

# Economic Impacts of Declining Immigration

Madeline Zavodny

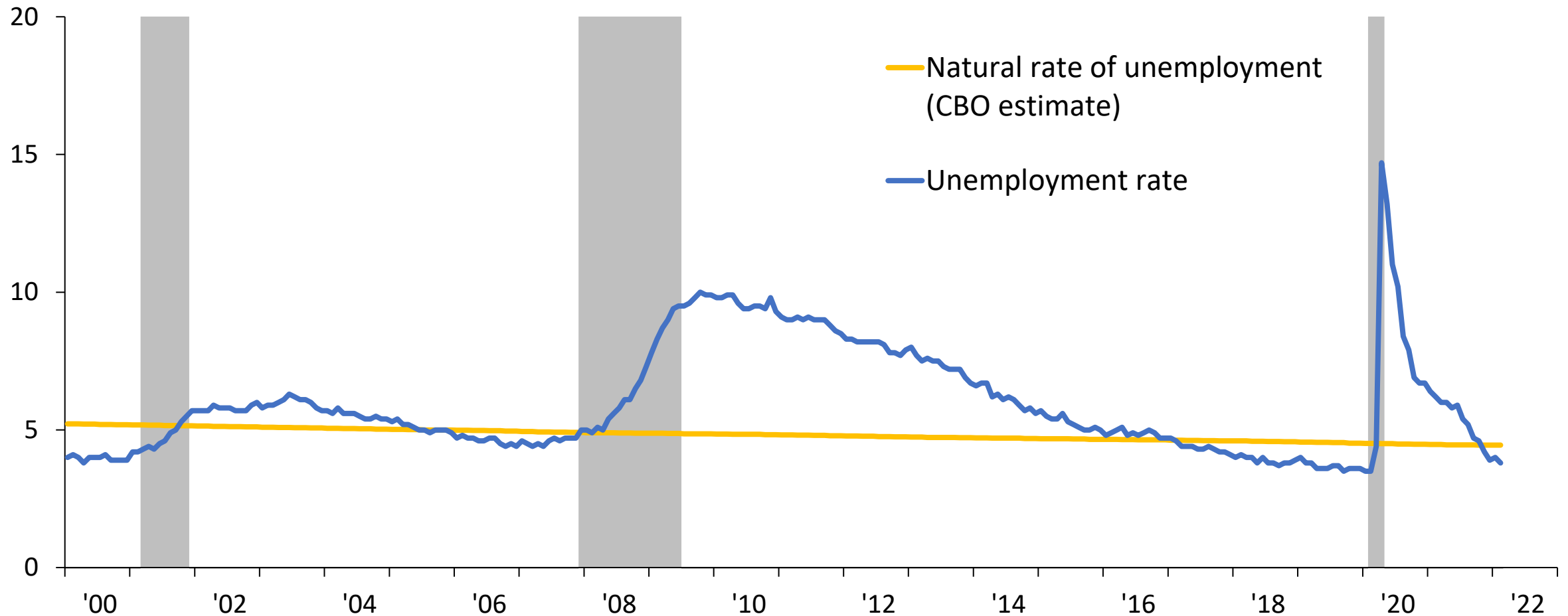
Prepared for NABE Economic Policy Conference  
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# Roadmap

- Indicators of labor market tightness
  - Low unemployment
  - Many quits, many vacancies
  - Rising wages, especially in low-wage sectors
  - But: employment, labor force participation
- Role of immigration
  - Drop in most inflows even pre-pandemic
  - What sectors, states are missing immigrant workers the most?
  - Importance of new immigrant workers

# Unemployment rate back below natural rate

Percent, seasonally adjusted

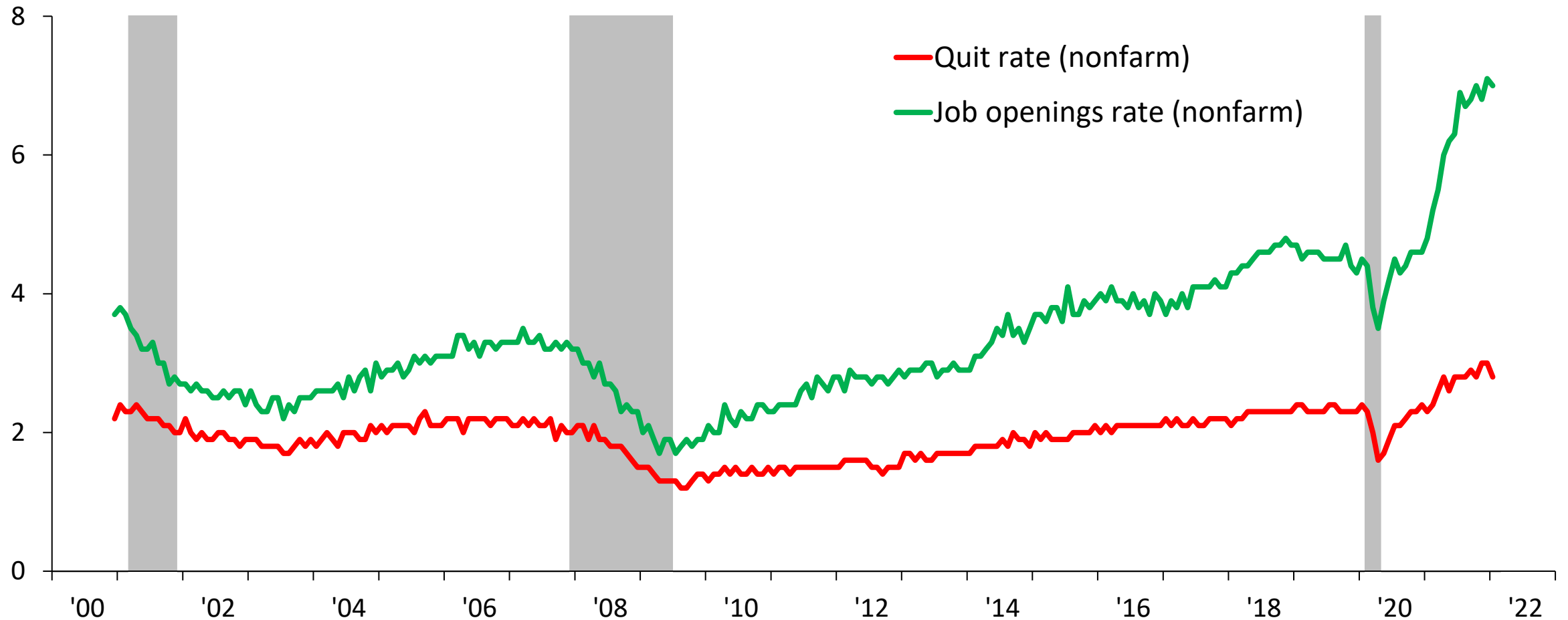


NOTES: Data through February 2022. Shaded bars indicate U.S. recessions.

SOURCES: Bureau of Labor Statistics; Congressional Budget Office via FRED; National Bureau of Economic Research.

# Quit, vacancy rates at record highs

Percent, seasonally adjusted

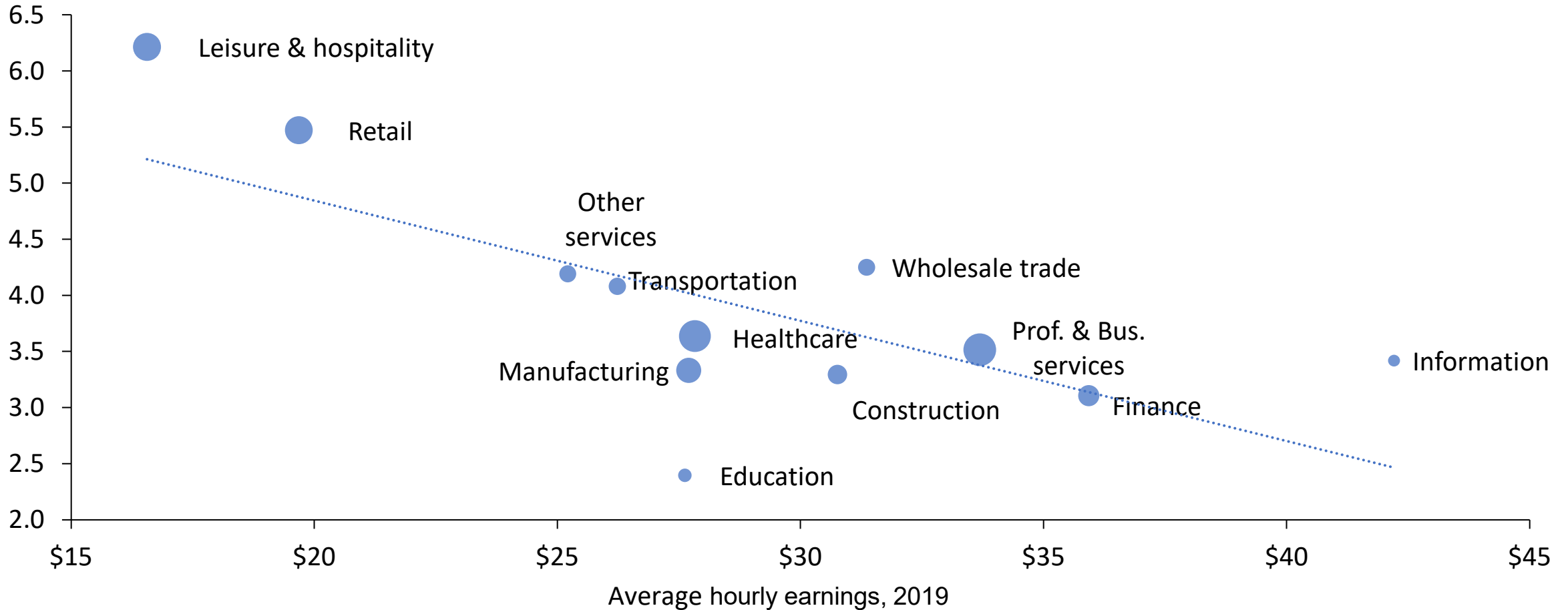


NOTES: Data through January 2022. Shaded bars indicate U.S. recessions.

SOURCES: Bureau of Labor Statistics via FRED; National Bureau of Economic Research.

# Wages growing fastest for low-wage workers

ECI wage growth in percent, 2021Q4/2019Q4, annualized

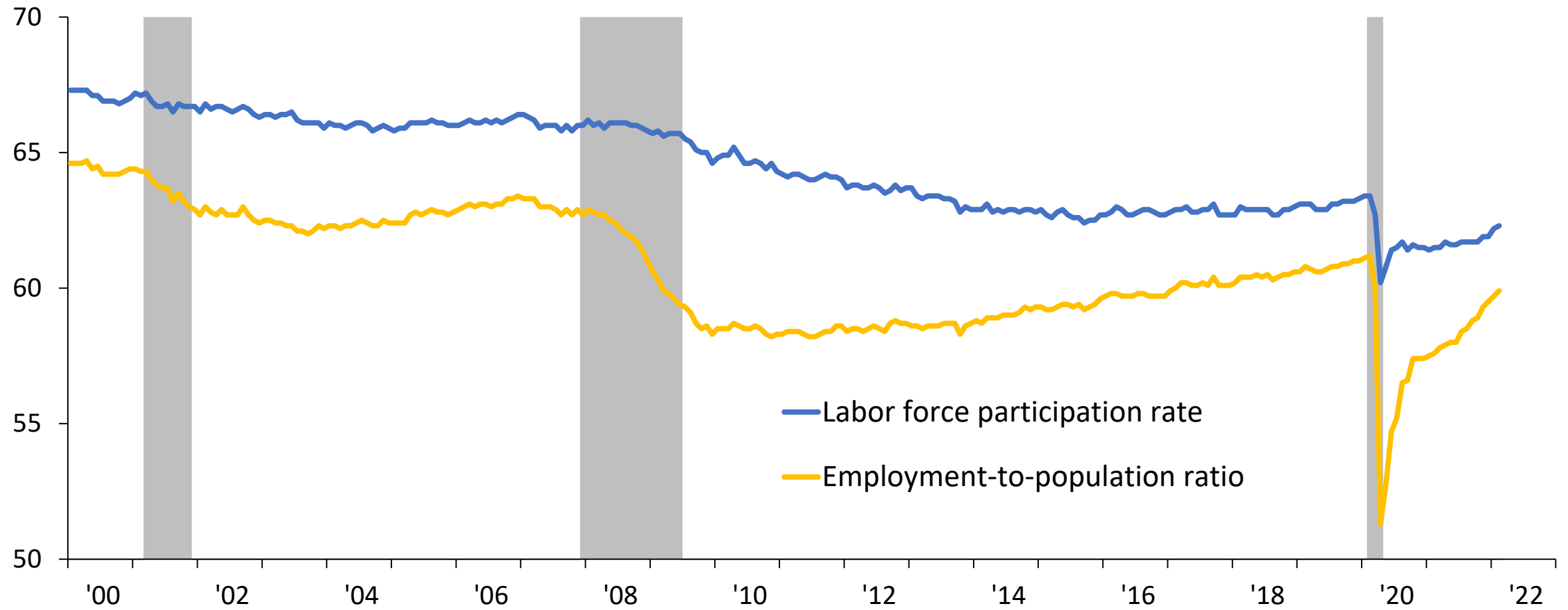


NOTE: Bubbles weighted by share of total employment in 2021.

SOURCES: Bureau of Labor Statistics; Federal Reserve Bank of Dallas.

# But... labor force participation, employment rate suggest some labor market slack persists

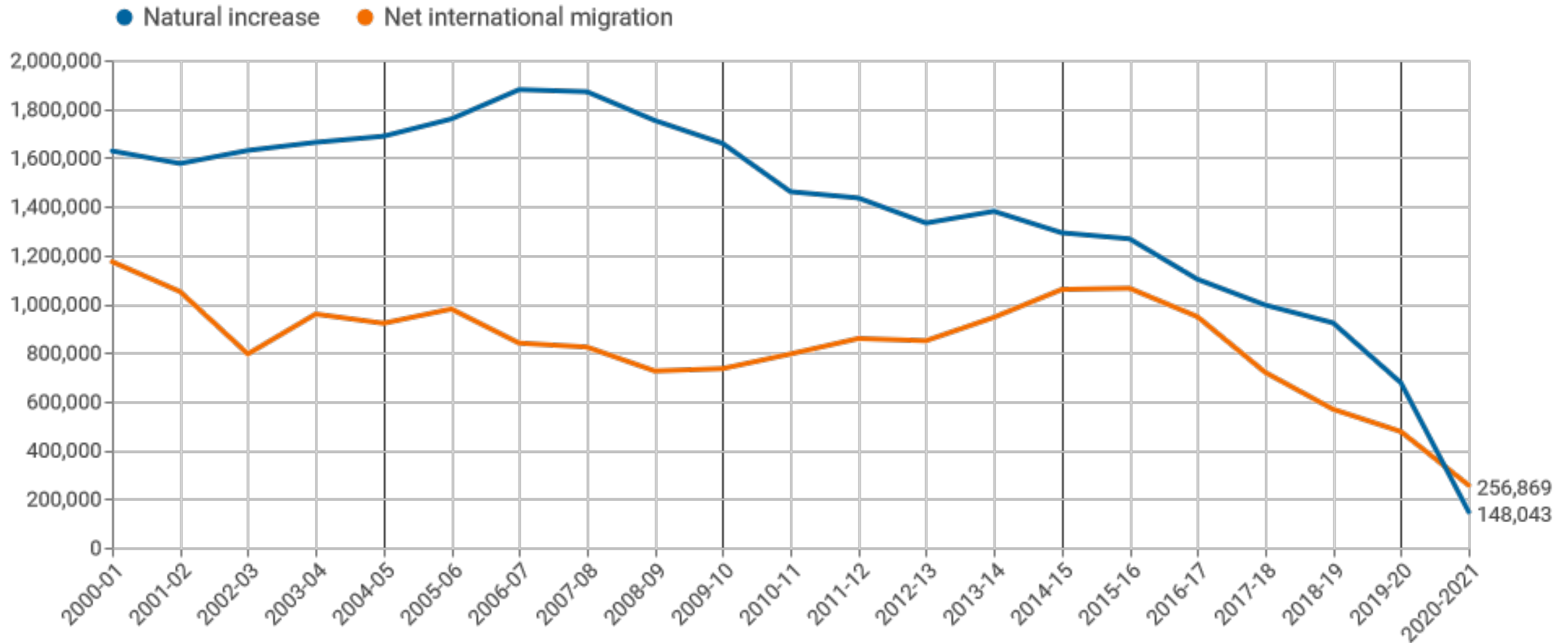
Percent, seasonally adjusted



NOTES: Data through February 2022. Shaded bars indicate U.S. recession.

SOURCES: Bureau of Labor Statistics; National Bureau of Economic Research.

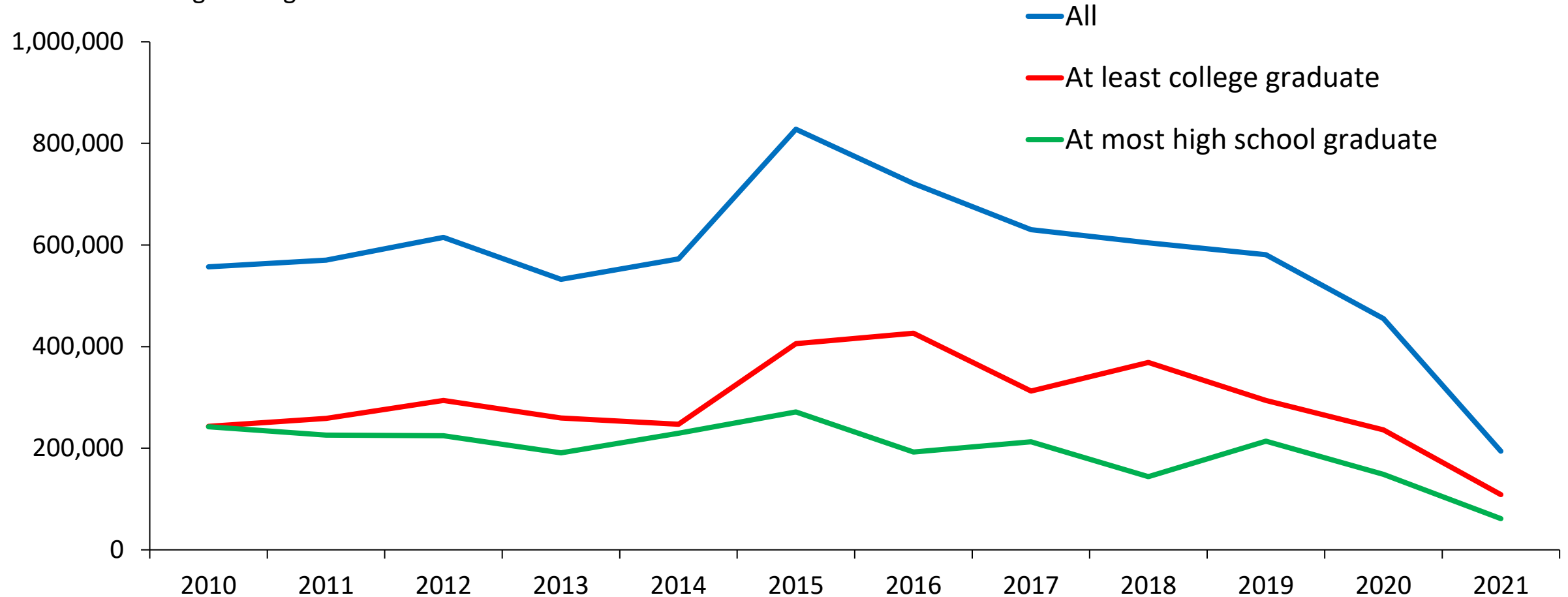
# Troubling drop in U.S. population growth



Note: Annual estimates pertain to July 1 to July 1 of successive years  
Source: William H. Frey analysis of US Census Bureau estimates,  
released 12/21/2021

# Fewer new working-age international migrants

International migrants ages 16-64

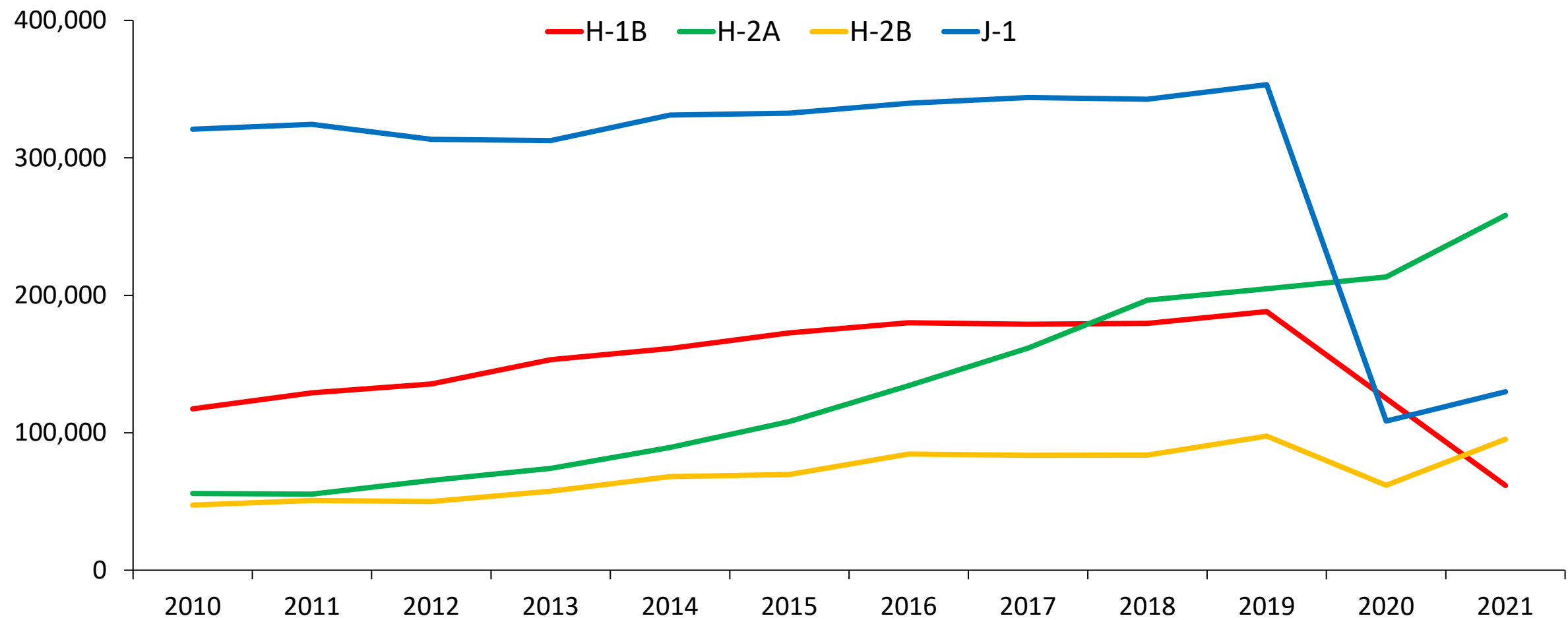


NOTE: See <https://nfap.com/wp-content/uploads/2022/02/The-Impact-of-the-Covid-19-Drop-in-International-Migration-on-the-U.S.-Labor-Market.NFAP-Policy-Brief.February-2022.pdf>

SOURCES: Current Population Survey ASEC data via IPUMS.

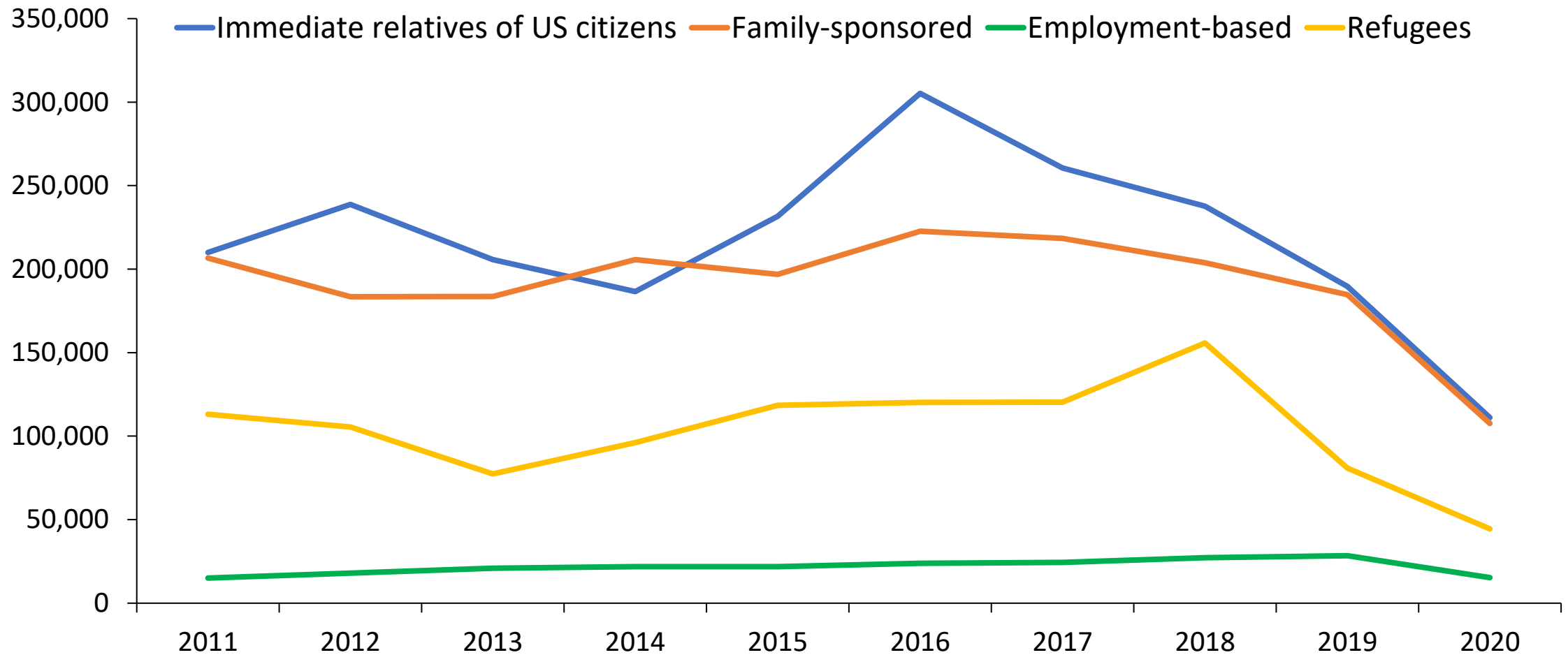


# Fewer temporary foreign worker visas issued during pandemic



NOTE: See <https://nfap.com/wp-content/uploads/2022/02/The-Impact-of-the-Covid-19-Drop-in-International-Migration-on-the-U.S.-Labor-Market.NFAP-Policy-Brief.February-2022.pdf>  
SOURCES: U.S. State Department

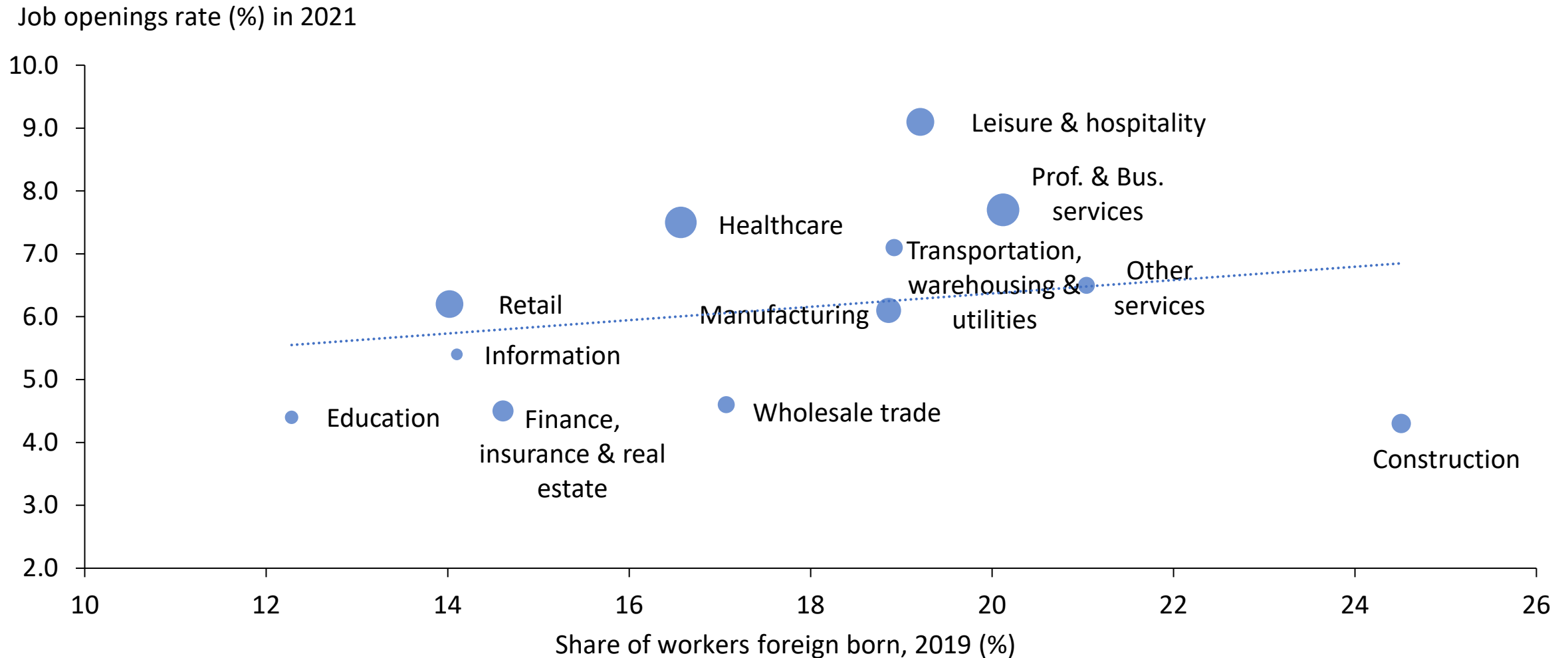
# Fewer new arrivals on permanent resident visas



NOTE: Only new arrivals are included except for refugees, who are adjusting status after at least one year in the U.S.

SOURCES: U.S. Department of Homeland Security

# Job vacancy rate higher in immigrant-intensive sectors

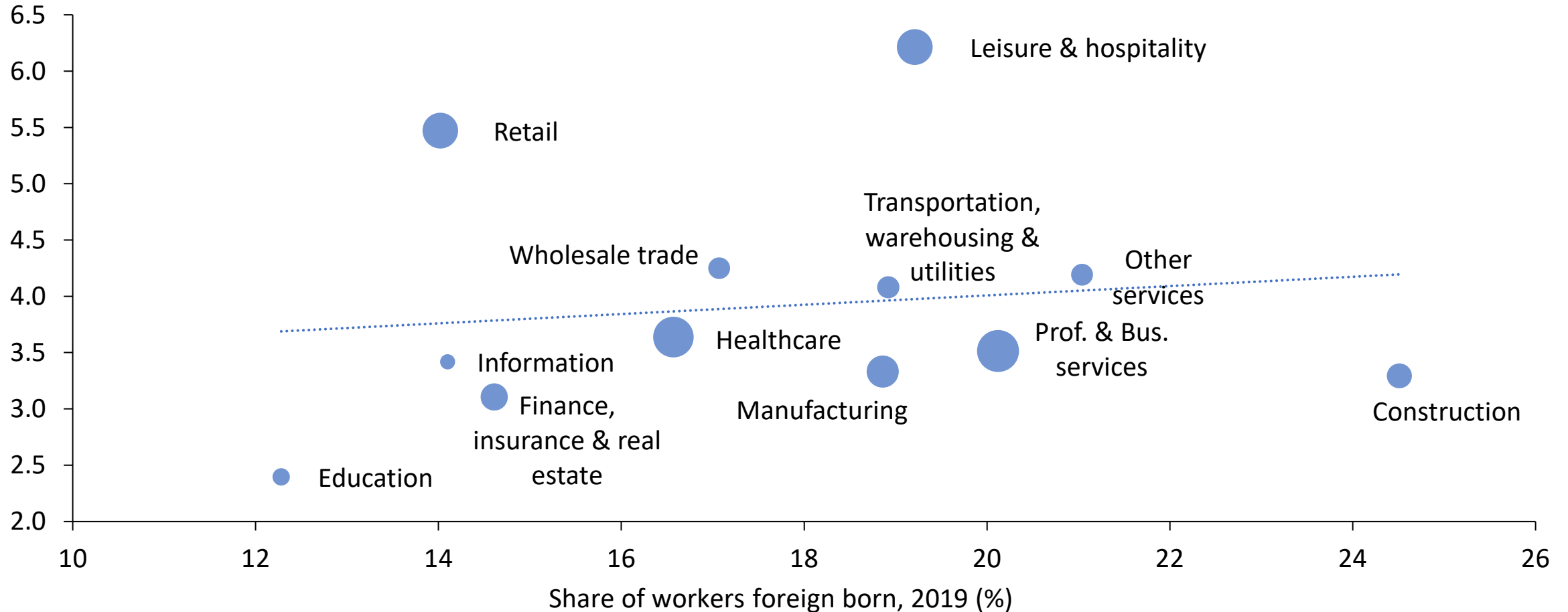


NOTE: Bubbles weighted by share of total employment in 2021.

SOURCES: Bureau of Labor Statistics; Federal Reserve Bank of Dallas; American Community Survey via IPUMS.

# Wages rising faster in immigrant-intensive sectors

ECI wage growth (%), 2021Q4/2019Q4, annualized



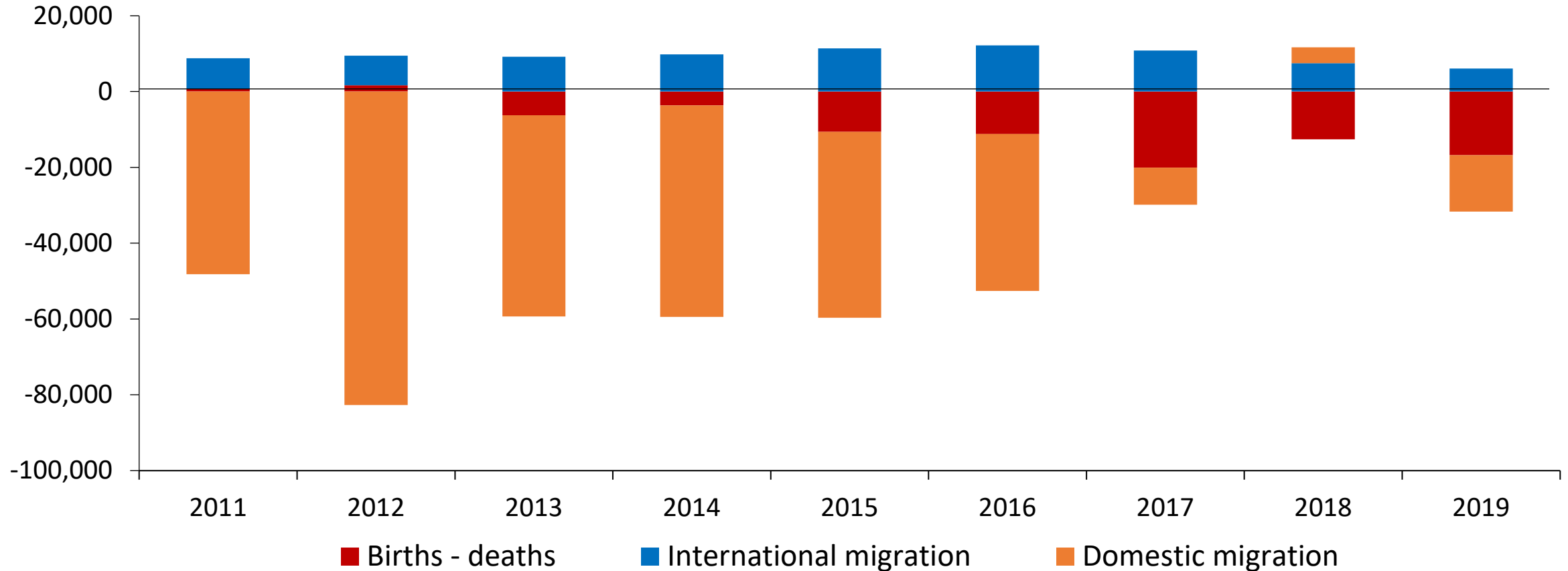
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# Importance of new immigrant workers

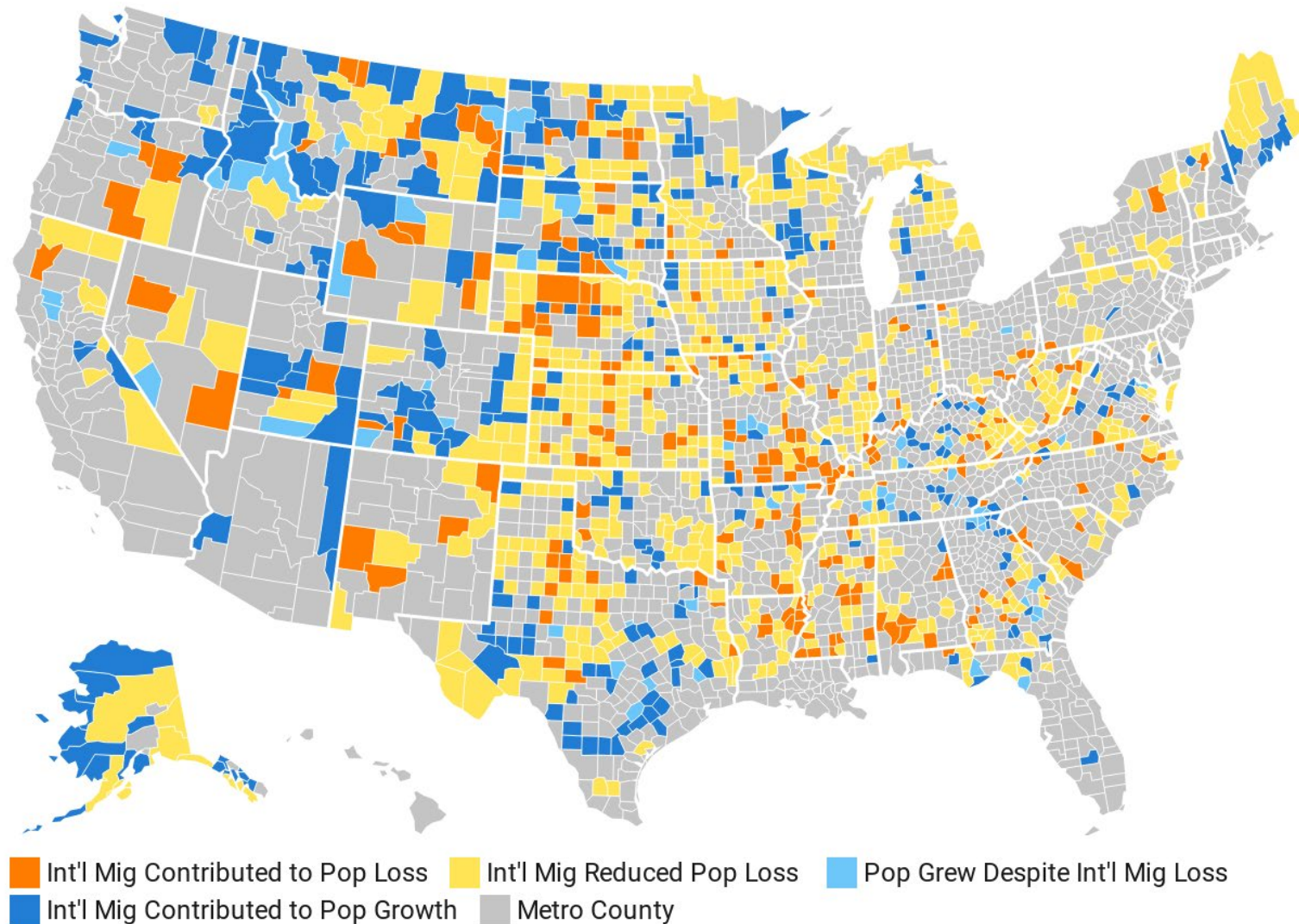
- Responsive to labor market conditions
  - Labor market arbitrageurs
- Relatively young
  - Tend to have in-demand skills
  - Critical to rural areas

# New international migrants main source of population growth for rural areas



NOTE: See <https://nfap.com/wp-content/uploads/2021/02/Immigrations-Contribution-to-Population-Growth-and-Economic-Vitality.NFAP-Policy-Brief.February-2021.pdf>  
SOURCE: U.S. Census Bureau

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SOURCE: U.S. Census Bureau

# Importance of new immigrant workers

- Most responsive to labor market conditions
  - Labor market arbitrageurs
- Relatively young
  - Tend to have in-demand skills
  - Critical to rural areas
- Enable more people to work
  - Important source of childcare, elder care



# Importance of policy

- How did we end up with falling international migration?
- And what can we do about it?