

Economic Impacts of Declining Immigration

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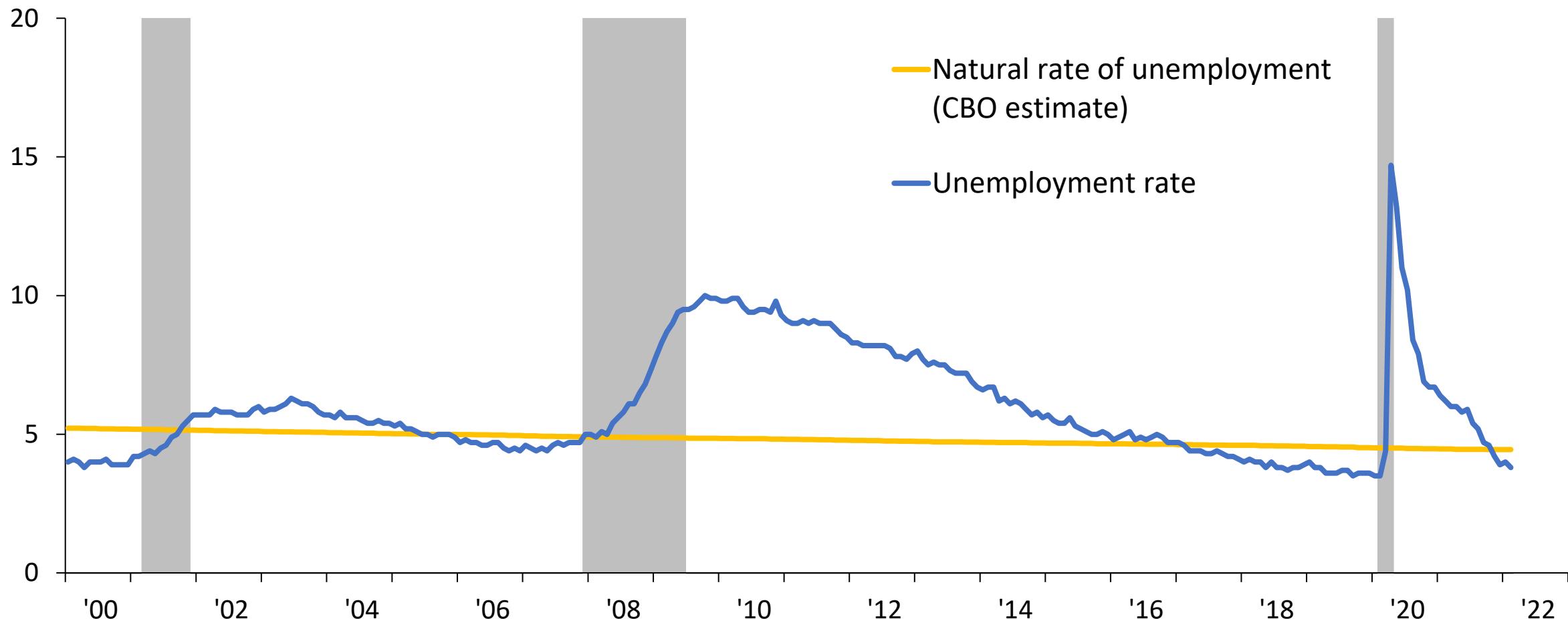


Roadmap

- 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

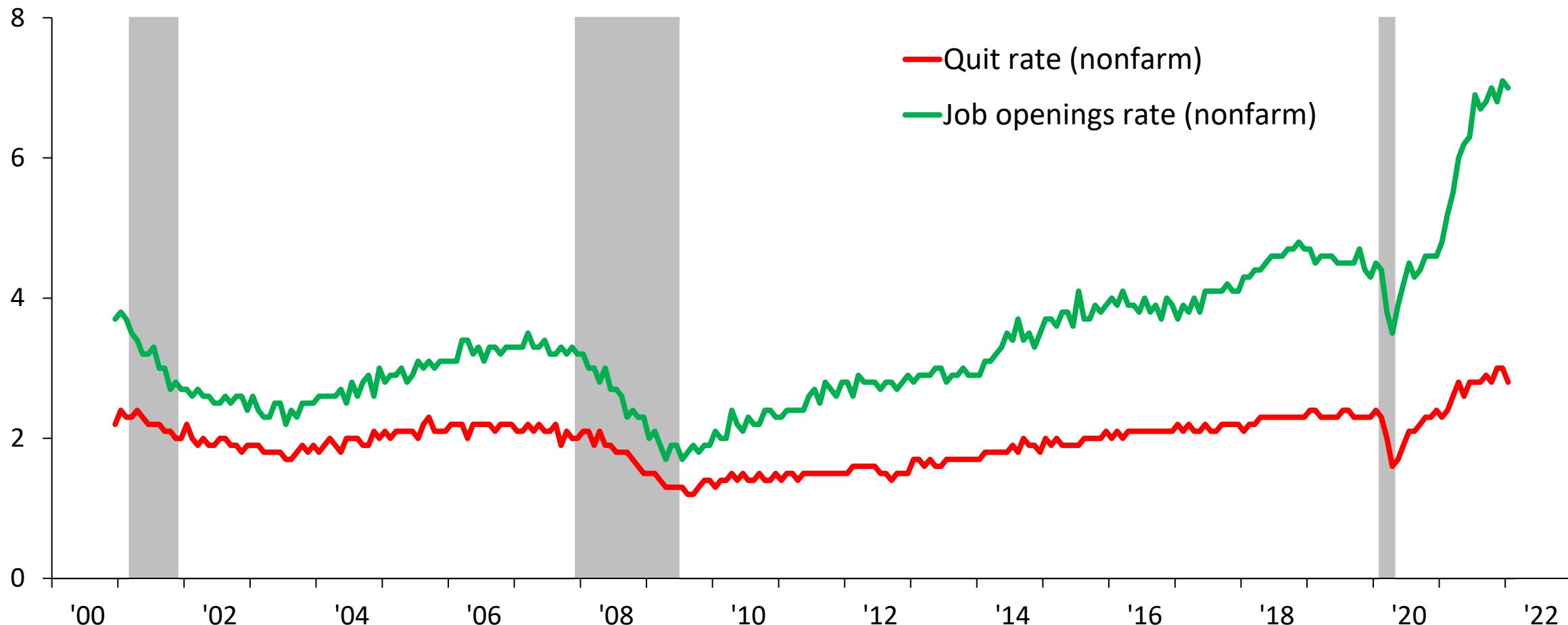


NOTES: Data through February 2022. Shaded bars indicate U.S. recessions.

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

Quit, vacancy rates at record highs

Percent, seasonally adjusted

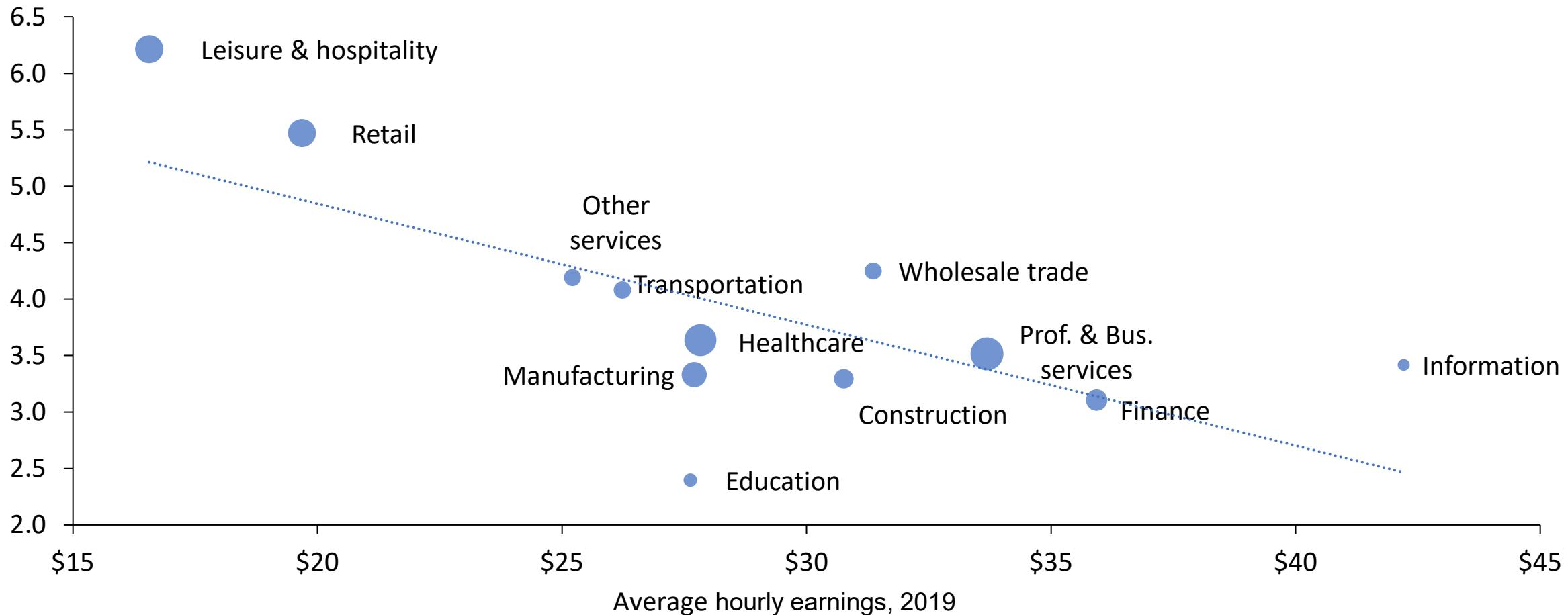


NOTES: Data through January 2022. Shaded bars indicate U.S. recessions.

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

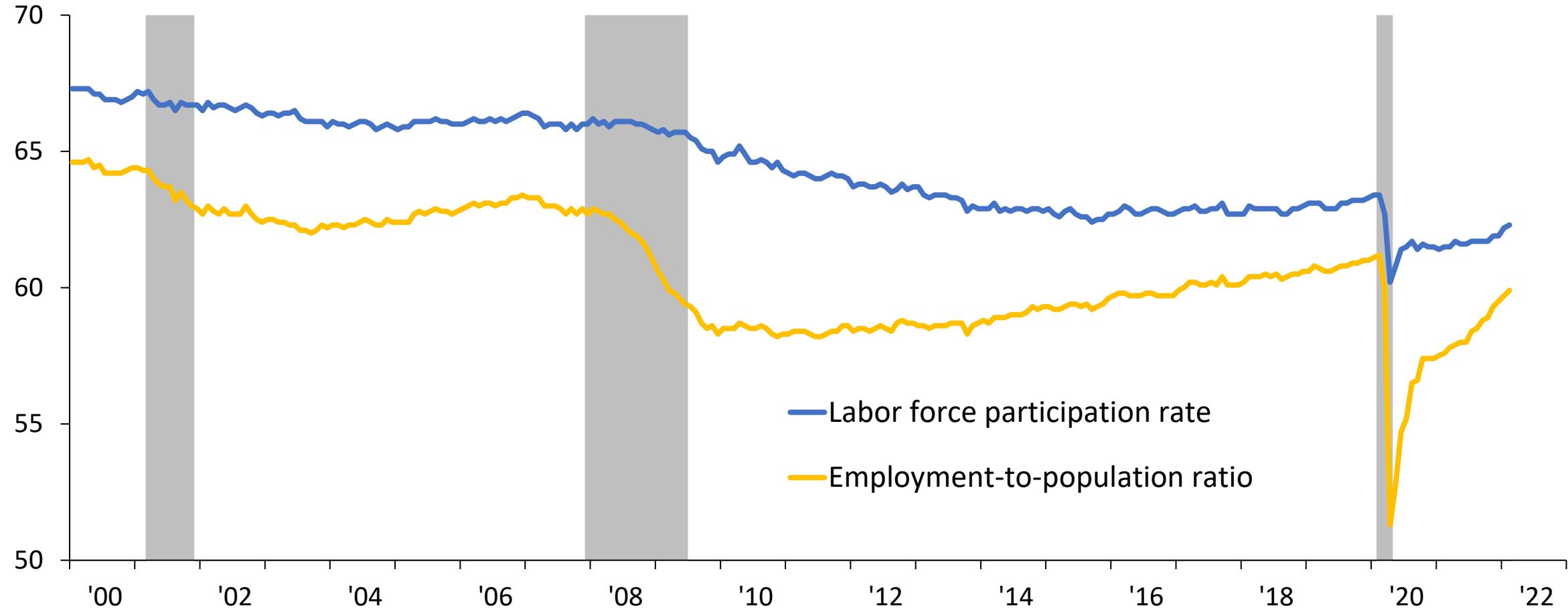


NOTE: Bubbles weighted by share of total employment in 2021.

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

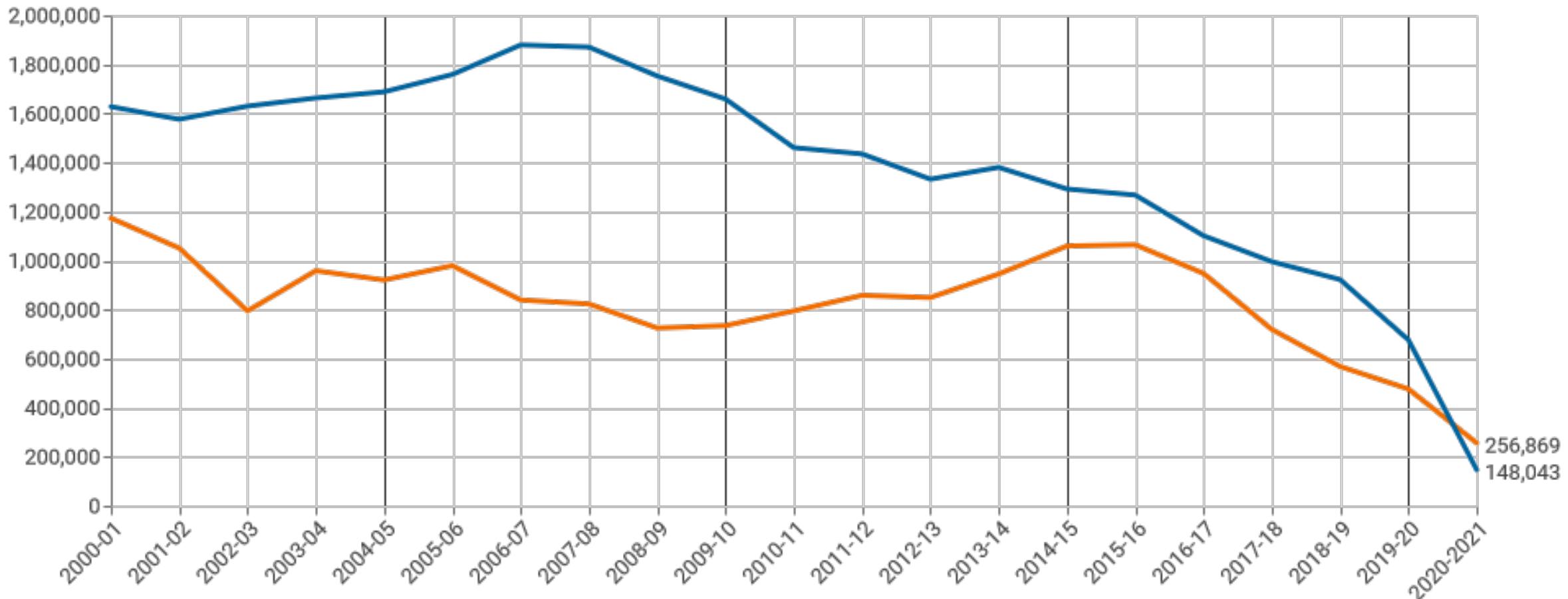


NOTES: Data through February 2022. Shaded bars indicate U.S. recession.

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

Troubling drop in U.S. population growth

● Natural increase ● Net international migration

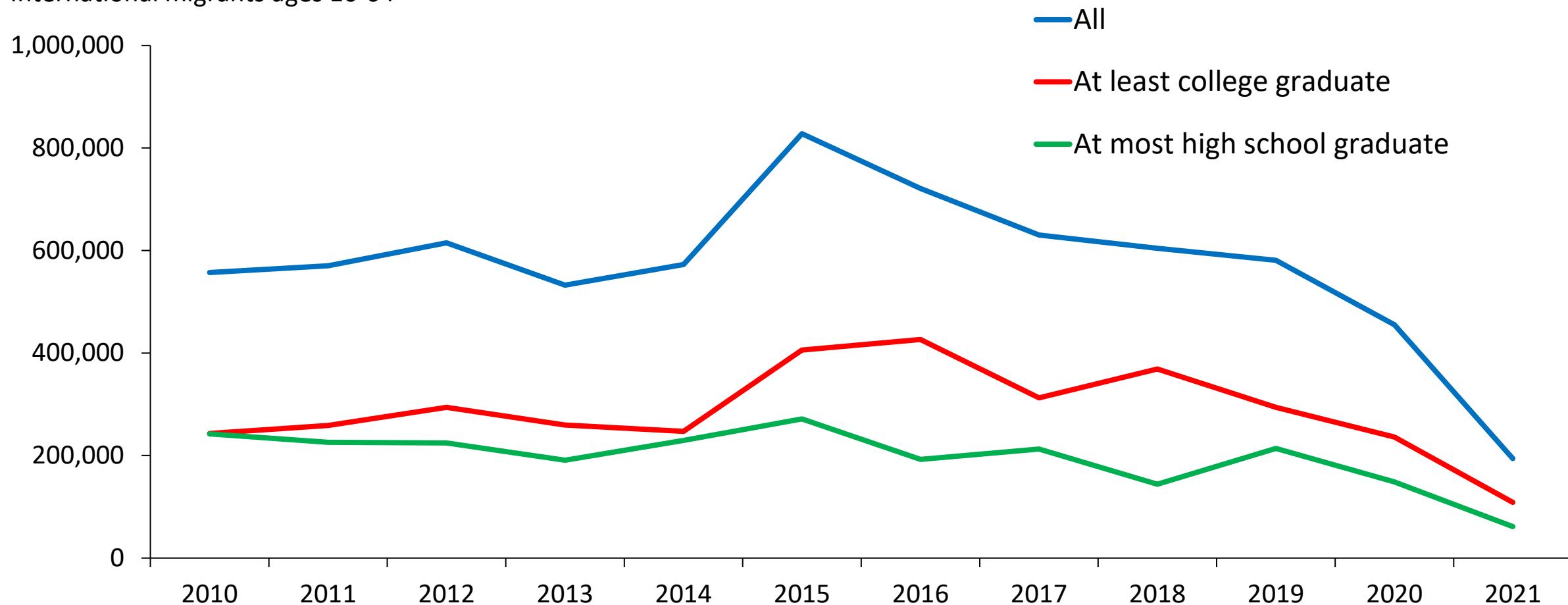


Note: Annual estimates pertain to July 1 to July 1 of successive years
Source: William H. Frey analysis of US Census Bureau estimates,
released 12/21/2021

B Brookings Metro

Fewer new working-age international migrants

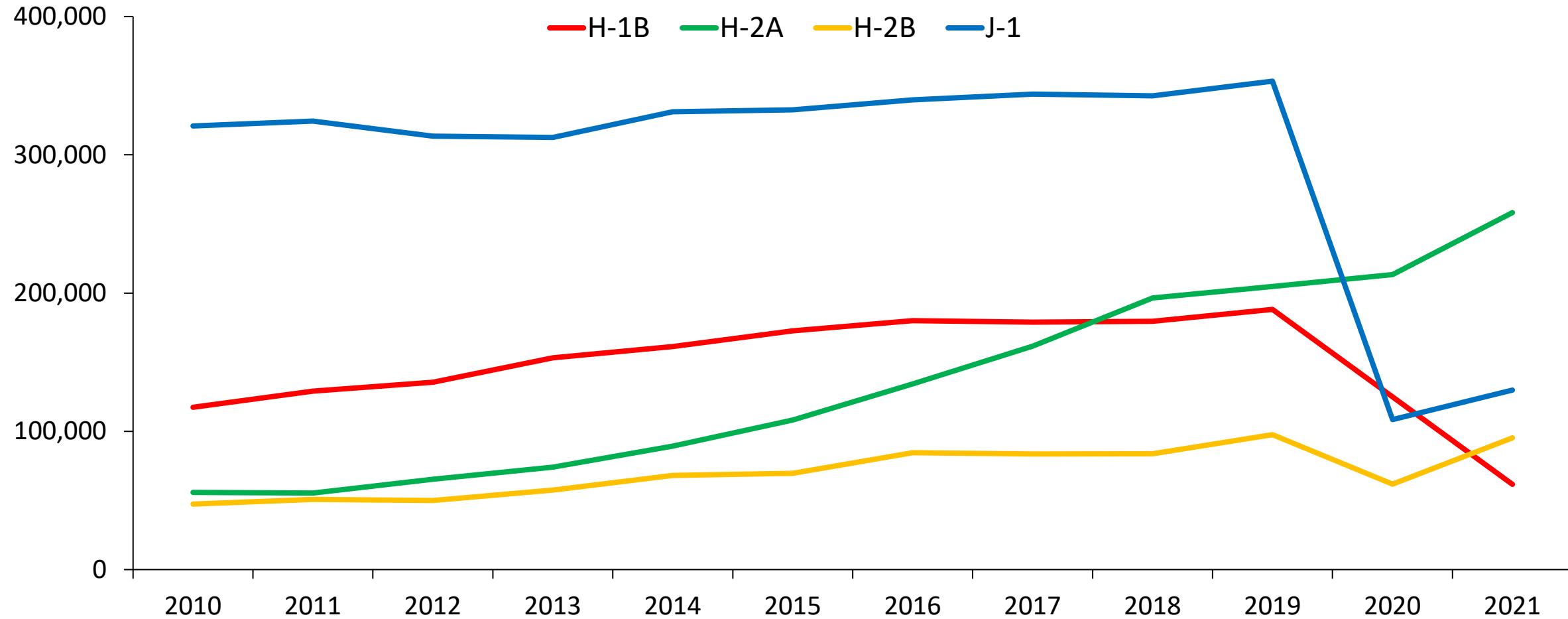
International migrants ages 16-64



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.

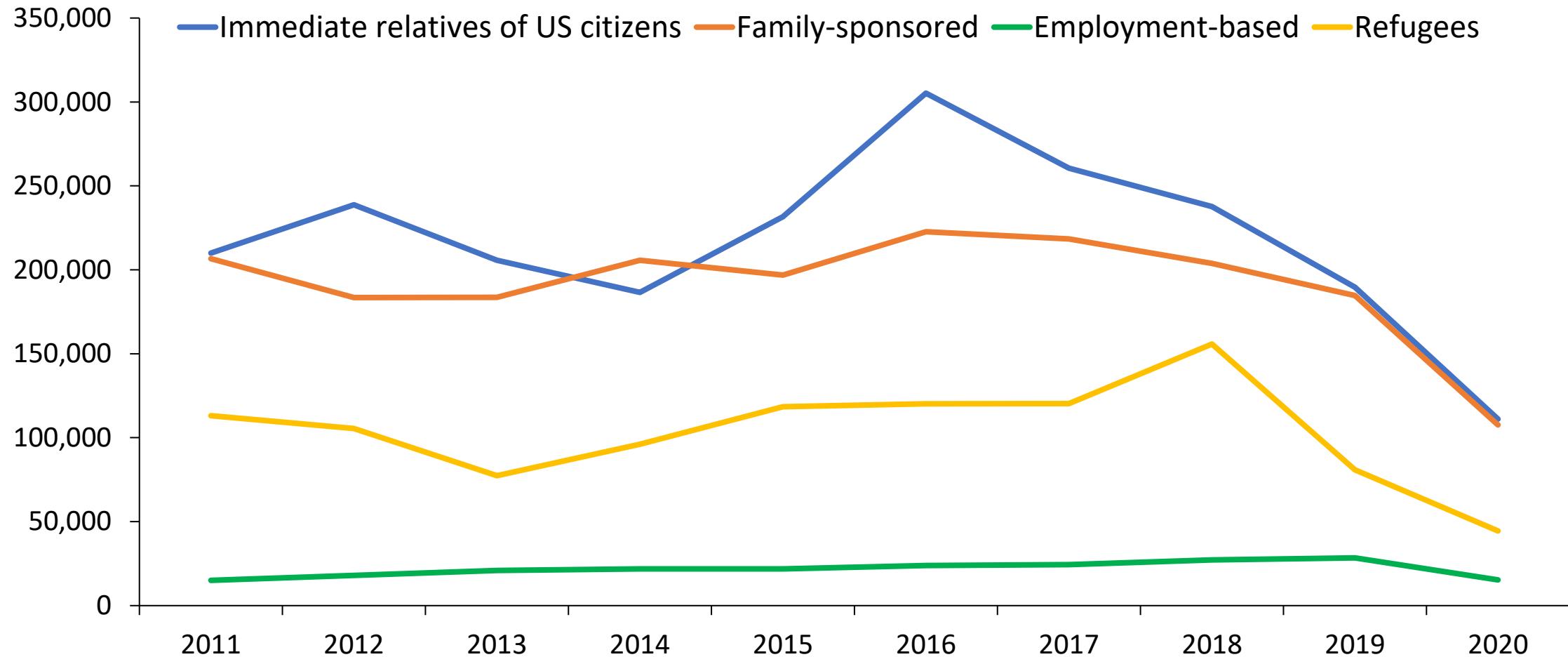
Fewer temporary foreign worker visas issued during pandemic



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

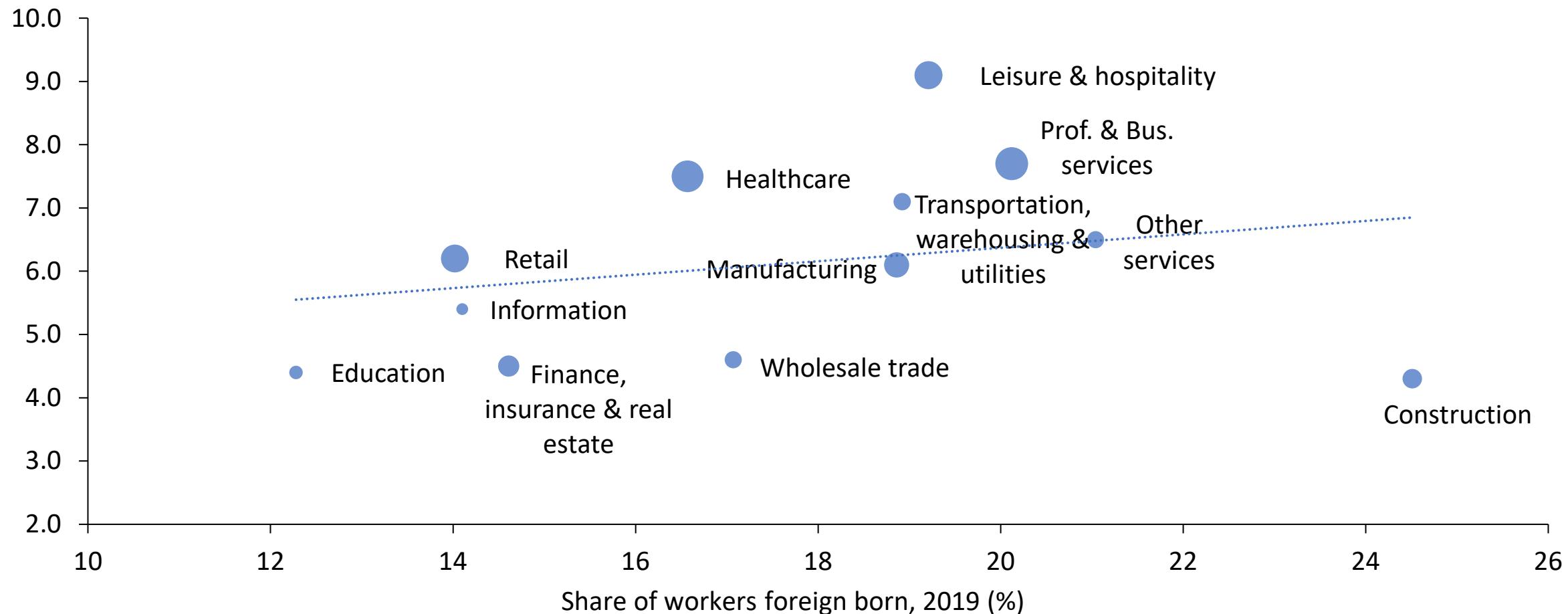


NOTE: Only new arrivals are included except for refugees, who are adjusting status after at least one year in the U.S.

SOURCES: U.S. Department of Homeland Security

Job vacancy rate higher in immigrant-intensive sectors

Job openings rate (%) in 2021

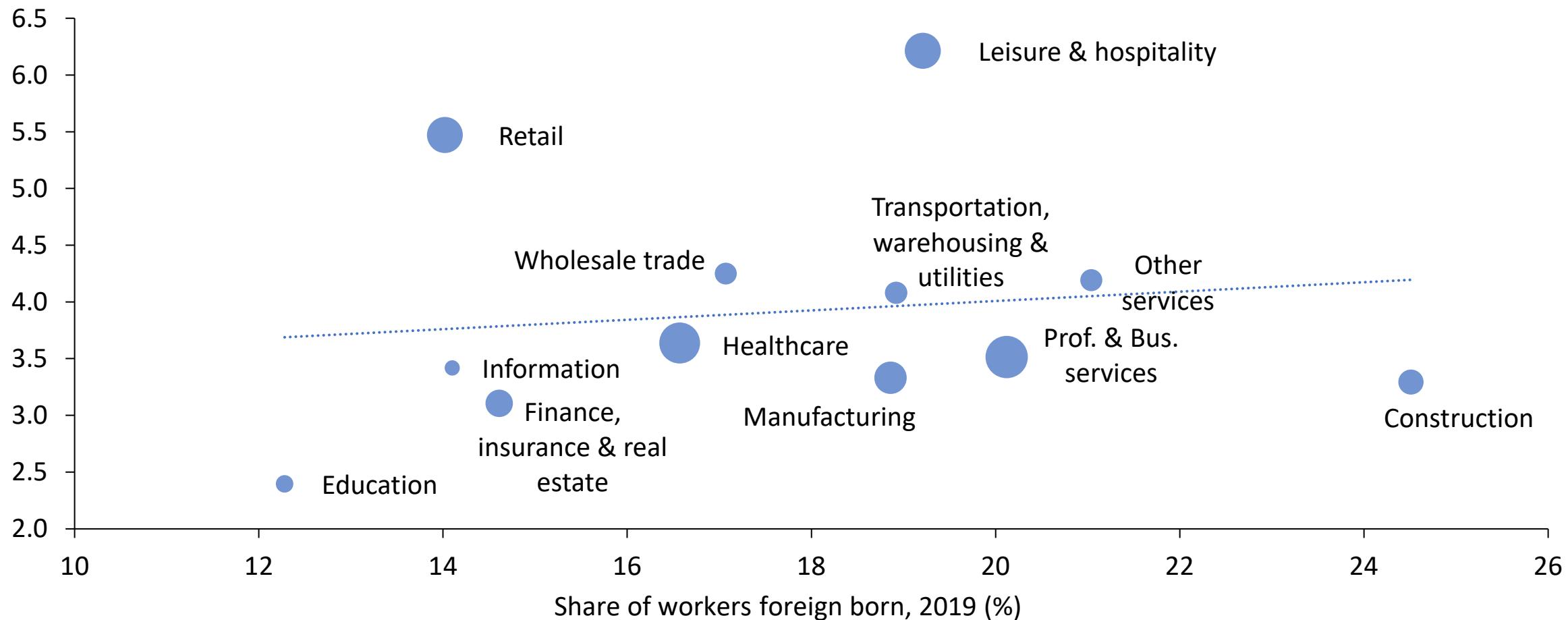


NOTE: Bubbles weighted by share of total employment in 2021.

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



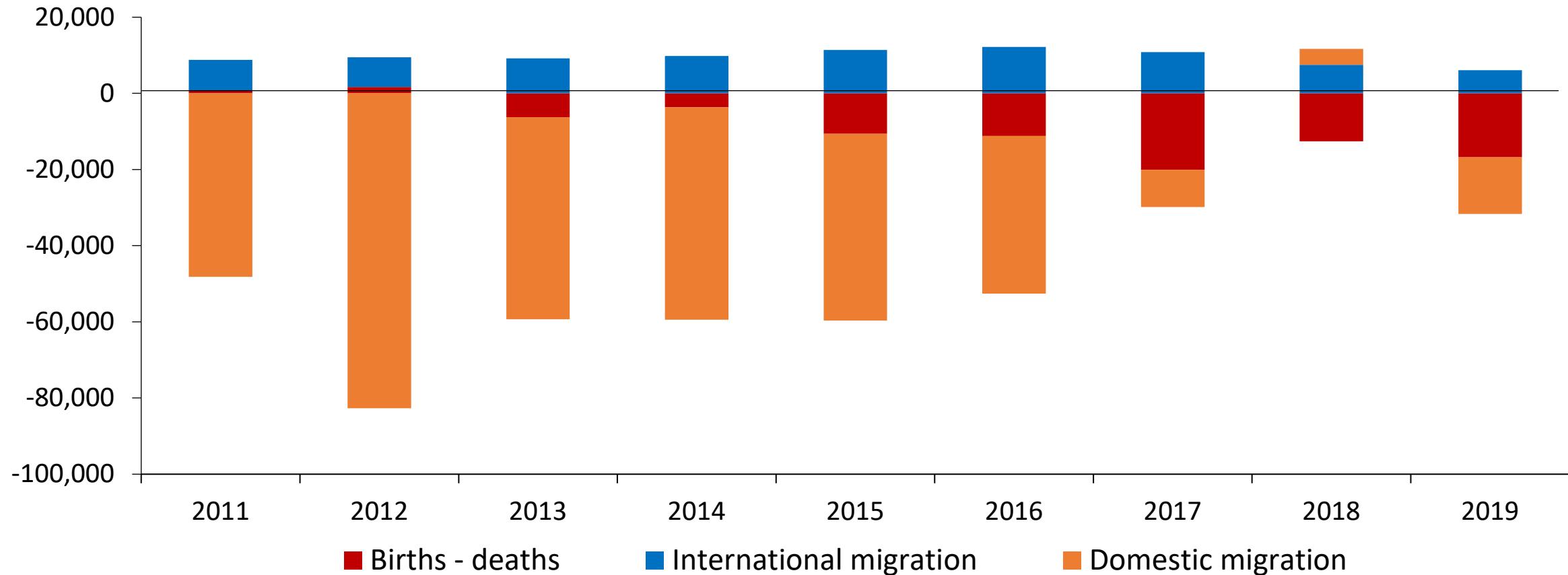
NOTE: Bubbles weighted by share of total employment in 2021.

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Importance of new immigrant workers

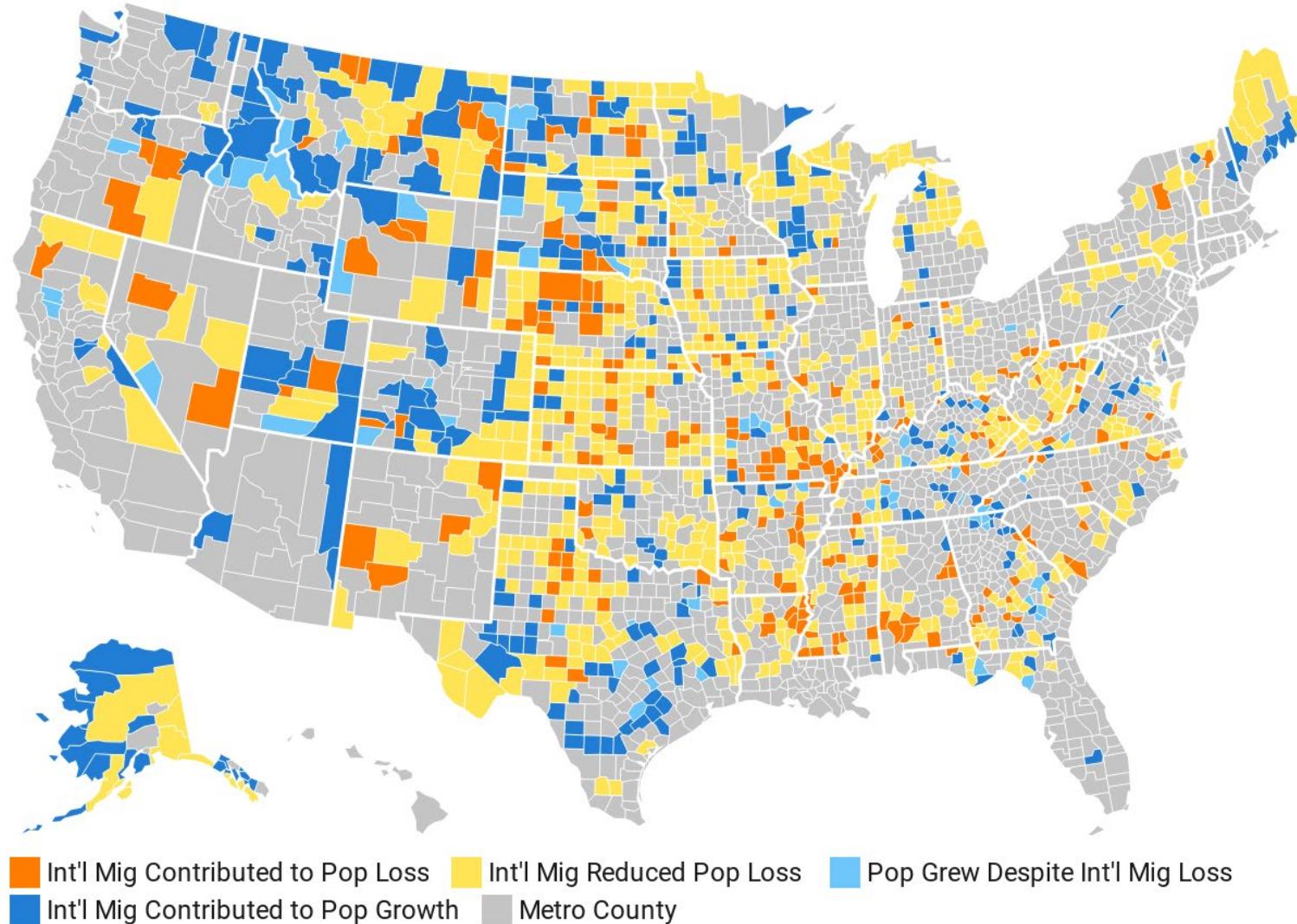
- Responsive to labor market conditions
 - Labor market arbitrageurs
- Relatively young
 - Tend to have in-demand skills
 - Critical to rural areas

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?