York—had unemployment rates exceeding 9 percent in September, while seven Midwestern states with much lower immigrant concentrations—Iowa, Kansas, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin—had jobless rates below 6 percent.[9] The monthly employment data from the Current Population Survey employed in the Migration Policy Institute (MPI) analysis, however, are insufficient to analyze the unemployment rates for immigrant women versus the other three groups at the state level, so it is not yet clear if this is an important explanation for the different unemployment rates within industries and occupations.

Relatively low levels of educational attainment alongside limited English proficiency may place immigrant women in more precarious roles within industries and occupations compared to other workers.

A last possibility could be that relatively low levels of educational attainment alongside limited English proficiency may place immigrant women in more precarious roles within industries and occupations compared to other workers. Recent arrival and unauthorized status may be additional reasons for precarity for some immigrant women but not others.

4   Conclusion

Immigrant women entered the pandemic-induced recession with unemployment rates similar to those of U.S.-born men and women and to immigrant men, but substantially lower labor force participation. As of September 2020, immigrant women showed persistently higher unemployment rates, and larger drops in labor force participation compared to these other groups. The data examined here posit several explanations for this.

When it comes to labor force participation, an important explanation may be the presence of school-age children in the home. Most schools were shuttered during spring 2020, and many remained closed—with students learning virtually if they could—during the fall. Both U.S.-born and immigrant women with school-age children dropped out of the labor force more than women without school-age children, but the drop was larger for immigrant women. Virtual schooling presents several challenges for immigrant families, including lack of affordable child care, lack of access to digital devices and internet connections, and school-family language barriers.[10] It could also be that immigrant women left the labor force to take care of sick family members.[11] Given these challenges, a substantial number of immigrant women may have chosen to leave the workforce to support their families and children during the pandemic.

When it comes to unemployment, immigrant women appear to have suffered high jobless rates in the niches they fill within the economy, particularly within the leisure and hospitality industry—the industry responsible for almost one-third of total U.S. job loss between January and September. Immigrant women experienced steadily high unemployment in that industry, even as unemployment fell for other groups. Part of the reason seems to be their concentration in certain occupations—such as waitstaff, maids, and housekeepers—for which high unemployment rates persisted into fall. But immigrant women also experienced higher unemployment rates than other workers within the same occupations. Living in states that were more affected by the pandemic, informal job networks, lower educational attainment, and other human and social capital characteristics might have limited job options for immigrant women, thereby rendering them more vulnerable to the pandemic-induced recession.

When workers are unemployed for extended periods, their skills may deteriorate due to lack of use. Extended unemployment can also result in lower lifetime earnings because of loss of skills, seniority, and experience. Immigrant women represented 7 percent of the labor force before the current recession, and higher shares in many major metropolitan areas. Their absence from the workforce—alongside other groups of newly unemployed workers—may impede overall economic recovery. Lower income and higher poverty in immigrant families where mothers are not working may also affect the development and well-being of children in those families.

These findings suggest that addressing both immigrant women's opportunities in the labor market and their child-care needs may be key for their economic recovery during and after the recession. Reopening schools, when safe; improving access to child-care services; and offering training to immigrant women to move up the job ladder within sectors or shift to different industries altogether could help immigrant families improve their circumstances now and during the economic recovery ahead.

When workers are unemployed for extended periods, their skills may deteriorate due to lack of use.

Endnotes

1   The U.S. Bureau of Labor Statistics (BLS) misclassified the employment status of some people not working for reasons related to COVID-19 closures as "employed but not at work" instead of "unemployed on temporary layoff." Misclassification of employment status understated the unemployment rate by an estimated 5 percentage points in April and 3 percentage points in May, but just 0.4 percentage points in September. According to analysis by the Pew Research Center, in May, the BLS misclassification understated unemployment more for women than men (by 0.9 percentage points) and more for immigrants than U.S.-born workers (by 1.4 percentage points). Because the authors rely on BLS official data, the nativity and gender gaps in unemployment highlighted in this fact sheet for March through June may understate true differences in unemployment. See BLS, "Employment Situation Archived News Releases" (April 3, May 8, June 5, and August 7, 2020), accessed October 14, 2020; Rakesh Kochhar, "Unemployment Rate Is Higher than Officially Recorded, More So for Women and Certain Other Groups," Pew Research Center FactTank, Washington, DC, June 30, 2020.

2   The number of employed civilian U.S. workers was 158.7 million in January 2020, 133.4 million in April, and 147.5 million in September. See BLS, "Employment Situation Archived News Releases."

3   BLS, "Employment Situation Archived News Releases."

4   Heather Long, Andrew Van Dam, Alyssa Fowers, and Leslie Shapiro, "The Covid-19 Recession Is the Most Unequal in Modern U.S. History," *Washington Post,* September 30, 2020.

5   Demetrios G. Papademetriou, Madeleine Sumption, and Aaron Terrazas, *Migration and Immigrants Two Years after the Financial Collapse: Where Do We Stand?* (Washington, DC: Migration Policy Institute, 2010), 28–33.

6   For those with young children (ages 0 to 5) at home, trends were different for immigrant versus U.S.-born women. Among working-age immigrant women, the labor force participation rate of those with young children at home increased by 1.6 percentage points between January and September. Among working-age U.S.-born women with children under 6 at home, the labor force participation rate fell by 4 percentage points.

7   The health-care industry also suffered substantial job losses during spring 2020, but its unemployment rate peaked in April at about 8 percent for all workers and 10 percent for immigrant women—rates far below those for many other industries.

8   MPI analyzed data for occupations within the leisure and hospitality industry by combining three months of data each for two time points—January through March, and July through September. Combining three months of data provided the larger sample size needed to complete this more detailed analysis.

9   BLS, "Unemployment Rates for States," September 2020 preliminary estimates, accessed October 27, 2020.

10   Julie Sugarman and Melissa Lazarín, "Educating English Learners during the COVID-19 Pandemic: Policy Ideas for States and School Districts," Migration Policy Institute, Washington, DC, September 2020.

11   Immigrants have been particularly susceptible to COVID-19. See, for example, Eva Clark, Karla Fredricks, Laila Woc-Colburn, Maria Elena Bottazzi, and Jill Weatherhead, "Disproportionate Impact of the COVID-19 Pandemic on Immigrant Communities in the United States," *PLoS Neglected Tropical Diseases* 14, no. 7 (2020).

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