

Immigrants' U.S. Labor Market Disadvantage in the COVID-19 Economy

The Role of Geography and Industries of Employment

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Executive Summary

While the COVID-19 pandemic and its economic fallout have hit many workers in the United States hard, lockdowns in response to the initial wave of infections affected the employment of immigrants more than U.S.-born workers. Immigrants experienced steeper job losses and are more heavily concentrated in industries and regional economies with relatively high unemployment compared to the U.S. born. But after rising to higher peaks in 2020, the unemployment rates for immigrant men and women dropped below those of U.S.-born men and women by July 2021.

This issue brief uses monthly U.S. Census Bureau data from the Current Population Survey (CPS) to examine the extent of job losses and shifts in employment patterns among immigrant and U.S.-born workers from mid-2019 to mid-2021. It looks at the same three-month period in each year (May to July), as opposed to the last months immediately before the pandemic, in order to account for seasonal employment patterns.

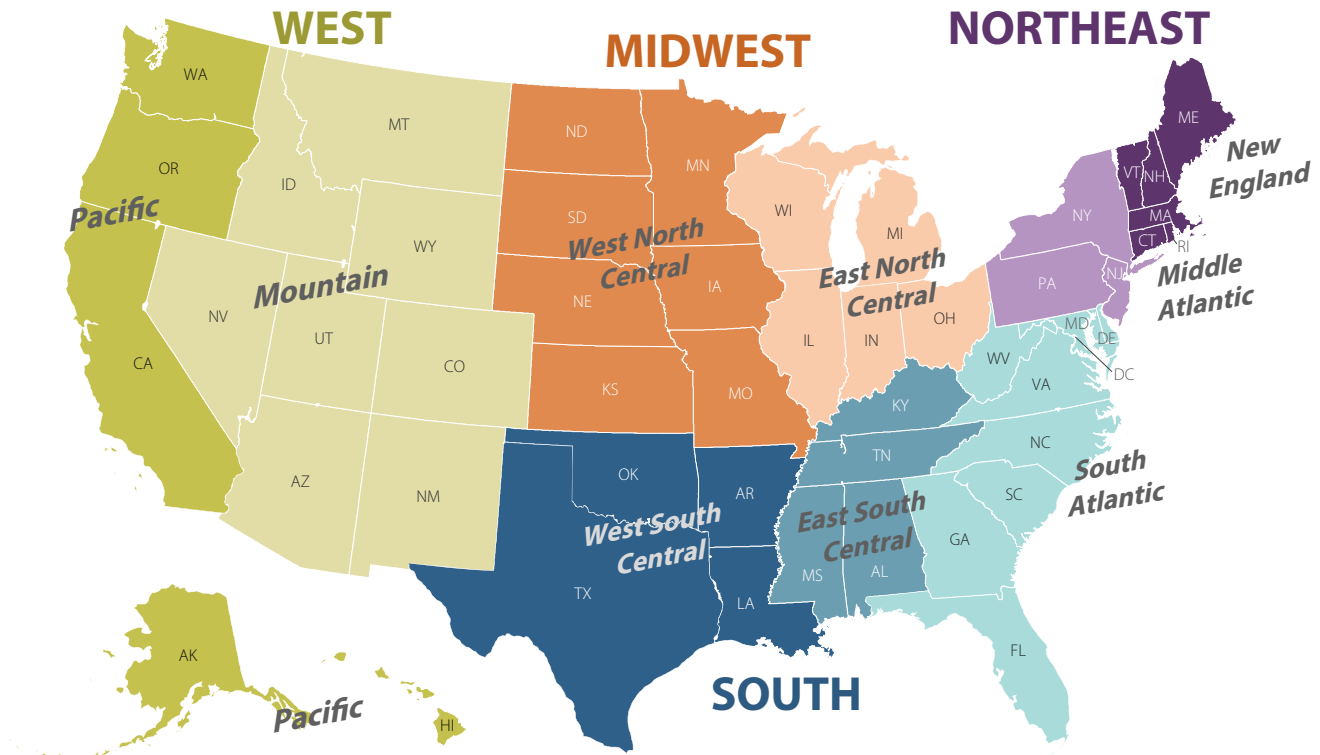
This analysis found a steeper drop in the number of employed immigrants than in the number of employed U.S.-born adults between May–July 2019 and May–July 2021, owing in part to border closures, slowdowns in visa processing, and other immigration restrictions that have reduced the total size of

the foreign-born adult population. The total number of working-age immigrants (ages 16 and older) fell by 0.7 percent, or about 313,000 individuals, while the U.S.-born working-age population grew by 2.6 million. Over the two-year period, the total number of employed workers in the United States declined by 5.2 million, with immigrants accounting for almost 28 percent of that drop (1.5 million people) even though they comprised a smaller 17 percent of the workforce in mid-2019. Immigrants and the U.S. born experienced a comparable drop in their labor force participation (1 to 2 percentage points), but immigrants had slightly larger increases in unemployment.

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Declines in immigrant employment have been uneven across the nation, with immigrants overconcentrated in regions of the country where relatively high unemployment persists. Between mid-2019 and mid-2021, immigrant employment fell the most in the subregions (in U.S. Census Bureau parlance, “divisions”) of New England, the Middle Atlantic, the East North Central, and the Pacific. The Middle Atlan-

FIGURE 1
U.S. Census Bureau Regions and Divisions



Source: U.S. Census Bureau, "Census Regions and Divisions of the United States," accessed September 14, 2021.

tic and Pacific subregions had unemployment rates above the national average (both about 7 percent, compared to 5.8 percent nationwide) in May–July 2021, and they are home to the major urban areas of New York and Los Angeles, which had even higher unemployment rates of 8.0 and 8.5 percent, respectively. These cities' economies have recovered more slowly than most of the country because they depend heavily on tourism and activity in central business districts, to which many office workers have yet to return from working at home. The Middle Atlantic and Pacific were also the two subregions with the highest foreign-born shares of workers (21 percent and 27 percent, respectively).

In contrast, immigrant employment rose in the East South Central and West South Central subregions, while the employment of immigrant men but not immigrant women rose in the West North Central subregion. These three subregions had relatively

low unemployment rates for all workers in May–July 2021 (5.5 percent or lower), and two of them (East South Central and West North Central) had the lowest foreign-born shares of workers. While the West South Central subregion includes the major cities of Texas, these three subregions otherwise include primarily smaller cities and rural communities—areas that include food supply chain industries that have remained essential during the pandemic.

Industry of employment has also played a strong role in immigrant employment trends. Immigrants are overconcentrated in some struggling industries, though the patterns are somewhat different for immigrant men and women. These industries include:

- ▶ Leisure and hospitality had by far the highest unemployment rate of any industry (9.9 percent) in May–July 2021, and 18 percent of its workers were immigrants, slightly more

than the economywide average (17 percent). From mid-2019 to mid-2021, employment of both immigrant and U.S.-born workers fell more in this sector than any other.

- ▶ Construction—the industry in which immigrants made up the largest share of workers (25 percent)—had the second-highest unemployment rate of all of the Census Bureau's major industry groups (6.7 percent), with the number of immigrant men employed in this industry declining by 2.4 percent over the two-year study period.
- ▶ In personal and other services, immigrants also made up a relatively high share of workers (19 percent), but its unemployment rate was slightly below the economywide average (5.4 percent versus 5.8 percent). Immigrant employment, however, fell more in this sector than economywide, and the number of U.S.-born workers also dropped, though more modestly.

By contrast, four of the five industries in which immigrants made up a smaller than average share of workers—public administration, education/social assistance services, financial activities, and health services—had relatively low unemployment rates.

These findings suggest that, as the country begins to look ahead to the post-pandemic recovery, immigrants are at a labor market disadvantage relative to the U.S.-born population in terms of the regions in which they live and the industries in which they work. Immigrant workers remain overconcentrated in major metropolitan areas on the coasts with high unemployment rates and uncertain prospects in their central business districts. They are less present in the smaller cities and rural areas—particularly in the Midwest and South—that appear to be rebounding more quickly.

If these economic trends continue, they are likely to lead to greater geographic dispersal of the immi-

grant population away from the traditional gateway cities. Many of the smaller urban and rural areas that currently have relatively strong economies also have stable or declining populations—and potential unmet labor market needs. The nationwide drop in the working-age immigrant population alongside the declining U.S. birth rate and total population growth in many parts of the United States suggest the labor force can absorb more immigrants—or at least a return to pre-pandemic levels of immigration—unless the economy falters with the impact of Delta or future COVID-19 variants.

As the country begins to look ahead to the post-pandemic recovery, immigrants are at a labor market disadvantage relative to the U.S.-born population in terms of the regions in which they live and the industries in which they work.

Finally, many U.S. workers, including immigrants, could benefit from retraining or upskilling opportunities to help them find jobs in industries that have fared better in recent months. For instance, jobs in finance, health care, education, social services, and public administration often require higher education. In some cases, immigrants may already have the required degrees or credentials, but foreign-earned credentials often do not translate easily to the U.S. labor market. Long-term trends toward automation and outsourcing may also affect future immigrant employment in some of the same sectors that have been vulnerable to the pandemic: retail trade, personal services, and leisure/hospitality. Immigration and workforce policy reforms should take these economic and demographic trends into account in order to lay the foundation for strong future economic growth.

1 Introduction

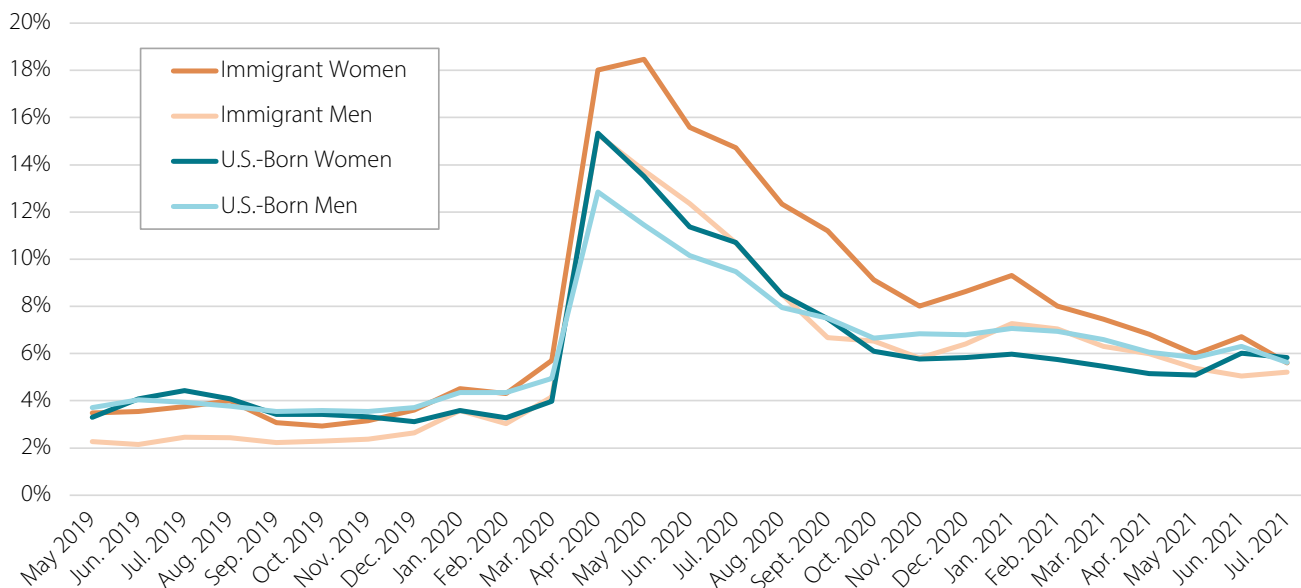
A year and a half since COVID-19 was declared a pandemic in March 2020, the U.S. economy has recovered substantially as restrictions on businesses have been lifted across the country. Some, but not all, restrictions on immigration that were imposed at the height of the pandemic have also been lifted. And the arrival of vaccines in late 2020 carried with it the promise that the pandemic could be brought under control. However, only 54 percent of the total U.S. population was fully vaccinated as of mid-September 2021,¹ and highly contagious viral variants have continued to drive outbreaks in communities across the country.

While the nation's future economic outlook remains uncertain due to the unpredictable course of the pandemic, most general economic indicators are improving, albeit slowly. The total U.S. unemployment rate fell from 14.4 percent at its peak in April 2020 to 5.7 percent in July 2021—a level still substantially

above the pre-pandemic rate of 3.8 percent in February 2020, just before business closures began.² While employment continued to rise in July 2021, with 1.1 million nonfarm jobs added, there were still more than 5 million fewer workers in employment than before the pandemic.³

Immigrants initially lost jobs at a higher rate than U.S.-born workers, with their unemployment peaking at 16.4 percent versus 14.0 percent for the U.S. born during April 2020. But immigrants' employment also recovered more quickly, and by July 2021 they had an unemployment rate that was 0.3 percentage points *lower* than that of the U.S. born: 5.4 percent versus 5.7 percent. The improvement was most noticeable for immigrant men, whose unemployment rate dropped to 5.2 percent, compared to 5.6 percent for U.S.-born men. In July, for the first time since the pandemic began, the unemployment rate for immigrant women dropped below that of U.S.-born women: 5.6 versus 5.8 percent (see Figure 2). The pattern observed during the pandemic is similar to the one that followed the start of the Great

FIGURE 2
Unemployment Rates for Adults (ages 16 and older) in the U.S. Civilian Labor Force, by Nativity and Gender, May 2019 through July 2021



Note: Unemployment rates have not been seasonally adjusted.

Source: Migration Policy Institute (MPI) analysis of data from the U.S. Census Bureau's 2019, 2020, and 2021 monthly Current Population Survey (CPS).

Recession in 2008, when immigrant unemployment rose faster and peaked at a higher level before dropping to parity with the U.S. born within two years.⁴

The COVID-19 pandemic, like the 2008–09 recession, also initially caused a dip in immigration. Legal immigration to the United States slowed considerably following the onset of the pandemic. U.S. consulates closed for visa processing for a period before reopening slowly, U.S. Citizenship and Immigration Services visa processing was also slowed, and certain groups of immigrants were altogether barred from entry. The number of immigrant visas issued to new lawful permanent residents coming from abroad fell by 48 percent between fiscal year (FY) 2019 and FY 2020, and temporary visa issuance dropped by 54 percent.⁵ Dramatic slowdowns in visa processing continue at U.S. consulates, with the potential for further delays depending on COVID-19 infection rates in countries around the world,⁶ suggesting that legal immigration will remain relatively low at least in the short term. In addition, as was the case in the earlier recession, unauthorized migration slowed considerably as the attractiveness of the U.S. labor market dimmed. But the slowdown was more severe in FY 2020, when U.S. Border Patrol encounters (often used as a proxy to gauge the scale of unauthorized arrivals) fell to less than half of their FY 2019 levels, before rebounding and reaching 20-year highs in FY 2021.⁷

The pandemic appears to have also accelerated a long-term trend toward slower population growth in the United States. Even prior to the pandemic, U.S. birth rates were below the replacement level of 2.1 births per women, indicating overall population decline in the future, absent immigration. Immigration slowed as well between 2010 and 2020, compared with recent decades. As a consequence, the 2020 census reported the slowest total U.S. population growth of any decade since the 1930s.⁸ Recent reports suggest that the U.S. birth rate fell further during the pandemic, with a 4-percent decline doc-

umented for 2020.⁹ Slower growth means an aging population and a declining number of workers to support an increasing number of old-age dependents.

This issue brief situates the employment patterns of immigrant men and women within the broader context of job losses during the pandemic, the subsequent partial rebound of the U.S. labor market, and long-term labor force trends. It examines the extent to which immigrant employment has recovered, with a focus on the major differences in employment patterns across geographic regions of the United States and across major industries. To account for seasonal employment patterns, the brief compares U.S. Census Bureau data from the Current Population Survey (CPS) for a recent three-month period in mid-2021 (May–July) with the same period in 2019, rather than the months immediately before the pandemic began.

BOX 1 Explore the Data

A Migration Policy Institute interactive data tool, updated monthly, shows trends in unemployment rates since January 2019, allowing users to examine jobless rates by nativity, gender, race/ethnicity, educational attainment, and industry. It is available at: bit.ly/UnemployTool

2 Changes in the Number of Workers and Their Employment Levels

There was a substantial drop in the number of employed U.S. workers between May–July 2019 and May–July 2021, but the drop was steeper among immigrants than the U.S. born. The total employed population fell by 5.2 million, with immigrants accounting for 28 percent of this decline (1.5 million people)—a disproportionately large share, given

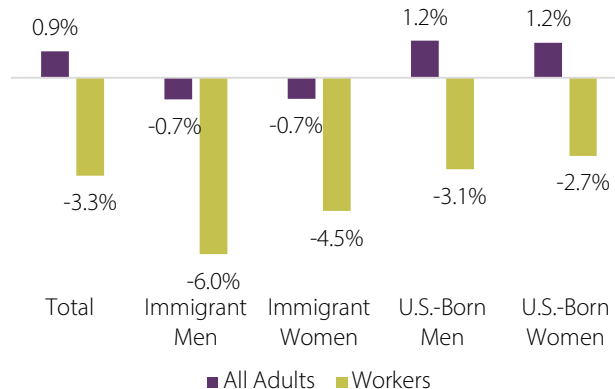
they made up 17 percent of the labor force before the pandemic. The percentage decline in the number of working immigrants was greater than that for U.S.-born workers over this period, and for men the decline was twice as large (see Figure 3).

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The larger-than-average drop in the number of immigrant workers was partly due to a decline in the total number of working-age immigrants (age 16 and older) in the country. There were 313,000 fewer working-age immigrants in the United States in mid-2021 than mid-2019, while the U.S.-born working-age population grew by 2.6 million. This drop in the size of the immigrant population was likely driven by sustained slowdowns in the processing of legal immigration applications, border closures, and fewer migrants attempting to cross the border without authorization, but it may also have reflected a higher rate of emigration than during prior years. The uncertain future course of the pandemic and policy choices makes it difficult to predict if or when the immigration of working-age adults will return to a pre-pandemic level.

The CPS data analyzed here, however, may exaggerate this decline due to its relatively small sample and the likelihood it may undercount certain immigrant populations. In prior years, the CPS has often shown greater fluctuations and overall lower estimates of the foreign-born population than the U.S. Census Bureau's annual American Community Survey (ACS), which has a much larger sample and greater coverage rates (see Appendix Table A-1). ACS data for 2020 had not yet been released when this analysis was conducted.

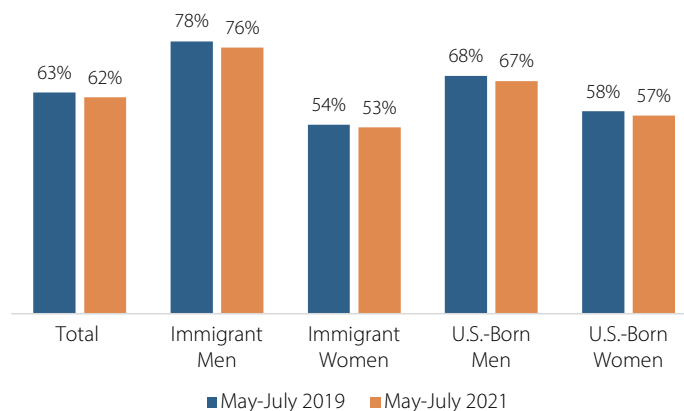
FIGURE 3
Percentage Change in the Number of All U.S. Civilian Adults and Employed Workers (ages 16 and older), by Nativity and Gender, from May–July 2019 to May–July 2021



Source: MPI analysis of data from the U.S. Census Bureau's May–July 2019 and May–July 2021 CPS, averaging monthly data to produce three-month estimates.

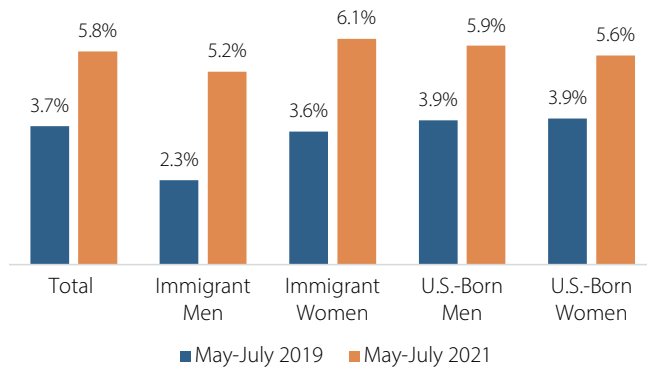
The steeper drop in the number of employed immigrants was not due to lower labor force participation, as immigrants' participation rate fell by about the same amount as that of U.S.-born adults between May–July 2019 and May–July 2021 (see Figure 4). Unemployment, however, rose more sharply for immigrant workers than U.S.-born workers over this two-year period (see Figure 5).

FIGURE 4
Labor Force Participation Rates for U.S. Civilian Adults (ages 16 and older), by Nativity and Gender, May–July 2019 and May–July 2021



Source: MPI analysis of data from the U.S. Census Bureau's May–July 2019 and May–July 2021 CPS, averaging monthly data to produce three-month estimates.

FIGURE 5
Unemployment Rates for Adults (ages 16 and older) in the U.S. Civilian Labor Force, by Nativity and Gender, May–July 2019 and May–July 2021



Source: MPI analysis of data from the U.S. Census Bureau's May–July 2019 and May–July 2021 CPS, averaging monthly data to produce three-month estimates.

3 Trends across U.S. Geographic Regions

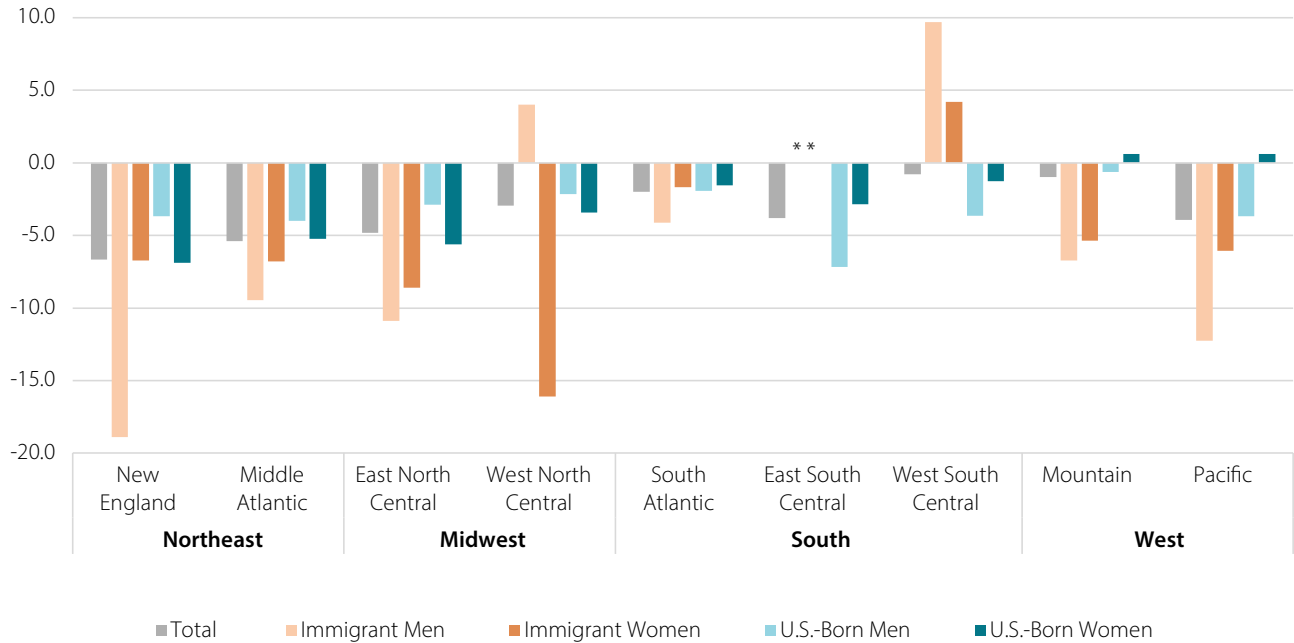
The change in the number of immigrant workers between mid-2019 and mid-2021 was unevenly spread across the nation. The steepest drops occurred in the Northeast and West, while some gains in the number of immigrant workers were seen in parts of the South and Midwest (see Figure 6). Drops were particularly steep in the New England, Middle Atlantic, East North Central, and Pacific subregions, which include the three largest metropolitan areas—New York, Los Angeles, and Chicago—all three of which had June 2021 unemployment rates above the nationwide average of 5.8 percent (8.0 percent, 8.5 percent, and 9.5 percent, respectively).¹⁰ These areas' economies have recovered more slowly than most other parts of the country due to their dependence on tourism and on the demand for goods and services in central business districts by office workers—many of whom have yet to return from working at home.¹¹ Because these metro areas account for

a high share of all immigrant workers, these areas' high unemployment rates continue to depress nationwide employment.

By contrast, three Census Bureau subregions showed increases in the number of employed immigrant men between May–July 2019 and May–July 2021: the West North Central, East South Central, and West South Central. These areas all had lower unemployment rates than the nationwide average in May–July 2021, with the lowest rate in the West North Central subregion (see Figure 7). In two of these three areas—all but the West South Central subregion, which includes Texas—immigrants made up lower shares of employed workers than in the United States overall (see Figure 8).

Changes in total employment could be driven by the movement of workers within the United States as well as by changes in employment rates. In several areas, these trends moved together—the places that saw increases in the population of working-age immigrant men or women (ages 16 and older) also saw increases in the employment rate of immigrant men and women; conversely, places that saw decreases in the population of either group also saw decreases in their employment rates. For example, in the Middle Atlantic and Pacific subregions, the number of immigrant men and women dropped overall, and employment rates for these groups also dropped. There were some exceptions, however. In the East South Central and West South Central subregions, the employment rates of immigrant men and women decreased, but these immigrant populations increased enough in size that the number of immigrant workers in these areas still increased. In the Mountain subregion, the number of working-age immigrant men and women increased somewhat, but their employment rates dropped enough that the number of employed immigrant men and women in the subregion declined.

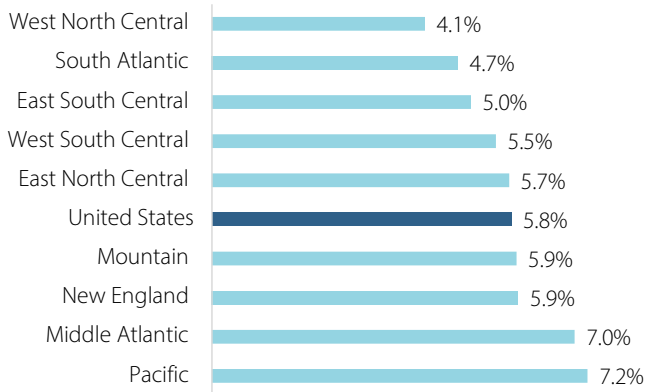
FIGURE 6
Percentage Change in the Number of Employed Civilian Workers (ages 16 and older), by Nativity, Gender, and U.S. Census Subregion, May–July 2019 to May–July 2021



* The East South Central subregion (or “division,” in Census Bureau parlance) had an insufficient sample size for immigrant men and women to produce a precise estimate. However, while the size of the trend is unclear, the data clearly show growth in number of employed immigrant men and women in this area.

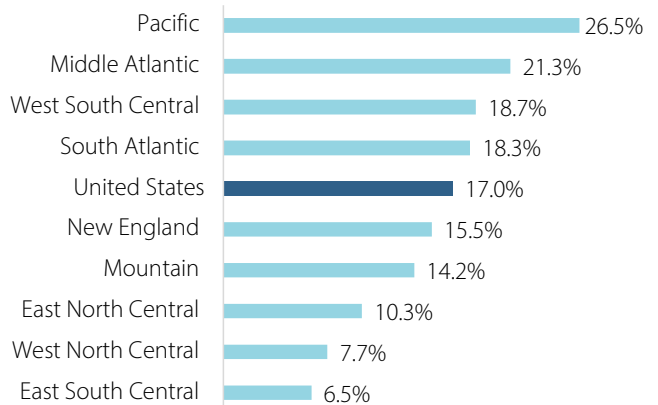
Source: MPI analysis of data from the U.S. Census Bureau’s May–July 2019 and May–July 2021 CPS, averaging monthly data to produce three-month estimates.

FIGURE 7
Unemployment Rates for Adults (ages 16 and older) in the U.S. Civilian Labor Force, by Census Subregion, May–July 2021



Source: MPI analysis of data from the U.S. Census Bureau’s May–July 2021 CPS, averaging monthly data to produce three-month estimates.

FIGURE 8
Foreign-Born Share of Employed Workers (ages 16 and older), by U.S. Census Subregion, May–July 2021



Source: MPI analysis of data from the U.S. Census Bureau’s May–July 2021 CPS, averaging monthly data to produce three-month estimates.

These data suggest that employment prospects are brighter for immigrants—particularly men—in regions of the country that have fewer major cities and more small towns and rural communities, and where immigrants make up lower shares of the workforce. Some of these areas, particularly in the Midwest, have declining and aging populations that drove labor shortages even before the pandemic. For example, several Midwestern states were among those with the slowest population growth between 1990 and 2020, according to the 2020 census.¹² Job opportunities in these areas may accelerate the dispersal of immigrants across the country that has been documented over the past few decades. If it takes a substantial amount of time for some major urban area economies to rebound from the pandemic-induced downturn, changes in settlement patterns could also lead to declines in their immigrant populations. Some of these areas have been growing slowly as well, including California and some of the Eastern states; if immigrants leave these areas as well, it could further this trend.¹³

4 Trends across Major Economic Sectors

Changes in employment have also been uneven across major industry groups. Between May–July 2019 and May–July 2021, the number of employed immigrant men dropped across the board except for in wholesale trade and public administration (see Table 1), though immigrants make up a relatively small share of people employed in public administration (see Figure 10). The biggest employment drops occurred in leisure/hospitality, financial activities, retail trade, and personal/other services. The employment of U.S.-born men dropped less in percentage terms than the employment of immigrant men in most industries and even rose in several. Thus, the pandemic and ensuing recession seem to have affected immigrant men's employment more broadly across the economy than it did for U.S.-born men—even after considering the relatively low unemployment rate of immigrant men in May–July 2021.

TABLE 1
Percent Change in the Number of U.S. Workers (ages 16 and older) by Major Industry of Employment, Nativity, and Gender, May–July 2019 to May–July 2021

	Total	Immigrant Men	Immigrant Women	U.S.-Born Men	U.S.-Born Women
All industries	-3.3%	-6.0%	-4.5%	-3.1%	-2.7%
Leisure and hospitality	-14.4%	-16.7%	-28.3%	-10.8%	-13.9%
Manufacturing	-8.6%	-1.3%	-11.4%	-9.3%	-9.7%
Personal and other services	-4.7%	-8.0%	-18.4%	-1.2%	-3.4%
Agriculture	-4.7%	-7.8%	*	-9.5%	15.5%
Education and social assistance services	-3.5%	-1.2%	-10.4%	-1.2%	-3.5%
Professional and business services	-3.1%	-2.8%	12.9%	-4.8%	-4.0%
Health services	-1.4%	-3.6%	-1.2%	3.7%	-2.7%
Retail trade	-0.7%	-13.6%	-10.9%	-1.0%	4.0%
Construction	-0.6%	-2.4%	*	-2.0%	4.8%
Financial activities	-0.1%	-15.2%	9.6%	1.2%	0.0%
Public administration	2.6%	1.3%	20.0%	-0.2%	4.3%
Transportation and utilities	3.1%	-6.9%	14.4%	2.9%	9.6%
Wholesale trade	3.2%	2.4%	*	0.6%	5.1%

* These industries had an insufficient sample size for immigrant women to produce precise estimates.

Source: MPI analysis of data from the U.S. Census Bureau's May–July 2019 and May–July 2021 CPS, averaging monthly data to produce three-month estimates.

Immigrant women's employment showed a more uneven pattern, with greater swings in the number of immigrant women employed in several industries than the other three groups, though this might be partially attributable to their smaller sample in the monthly CPS data analyzed. Still, the employment of immigrant women dropped more in percentage terms than the employment of U.S.-born women overall and in many industries. The steepest drops for immigrant women—and sharper drops than for any other group—occurred in leisure/hospitality and personal/other services, reflecting the loss of jobs that involve in-person contact and were therefore most affected by public-health measures to limit the spread of the virus.

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Three industries that lost male immigrant workers—leisure/hospitality, construction, and retail trade—also had the highest unemployment rates for all workers in May–July 2021 (see Figure 9). The numbers of female immigrant workers also went down significantly in two of these: leisure/hospitality and retail trade. The leisure/hospitality industry also lost significant numbers of U.S.-born workers over the period of study, but their total employment in construction and retail trade changed little (see Table 1). Employment of immigrant men also fell in two of the three industries with the *lowest* unemployment rates—health services and financial activities—even though employment of U.S.-born men rose in these industries, as did immigrant women's employment in financial activities.

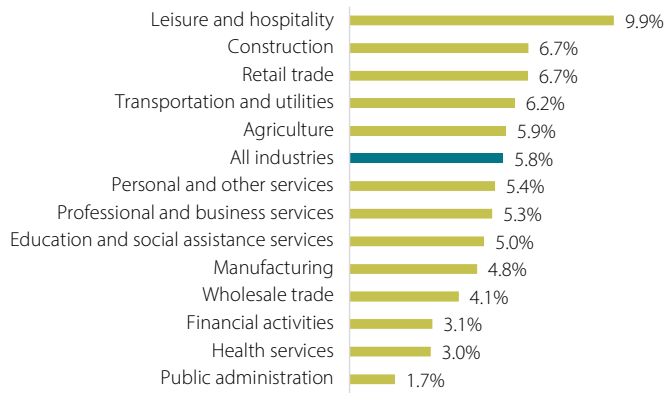
Immigrants are overrepresented in some high-unemployment industries and underrepresented in others (see Figures 9 and 10). Construction had the

highest foreign-born share of workers in May–July 2021 (25 percent) as well as the second highest unemployment rate overall (6.7 percent). But immigrants were underrepresented in retail trade, relative to their share of all U.S. workers, and this industry had a similar unemployment rate (6.7 percent). Meanwhile, the immigrant share of leisure/hospitality workers was only slightly higher than for all industries, and that industry had the highest unemployment rate (9.9 percent).

On the other hand, immigrants are generally underrepresented in the industries with the lowest unemployment. Of the five industries with the lowest unemployment rates in May–July 2021 (public administration, health services, financial activities, wholesale trade, and manufacturing), immigrants were underrepresented in the first three, but slightly overrepresented in wholesale trade and manufacturing, relative to their overall share of the U.S. workforce.

Declines in the numbers of immigrant workers may be associated with sustained high levels of unemployment in some key industries that have been mainstays of the U.S. labor market for them: leisure/hospitality, construction, and retail trade. Leisure/hospitality and retail trade employment have rebounded but remain affected by business closures, particularly in central business districts where office workers have yet to return to their buildings. For instance, in the Middle Atlantic subregion—home to New York and Philadelphia—unemployment remained relatively high in May–July 2021, at 15.2 percent for leisure/hospitality and 9.9 percent for retail trade. In the Pacific subregion, where Los Angeles is located, the rates were 11.9 percent and 8.1 percent, respectively, in these two industries. Construction (which is also experiencing relatively high unemployment on the east and west coasts) has been impeded by shortages in key materials such as lumber, steel, and electrical supplies. If such supply constraints can be resolved, the prospects for employ-

FIGURE 9
Unemployment Rates for All Adults (ages 16 and older) in the U.S. Civilian Labor Force, by Major Industry of Employment, May–July 2021



Source: MPI analysis of data from the U.S. Census Bureau’s May–July 2021 CPS, averaging monthly data to produce three-month estimates.

ment growth in construction may improve. Leisure/hospitality and retail trade jobs, however, depend in many regions on the return of office workers in cities and on what ongoing or future social-distancing measures may be imposed to limit the spread of the coronavirus.

5 Conclusion

During the worst of the pandemic-induced economic downturn, immigrants experienced much higher unemployment rates than U.S.-born workers. But a year and a half since the coronavirus outbreak was declared a pandemic, immigrant unemployment had fallen below that of U.S.-born workers. Notably, immigrant women, who experienced higher unemployment rates than U.S.-born women and both native- and foreign-born men for 16 months, saw their unemployment rate fall below that of U.S.-born women in July 2021.

As unemployment rose and then fell, the U.S. workforce lost immigrant workers. In-migration (both legal immigration and unauthorized border-crossing)

FIGURE 10
Foreign-Born Share of Employed Workers (ages 16 and older), by Major Industry of Employment, May–July 2021



Source: MPI analysis of data from the U.S. Census Bureau’s May–July 2021 CPS, averaging monthly data to produce three-month estimates.

was drastically lower in 2020 than in pre-pandemic years. As a result, the size of the working-age immigrant population declined, and—because of immigrants’ higher unemployment rates—the number of immigrant workers fell even more. This marked a reversal of a long-term trend of immigrant workers driving large portions of the growth of the U.S. labor force.

Immigrants are not particularly well-positioned to take advantage of the economic recovery, given their concentration in industries and regions of the country with still-elevated unemployment rates. However, there are some signs of adjustment. The number of immigrants dropped most sharply in parts of the country with relatively high unemployment, such as New England and the Pacific, while growing in areas with lower unemployment, such as the South Central and East South Central subregions. This suggests that immigrants may be moving from areas experiencing slower recovery to those with more job opportunities.

The implications of these trends for the future are as unclear as the course of the pandemic. Future out-

breaks amid the spread of new viral variants could once again raise unemployment rates and further shrink the workforce—both U.S. born and immigrant. Migration could strongly rebound in the coming years, but in the short term, while unauthorized arrivals at the southwest border have grown, legal immigration through temporary and permanent visa streams is still greatly depressed by processing backlogs and ongoing public-health restrictions around the world.

It is also unclear if job losses in certain industries are temporary or permanent. Even before the recession, jobs in food preparation, agriculture, and manufacturing, among other sectors, were predicted to be at high risk of automation.¹⁴ Pressures to avoid person-to-person contact during the pandemic may have accelerated the replacement of workers with technology in several industries. Other industries, such as leisure/hospitality and retail trade, may be affected by changing consumer behavior, for example if more people continue working from home and patronizing businesses near their homes rather than in central business districts.

Immigrant workers' ability to adapt to evolving labor demand may require investments in education and training to help them move into higher-skilled jobs that are more resistant to recessions and to automation. At the same time, improving credential recognition of internationally earned degrees and skills would help reduce skill underutilization for the millions of college-educated immigrants and allow U.S. communities to more fully benefit from their human capital.¹⁵

In the long term, broader demographic trends indicate that sustained immigration will be vital for U.S. workforce growth once the country escapes the economic impacts of the pandemic. With the total number of working-age immigrants lower than it was before the pandemic and U.S. population growth continuing to slow due to low birth rates, demand for foreign-born workers should be strong. Some shifts in where immigrants live and the jobs they perform might occur in response to changing labor market demand. Reforms to the U.S. legal immigration system that take these economic and demographic trends into account would help lay the foundation for strong future economic growth.

Some shifts in where immigrants live and the jobs they perform might occur in response to changing labor market demand.

Appendix

TABLE A-1

Comparing ACS and CPS Estimates of the U.S. Foreign-Born Population, 2015–20

	American Community Survey (ACS), One Year File			Current Population Survey (CPS), March Supplement		
	Annual Estimate	Annual Growth	% Annual Growth	Annual Estimate	Annual Growth	% Annual Growth
2015	43,290,372	898,578	2%	42,183,970	1,510,868	4%
2016	43,739,345	448,973	1%	43,070,412	886,442	2%
2017	44,525,855	786,510	2%	43,853,964	783,552	2%
2018	44,728,721	202,866	0%	45,408,307	1,554,343	4%
2019	44,932,901	204,180	0%	45,820,155	411,848	1%
2020	Not available			44,907,416	-912,739	-2%

Source: MPI tabulation of data from the U.S. Census Bureau 2014–19 American Community Surveys and 2014–20 Current Population Surveys (March supplement), accessed through IPUMS USA. See Steven Ruggles et al., “IPUMS USA: Version 11.0” (dataset, IPUMS USA, Minneapolis, 2021); Sarah Flood et al., “Integrated Public Use Microdata Series, Current Population Survey: Version 8.0” (dataset, IPUMS USA, Minneapolis, 2020).

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