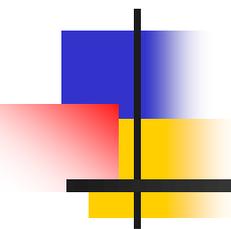


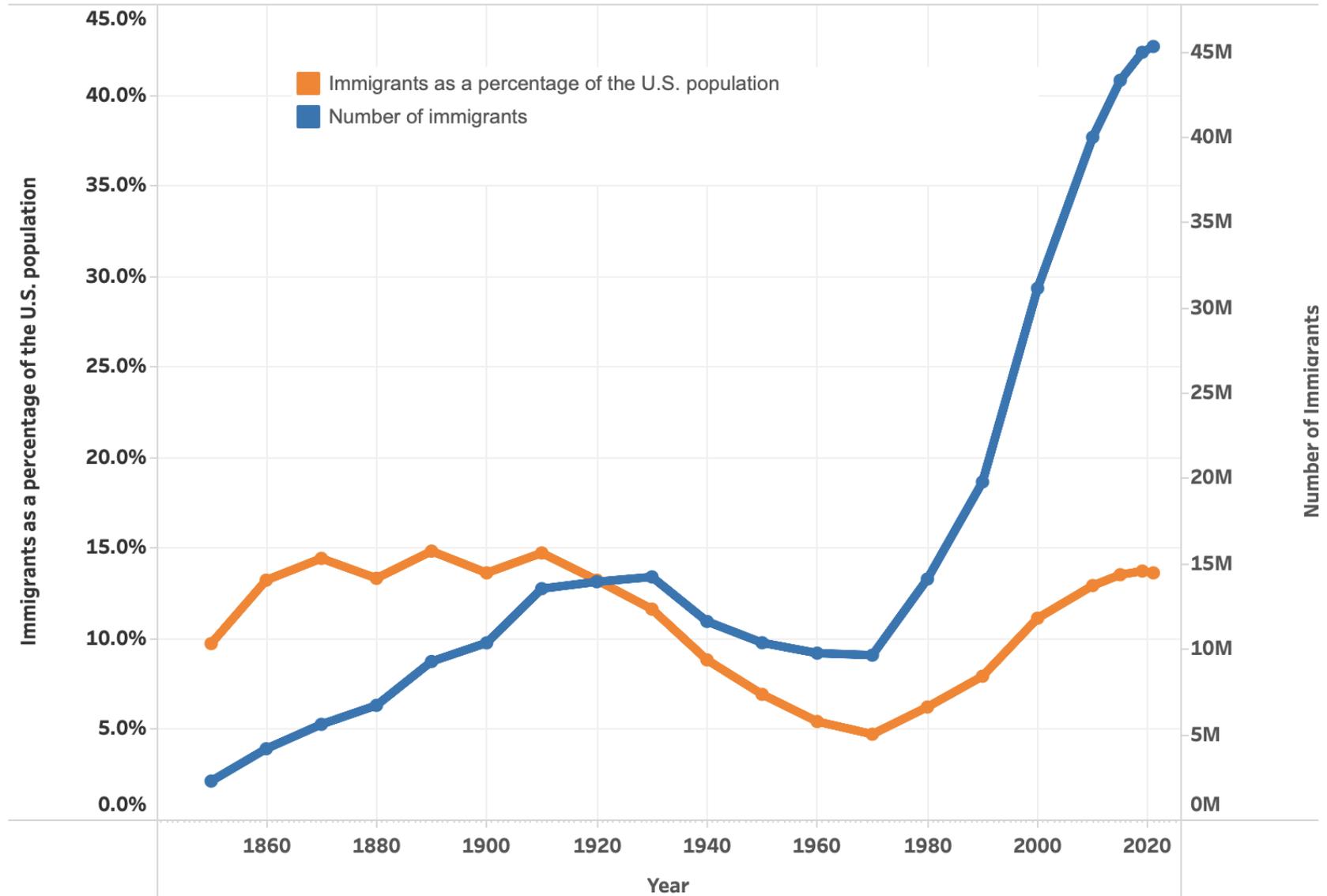
Immigrants and the U.S. Labor Market



George J. Borjas
Harvard University
April 2023

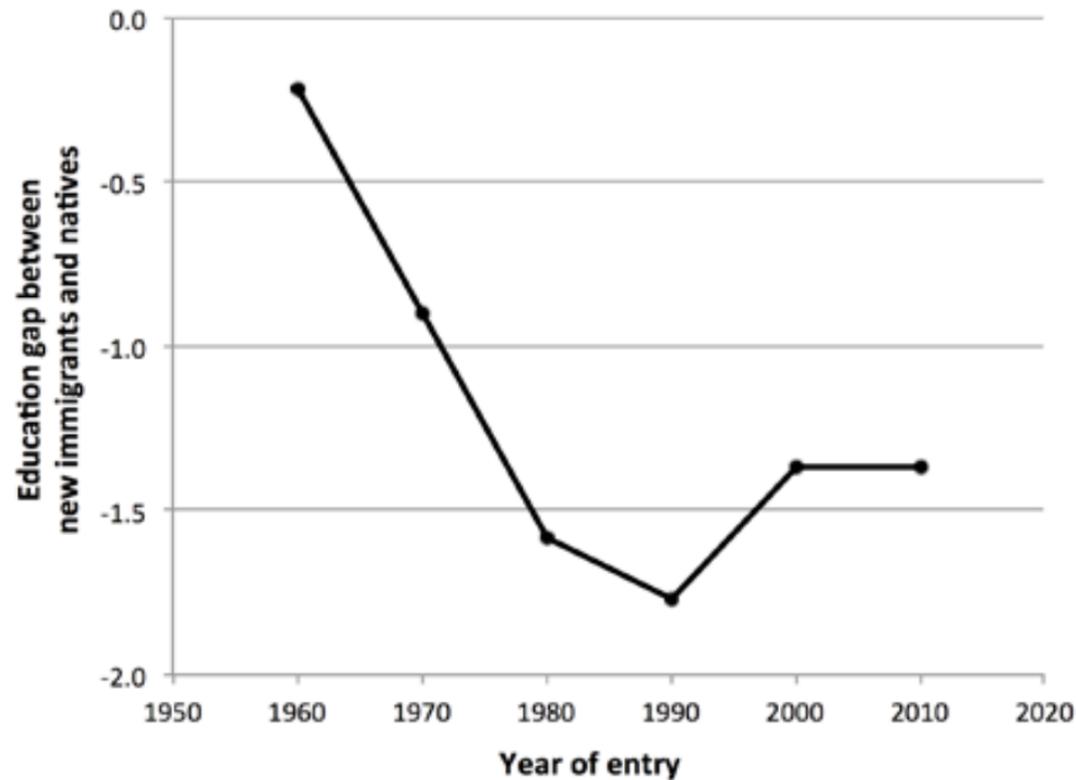
2. Basic trends in immigration

Number of Immigrants and Their Share of the Total U.S. Population, 1850-2021



3. Cohort effects in educational attainment

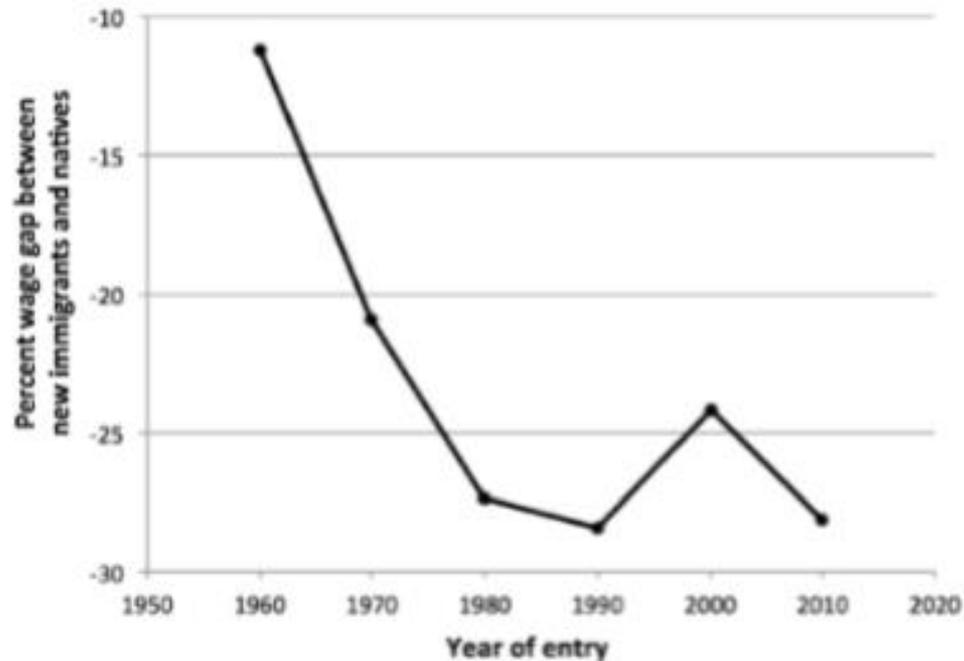
FIGURE 4.2. LEVEL OF EDUCATION OF NEW IMMIGRANTS COMPARED TO NATIVES, 1960–2010



Source: Author's calculations from the 1960–2000 decennial census and the pooled 2009–2011 American Community Surveys.

4. Cohort effects in entry wages

FIGURE 4.1. THE ENTRY WAGE OF IMMIGRANTS, 1960-2010



Source: Author's calculations from the 1960–2000 decennial census and the pooled 2009–2011 American Community Surveys.

5. Slowdown in skill acquisition (National Academy, 2016, p. 117)

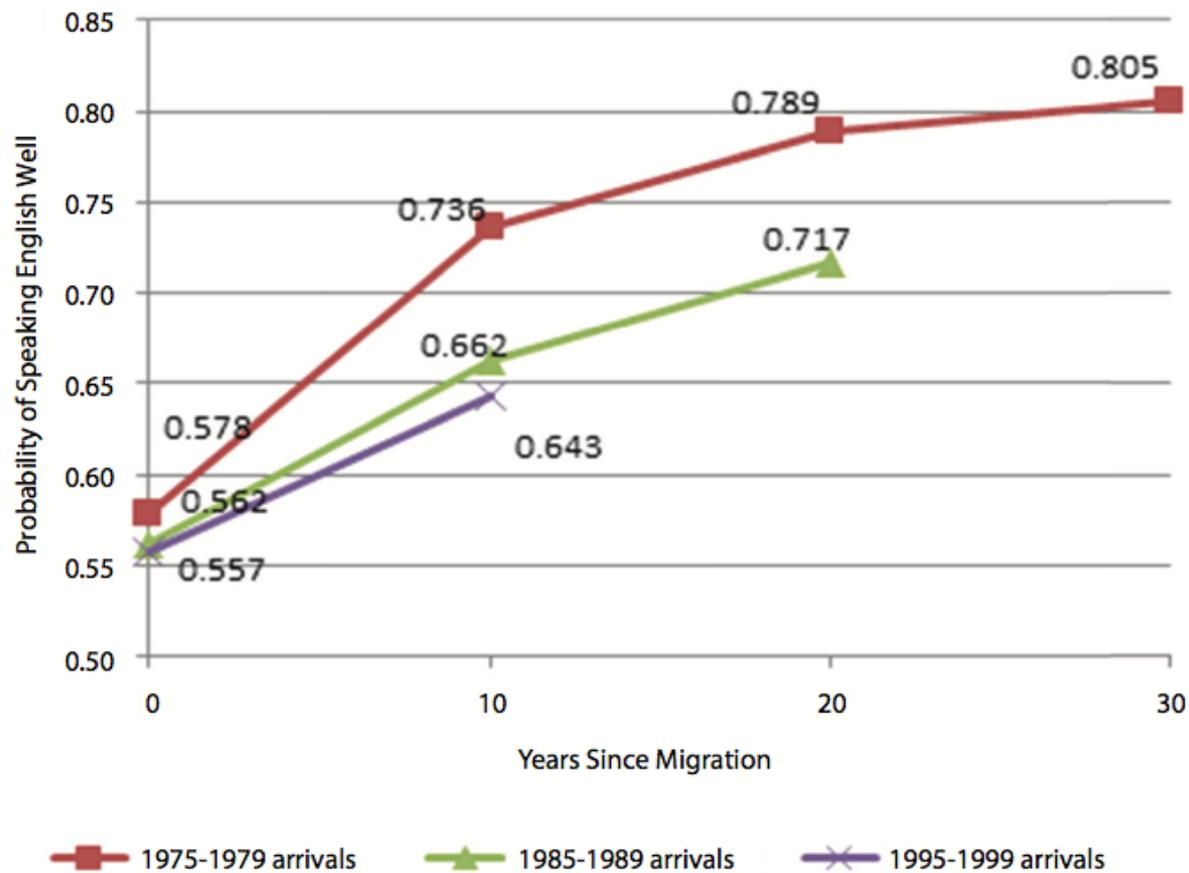


FIGURE 3-8 Aging profile for moderate English-language proficiency of male immigrants (wage earners), by arrival cohort.

NOTE: Regression coefficients reported in Table 3-30 (see Section 3.6).

6. Supply and demand in real life

- September 2006: Immigration agents raid Crider; a chicken-processing plant in Stillmore, GA.
- Crider suddenly loses 75% of its 900 workers.
- Samuel Johnson: "When a man knows he is to be hanged in a fortnight, it concentrates his mind wonderfully."



INCREASED WAGES

**HIRING IMMEDIATELY
GENERAL PRODUCTION WORKERS
DAY & EVENING SHIFTS**

**(Limited Van Service Available
to and from Crider)**

Please apply in person

Monday - Thursday

8:00 A.M. - 10:00 A.M.

At

1 Plant Ave., Hwy 57 Stillmore, GA

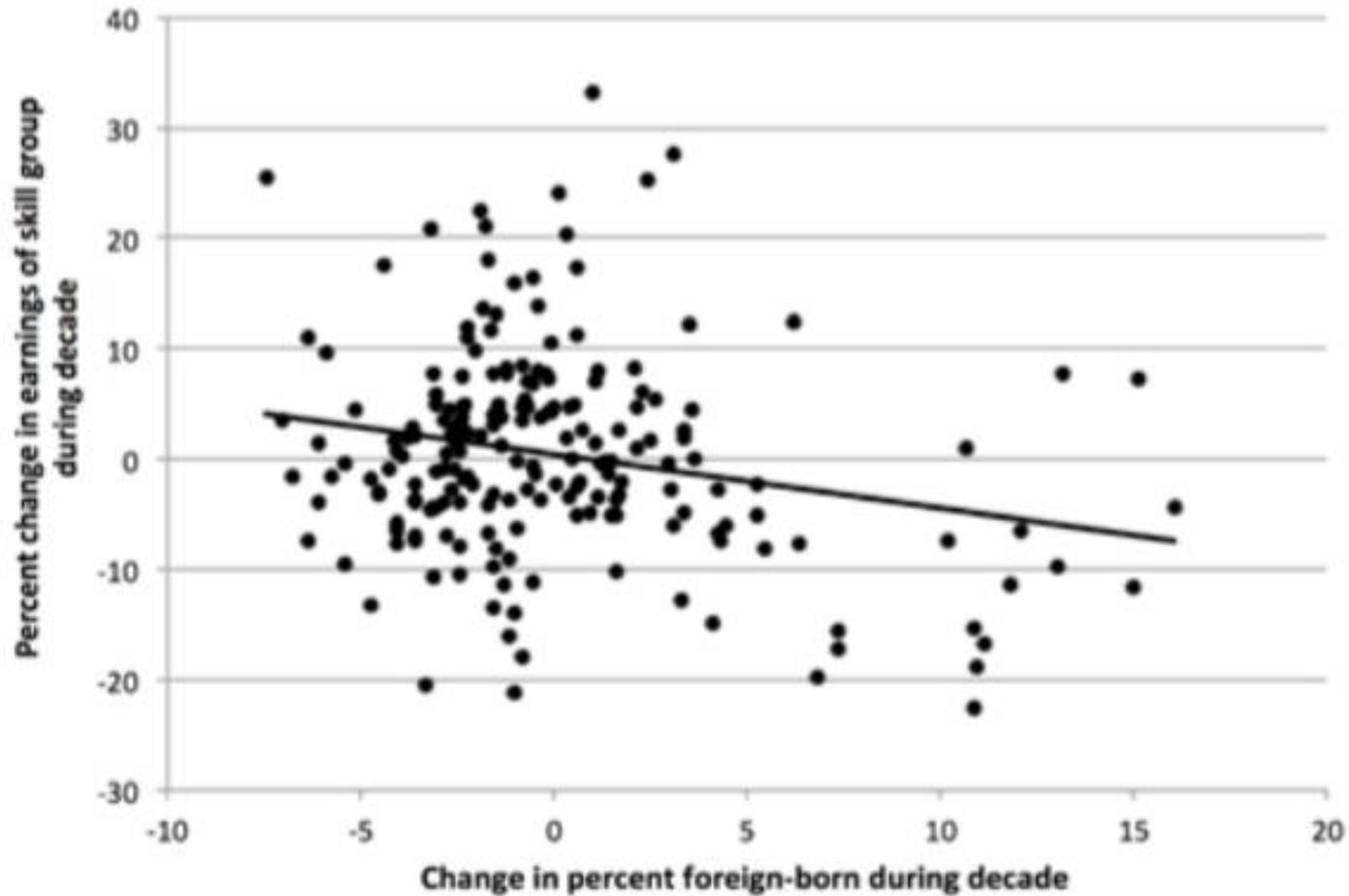
EOE

7. Spatial studies: (National Academy of Sciences, 2016)

TABLE 5-2 Effect on Native Wages of an Inflow of Immigrants That Increases Labor Supply by 1 Percent

Study	Wage Effect (%)	Which Natives
A. Spatial Studies		
Altonji and Card (1991)	<u>-1.7</u>	Dropouts, black men
	<u>-1.0</u>	Dropouts
Borjas (2016b)	-1.4	Dropouts, non-Hispanic men
	-0.5	Dropouts, non-Hispanic men
Monras (2015)	-0.7	High school graduates or less, non-Hispanic, including immigrants
Cortés (2008)	-0.6	Dropouts, Hispanic with poor English
	-0.3	Dropouts, Hispanic
	-0.1	Dropouts
Card (2001)	-0.1	Men
	0.1	Women
Peri and Yasenov (2015)	0.3	Dropouts, non-Cuban
B. Skill Cell Studies		
Llull (2015)	<u>-1.7</u>	Men
Borjas (2003)	<u>-0.6</u>	Men
Card and Peri (2016)	<u>-0.2</u>	Men
Card and Peri (2016)	-0.1	Men

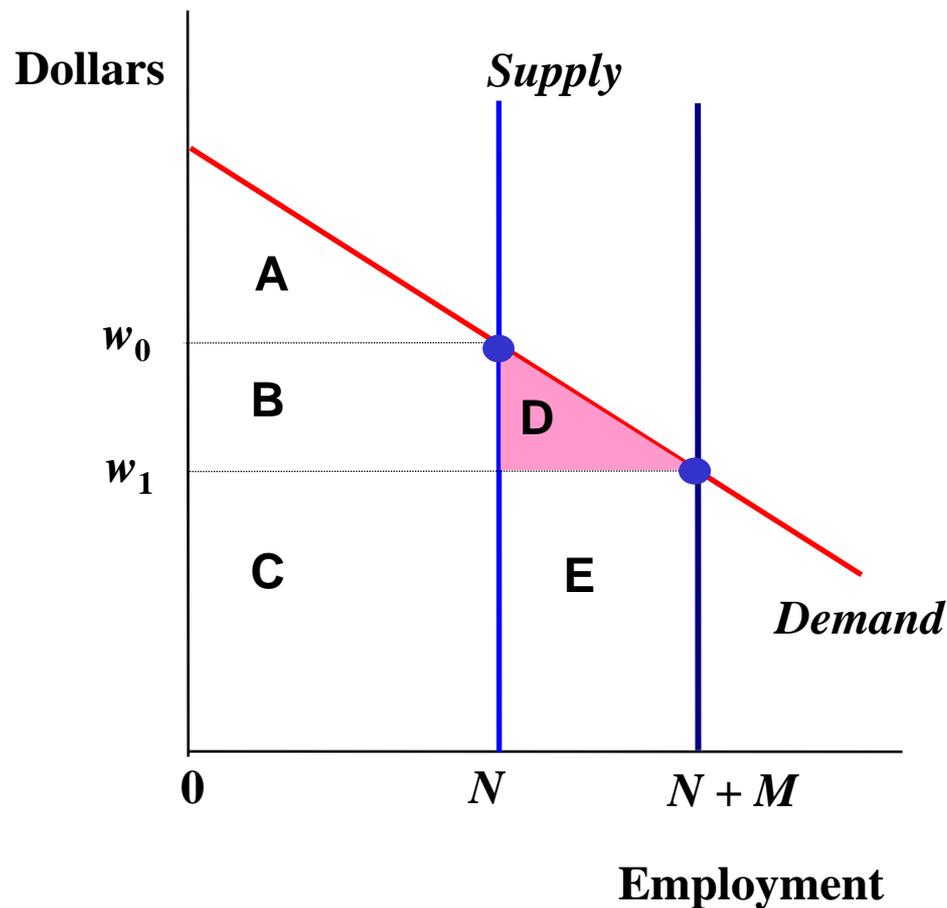
8. Skill cell studies: Scatter diagram relating native earnings and immigration



9. Percent wage impacts of 1990-2010 immigrant supply shock

Scenario	<u>Short-run</u>		Long-Run	
	High school dropouts	All natives	High school dropouts	All natives
Comparable <u>imm</u> & nat. are substitutes	-6.3	-3.2	-3.1	0.0
Comparable <u>imm.</u> & nat. are complements	-4.9	-2.6	-1.7	0.6
Complements PLUS <u>h.s.</u> dropouts and <u>h.s.</u> graduates are perfect substitutes	-2.1	-2.7	1.1	0.5
Source: National Academy of Sciences, 2016.				

10. The immigration surplus in the short run



Income accruing to:	Before	After
Native workers	B+C	C
Capitalists	A	A+B+D
Immigrants	---	E
All natives	A+B+C	A+B+C+D

11. Estimate of the immigration surplus

TABLE 8.1. THE SHORT-RUN IMMIGRATION SURPLUS, 2015

	Billions of dollars
Immigration surplus	50.2
Loss to native workers	515.7
Gain to native firms	565.9
Total increase in GDP	2,104.0
Payments to immigrants	2,053.8

Source: Updated from George J. Borjas, "The Economic Benefits from Immigration," *Journal of Economic Perspectives* (1995). The calculations assume that the immigrant share of the workforce is 16.3 percent and that GDP is \$18 trillion.

12. Spinning the narrative

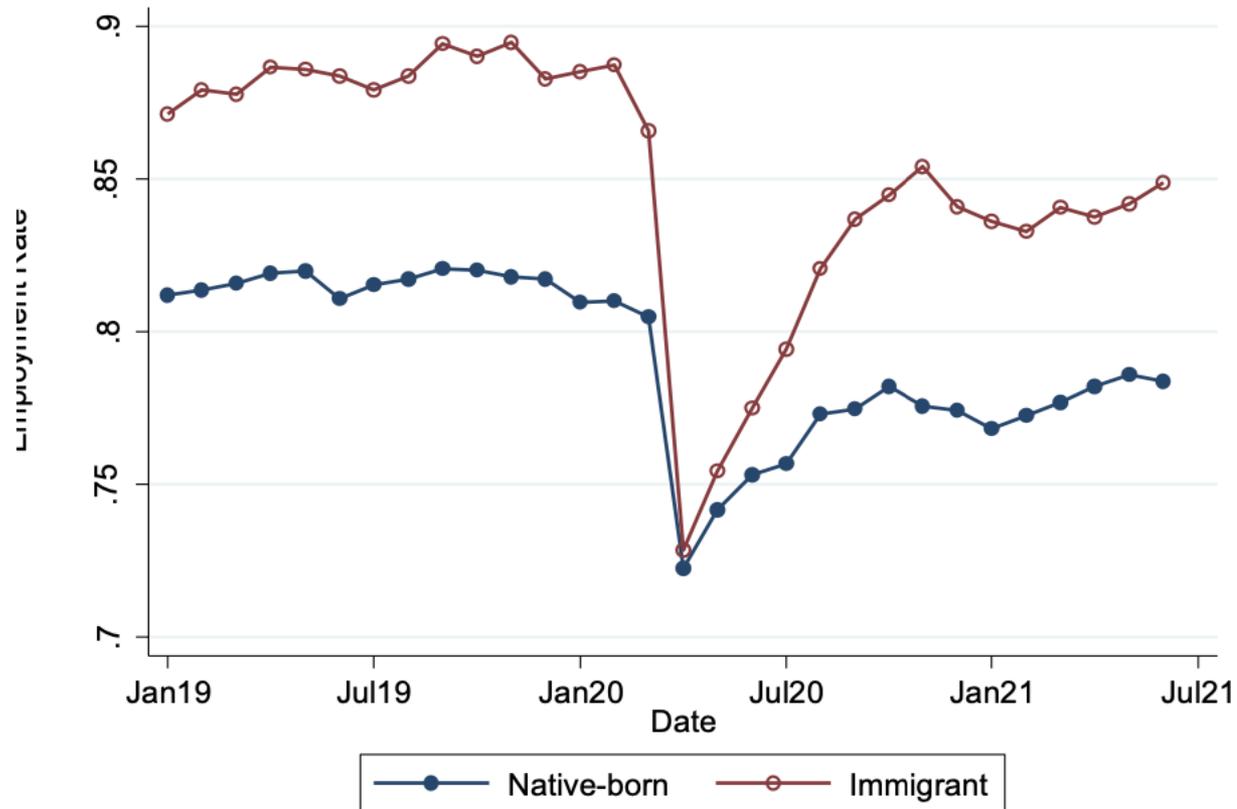
Opinion: 2 trillion reasons why immigrants make America great

NATIONAL ACADEMIES HIDES \$500 BILLION 'IMMIGRATION TAX' IN 495-PAGE REPORT

Immigration brings many positive things, including diversity of experience and talent, new ideas, customs and skills. The National Academy of Sciences this week will release a report that the immigration surge to the United States from 1990 to 2010 produced net benefits for the native-born, beyond those accruing to the immigrants themselves, of \$50 billion a year, a small but nontrivial amount. It is bigger than the economic gains expected from the Trans-Pacific Partnership, the trade agreement among 12 Pacific Rim nations now stalled in Congress.

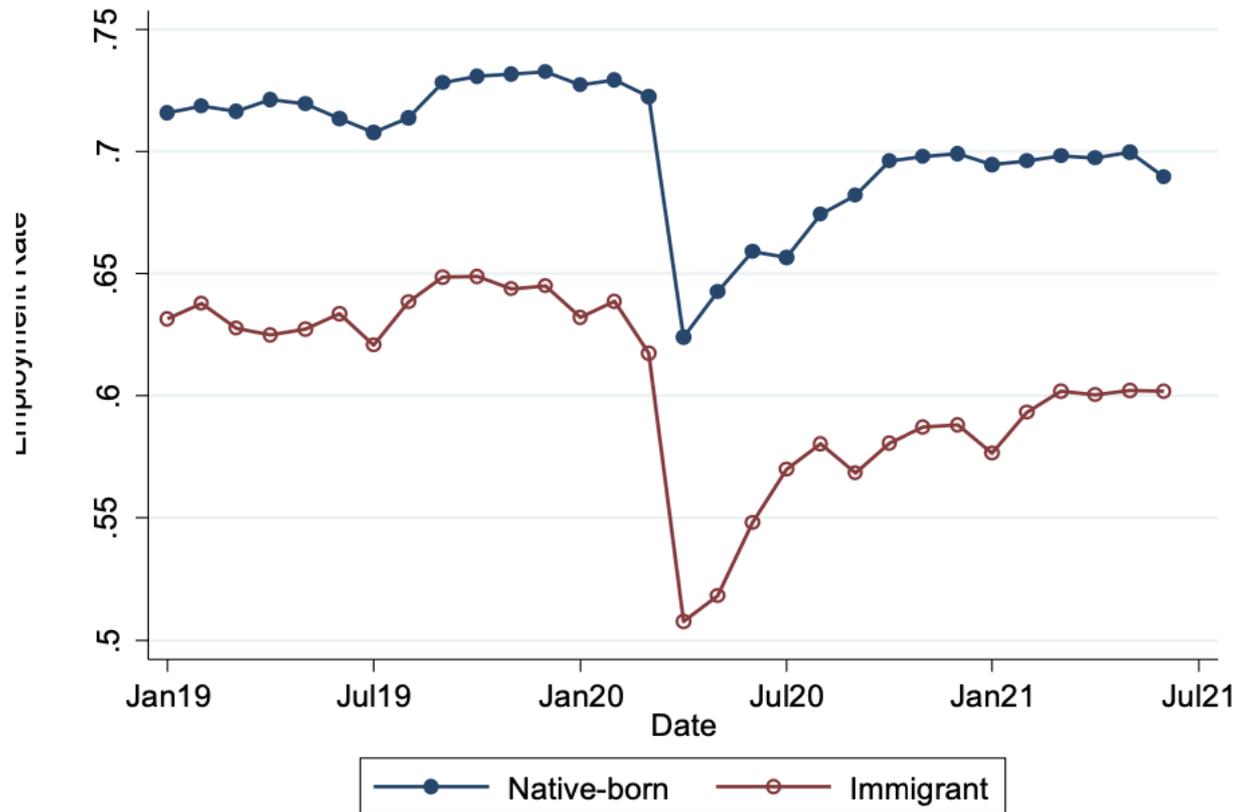
13. Covid and employment rates, men

A. Men



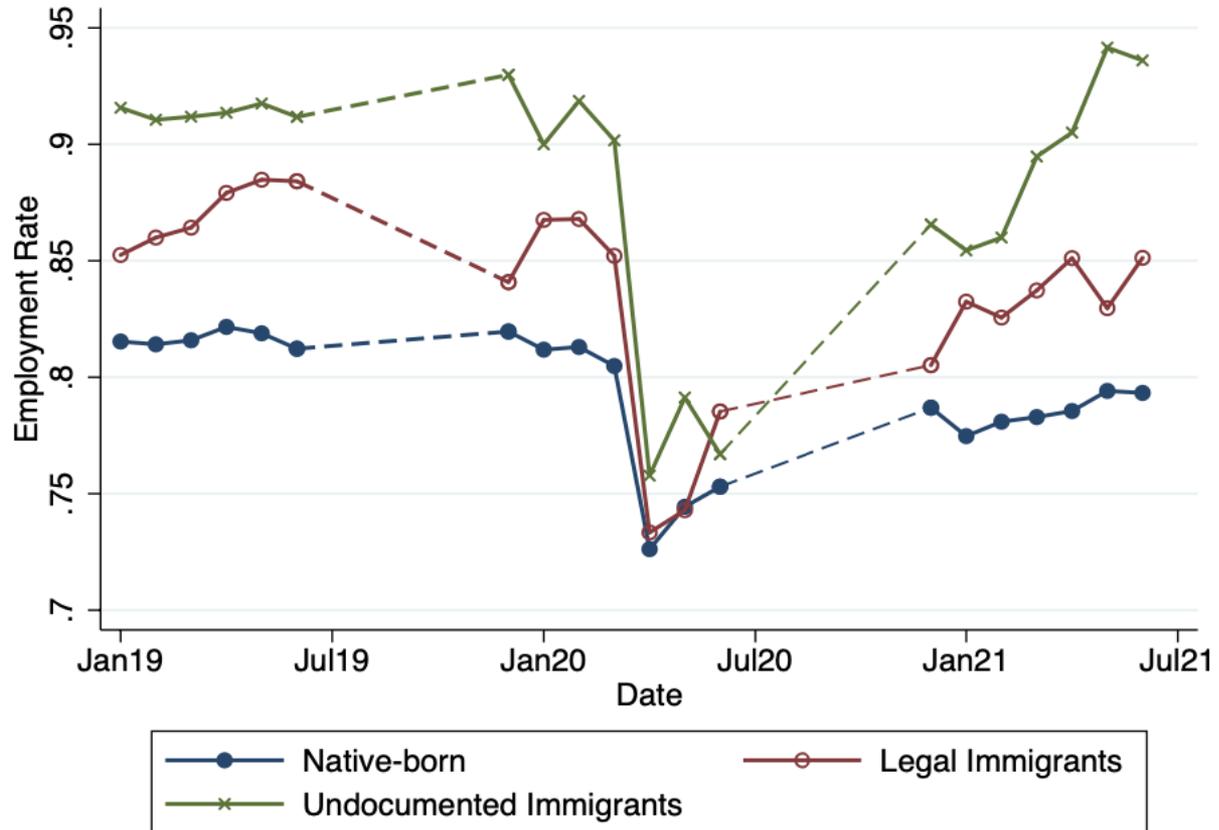
14. Covid and employment rates, women

B. Women



15. Covid and employment rates by documented status, men

A. Men



16. Who are *you* rooting for?

- The adoption of *any* immigration policy implicitly makes a statement not only about how much we care about immigrants as compared to natives, but also about how much we care about *this* group of natives versus *that* group of natives.
- And what about the well-being of the people left behind?
- Economics has nothing to say about the weights we should attach to the various groups when constructing the “optimal” immigration policy.