



Immigrant Employment by State and Industry

Overview

Shifting demographics nationwide are changing the face of American employment. Immigrants make up 13 percent of the population and 17 percent of the workforce, but their employment patterns contrast with those of their U.S.-born counterparts across industries and states. Understanding these differences as well as the realities unique to their states is vital for policymakers as they consider strategies to boost their economies and develop their workforces. To help them get the clear picture they need, The Pew Charitable Trusts produced first-of-its-kind data on the likelihood that immigrant workers are employed in 13 major industries,¹ compared with U.S.-born workers, in all 50 states and the District of Columbia.

This brief discusses some insights from those data and is a companion to an [online interactive tool](#) that captures the data and provides information on how each industry contributes to states' overall employment and economic output. The data focus on industries—the types of businesses—and do not explore occupations (the tasks or functions performed by individual workers within a business). Following are some key takeaways that can help guide exploration of the interactive and inform strategies by which policymakers make use of the data:

- **At the national level, immigrant workers are distributed differently across industries than their U.S.-born counterparts.** Immigrants are more likely than U.S.-born workers to hold jobs in six of the 13 major industries examined, including manufacturing and administrative services.
- **The distribution of immigrants across industries differs from state to state, but some trends are widespread throughout the states, and some industries display patterns of regional clustering.** For example, immigrants are more likely than U.S.-born workers to be employed in construction in the Southern states.
- **Immigrants are less likely than the U.S.-born to be employed in seven industries at the national level, but they may be more likely to work in one or more of those sectors in individual states.** For example, immigrants nationwide are less likely than U.S.-born workers to be employed in education services and professional, scientific, technical, and management services, but in several states, immigrants are more likely to work in those sectors.

- **The distribution of immigrant and U.S.-born workers across industries can differ, regardless of the size of a state's immigrant population.** In Montana, a state with a small foreign-born population, immigrants are more likely than the U.S.-born to work in five sectors, including education services; health care and social services; leisure and hospitality; manufacturing; and professional, scientific, technical, and management services. In California, which has a large immigrant population, foreign-born workers have a greater likelihood of being employed in six sectors compared with U.S.-born workers, including two—leisure and hospitality and manufacturing—also observed in Montana.

Note that the terms “foreign born” and “immigrant” are used interchangeably to refer to individuals who were not U.S. citizens at birth, who were born outside the United States and its territories, and whose parents are not U.S. citizens. Further, the analysis examined all foreign-born people as a group because the data did not support distinguishing between authorized and unauthorized immigrants.

These data, particularly when considered in the context of information about nationwide demographic changes and factors that distinguish immigrants and U.S.-born workers, can help policymakers better understand their working populations and economies and can be used to inform decisions on policies and investments to support a changing workforce. Pew takes no position on federal or state laws and policies related to immigration but does seek to provide data to inform policymaking at all levels of government.

The Employment Distribution Ratio

For this analysis, Pew summarized employment data for U.S.-born and immigrant workers into a measure—the employment distribution ratio—that describes the likelihood that an immigrant works in an industry, compared with a U.S.-born worker. This measure allows for comparisons among states and between individual states and the nation as a whole. U.S.-born workers outnumber immigrants in the U.S. economy, so this analysis focuses on the distribution of each origin group across industries and not the number of workers in each industry.

This ratio is calculated by dividing the percentage of employed immigrants in a state—or the country as a whole—who work in a given industry by the percentage of total U.S.-born workers in that state (or the nation as a whole) who are employed in the same industry. So a ratio of:

- 1.0 indicates that foreign- and U.S.-born workers are equally likely to be employed in the industry.
- Greater than 1.0 indicates that foreign-born workers are more likely than U.S.-born workers to be employed in the industry.
- Less than 1.0 indicates that foreign-born workers are less likely than U.S.-born workers to be employed in the industry.

For example, 9 percent of all immigrant workers nationwide hold jobs in construction, compared with 6 percent of U.S.-born workers. Therefore, immigrants are 1.5 times more likely to work in the industry. Conversely, 17 percent of all foreign-born workers are employed in the trade, transportation, and utilities sector, compared with 20 percent of all U.S.-born workers, making immigrant workers 0.9 times as likely as U.S.-born workers to hold jobs in the sector.

At the national level, immigrant workers are distributed differently across industries than their U.S.-born counterparts

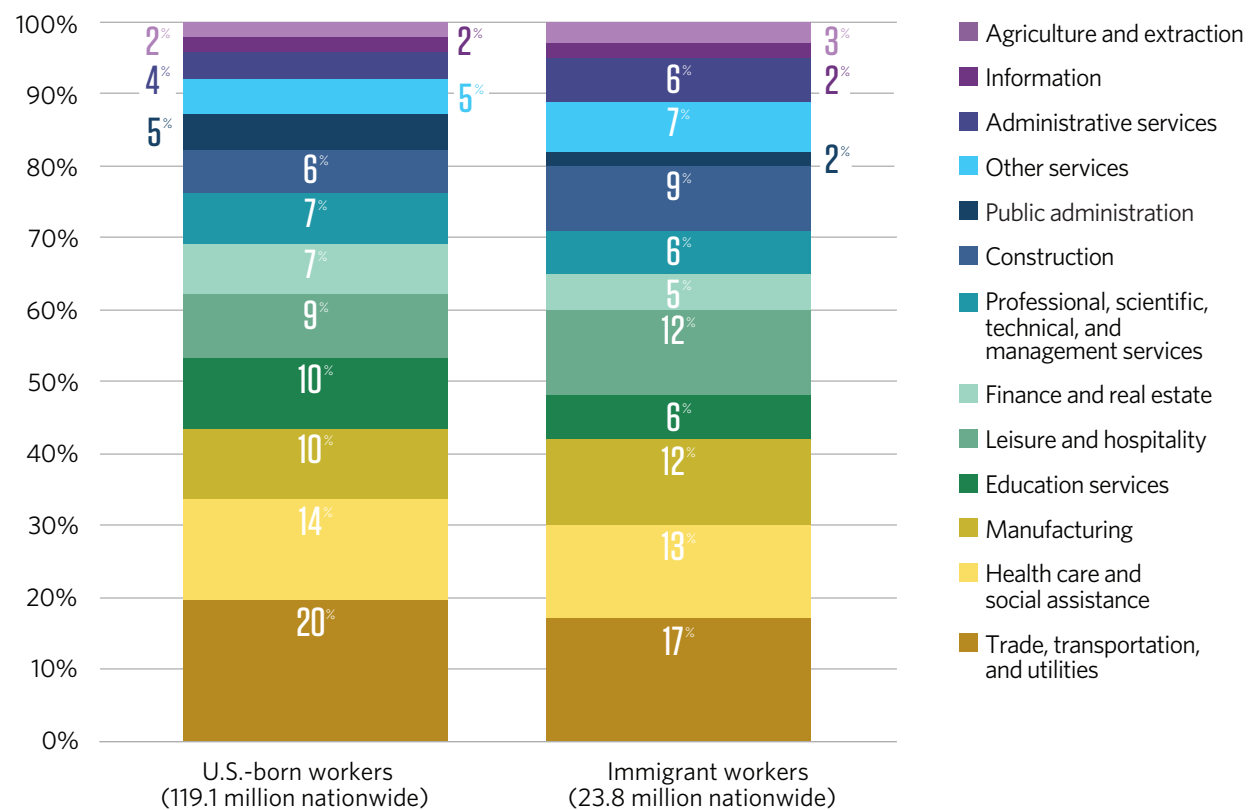
Nationwide and in the individual states, the distribution of U.S.-born and immigrant workers differs by industry. Foreign-born workers are more likely than the U.S.-born to work in administrative services; agriculture and extraction; construction; leisure and hospitality; manufacturing; and other services.² Foreign-born workers are less likely than the U.S.-born to be employed in education services; finance and real estate; health care and social assistance; information; professional, scientific, technical, and management services; public administration; and trade, transportation, and utilities.

Figure 1 shows the percentage of immigrant and U.S.-born workers employed in each sector at the national level.

Figure 1

Percentages of U.S.-Born and Immigrant Workers Differ Across Industries

Worker distribution, by industry and origin



Note: For an explanation of the industry groupings used, see the [methodology](#).

Source: Pew analysis of the U.S. Census Bureau's 2011-13 American Community Survey data

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Table 1 provides the employment distribution ratio, which was calculated from the distribution of workers depicted in Figure 1. Nationwide, immigrants have the highest likelihood of working in administrative services and the lowest likelihood of working in public administration.

Table 1

Immigrant Workers Are More Likely Than Their U.S.-Born Peers to Be Employed in Administrative Services; Agriculture and Extraction; and Construction, Among Others

Nationwide employment distribution ratio for 13 industries

Industry	Percentage of U.S.-born workers employed in the sector	Percentage of immigrant workers employed in the sector	Employment distribution ratio: Immigrants are ____ times as likely as U.S.-born workers to be employed in the sector*
Administrative services	3.9%	6.5%	1.7
Agriculture and extraction	1.8%	2.8%	1.5
Construction	5.7%	8.5%	1.5
Other services	4.7%	6.6%	1.4
Leisure and hospitality	9%	12.3%	1.4
Manufacturing	10.2%	12%	1.2
Professional, scientific, technical, and management services	6.7%	6.1%	0.9
Health care and social services	14%	12.8%	0.9
Trade, transportation, and utilities	19.6%	17.3%	0.9
Finance and real estate	6.9%	5.2%	0.8
Information	2.2%	1.5%	0.7
Education services	10%	6.1%	0.6
Public administration	5.4%	2.3%	0.4

Note: For an explanation of the industry groupings used, see the [methodology](#).

* Calculations are based on unrounded data. Industries are displayed by employment distribution ratio in descending order, rounded to the nearest tenth.

Source: Pew analysis of U.S. Census Bureau's 2011-13 American Community Survey data

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The distribution of immigrants across industries differs from state to state, but some trends are widespread throughout the states, and some industries display patterns of regional clustering

Immigrants are more likely than U.S.-born workers to be employed in leisure and hospitality in 48 states (all but North Dakota and Michigan), the most of any industry. Similarly, immigrants are more likely to work in manufacturing in 43 states. By contrast, immigrants are less likely than U.S.-born workers to be employed in the information sector in every jurisdiction except Virginia and in the finance and real estate sector in all but the District of Columbia. In no state are immigrants more likely to work in the public administration sector.

States where immigrants are more likely to work in construction are concentrated in the South, and the foreign-born are more likely to work in the agriculture and extraction industry in the West and Southeast.³ In many Eastern states—including Maine, Massachusetts, Maryland, New York, and Vermont—as well as the District of Columbia, immigrants have a greater likelihood of being employed in the health care and social services sector than they do elsewhere in the nation.

Immigrants are less likely than the U.S.-born to be employed in seven industries at the national level, but they may be more likely to work in one or more of those sectors in individual states

Nationally, immigrants are less likely than U.S.-born workers to be employed in the education services industry, but in North Dakota and West Virginia, immigrants are 2.9 and 1.8 times more likely than U.S.-born workers to hold jobs in that sector, respectively.

The distribution of immigrant and U.S.-born workers across industries can differ, regardless of the size of a state's immigrant population

In Montana, for example, immigrants make up just 2 percent of the state's population but are more likely than U.S.-born workers to be employed in five industries: education services; health care and social services; leisure and hospitality; manufacturing; and professional, scientific, technical, and management services. At the national level, immigrants are more likely than U.S.-born workers to be employed in only two of these industries: leisure and hospitality and manufacturing. By contrast, in California—which has the largest immigrant population among the states, with 10.3 million foreign-born residents—the distribution of foreign-born workers largely mirrors that at the national level. Immigrants are more likely than U.S.-born workers to hold jobs in the same six industries in California and nationally: administrative services; agriculture and extraction; construction; leisure and hospitality; manufacturing; and other services.

Using data to inform policymaking

This research is particularly important in the context of ongoing demographic shifts in the nation and in states and can help policymakers in their efforts to manage changing populations and build strong, stable workforces. Fertility rates are declining while life expectancies are increasing, causing population growth to slow and the median age of the U.S. population to rise. Immigrants, who are generally younger and have higher fertility rates than the U.S.-born population, have helped to mitigate this trend.⁴

According to [previous Pew research](#), 87 percent of counties in the U.S. experienced growth in their adult foreign-born populations from 1990 to 2012. Simultaneously, the U.S.-born population declined in 21 percent of counties. In more than three-quarters of the counties that lost U.S.-born residents, immigrant population growth helped to slow overall population decline and in some instances overcame losses, resulting in net population increases. As the baby boom generation—born between 1946 and 1964—leaves the workforce, the nation will become increasingly dependent on immigrant workers and their children to fill newly created jobs and replace retiring workers.⁵

Preparing for the future needs of a changing workforce requires understanding the many factors that distinguish immigrants from the U.S.-born, such as education, qualifications for occupational licensing, language skills, and legal status—and understanding how those variables explain the distribution of foreign-born workers across industries. Among these factors:

Immigrants tend to be concentrated at the ends of the educational spectrum. Adult immigrants are much more likely than the U.S.-born to have less than a high school diploma and are about as likely to have a bachelor's degree or higher.⁶ This disparity may influence the industries in which immigrants are able to find jobs: They are disproportionately employed in low-skill industries, such as accommodations and food services, and in high-skill industries, such as information and high-tech manufacturing.

Difficulty in obtaining professional or occupational licenses may limit foreign-born workers from fully participating in the industries that best reflect their preferences, education, or skills.⁷ Employers and credentialing bodies may not recognize training or experience obtained abroad, and there may be other barriers, including cost, for some workers seeking to complete the requirements to achieve certification in the U.S.

English proficiency is critical to an individual's economic opportunities. High-skilled immigrants who have limited English are twice as likely to be underemployed—that is, working in jobs that do not fully utilize their skills—compared with those who are proficient in English.⁸

Legal status influences the types of employment that immigrants may obtain. For example, only citizens qualify for certain government jobs. Unauthorized immigrants who do not have approval from the federal government to work in the U.S. tend to be concentrated in sectors with high numbers of low-skilled jobs, primarily professional, business, and other services; leisure and hospitality; and construction.⁹

These findings can help state and local policymakers understand how workers are distributed in their jurisdictions. Examining the role that each of the 13 industries plays in states' total employment and output provides an indication of the prominence of each industry within a state, offering further context for policymakers. The data can inform policy decisions that affect immigrant workers and the industries that employ them, such as whether to set standards for occupational credentials, provide language classes for non-native English speakers, or mandate the use of E-Verify, the federal employment verification system. Further, as Congress considers immigration reforms, policymakers need to take into account the impact on workers and industries of policies such as temporary worker programs, legalization, and worksite enforcement.

Conclusion

As the nation continues to recover from the Great Recession, policymakers are focused on understanding the changing economy and preparing for the challenges of the future. Some have begun to consider the relationship between foreign- and U.S.-born workers and the role of immigrant workers in state economies.

Today, immigration is a 50-state issue, and although only the federal government decides which immigrants to admit to the country, states make important policy decisions that affect U.S. citizens and immigrants alike. Within the context of the nation's changing demographics, understanding the differences between foreign- and U.S.-born workers and the industries that employ them is especially crucial. States follow various paths to economic growth, such as welcoming businesses that capitalize on the particular strengths of their populations, targeting worker recruitment efforts to specific groups, or creating training programs to increase their human capital. Whichever direction a state chooses, this analysis and data can help inform decisions at all levels of government on issues relating to the workforce and economic growth.

Endnotes

- 1 Industries are defined according to the North American Industry Classification System (NAICS). For more information or to see the NAICS codes that correspond to each industry grouping used here, see the methodology at http://www.pewtrusts.org/-/media/Data-Visualizations/Interactives/2015/immigration/Variation_methodology.pdf?la=en.
- 2 "Other services" includes businesses that perform a variety of functions not classified elsewhere in the NAICS, such as machinery repair, dry cleaning, pet care, personal care services, and social advocacy organizations.
- 3 States in the South are Alabama, Arizona, Arkansas, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas. The West encompasses California, Idaho, Oregon, and Washington, and the Southeast comprises Alabama, Florida, Georgia, Mississippi, North Carolina, and South Carolina.
- 4 Bipartisan Policy Center Immigration Task Force, "Immigration: America's Demographic Edge" (staff paper, January 2014), 7-8, <http://bipartisanpolicy.org/wp-content/uploads/sites/default/files/ImmigrationDemographic.pdf>.
- 5 Ibid.
- 6 Audrey Singer, "Immigrant Workers in the U.S. Labor Force," Brookings Institution, Partnership for a New American Economy (March 2012), http://www.brookings.edu/-/media/research/files/papers/2012/3/15%20immigrant%20workers%20singer/0315_immigrant_workers_singer.pdf.
- 7 Jeanne Batalova, Michael Fix, and Peter A. Creticos, "Uneven Progress: The Employment Pathways of Skilled Immigrants in the United States," Migration Policy Institute (October 2008), <http://www.migrationpolicy.org/research/uneven-progress-employment-pathways-skilled-immigrants-united-states>.
- 8 Jill H. Wilson, "Investing in English Skills: The Limited English Proficient Workforce in U.S. Metropolitan Areas," Brookings Institution (September 2014), <http://www.brookings.edu/research/reports2/2014/09/english-skills#/M10580>.
- 9 Jeffrey S. Passel and D'Vera Cohn, "Share of Unauthorized Immigrant Workers in Production, Construction Jobs Falls Since 2007: In States, Hospitality, Manufacturing, and Construction Are Top Industries," Pew Research Center (March 2015), http://www.pewhispanic.org/files/2015/03/2015-03-26_unauthorized-immigrants-passel-testimony_REPORT.pdf. In their analysis, the authors combined the professional and business services and other services sectors, which are separate sectors in Pew's study.

Note: This issue brief was updated on March 14, 2016 to reflect the correct years of the U.S. Census Bureau's 2011-13 American Community Survey.

For further information, please visit:

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