

Immigration and (more than) the Labor Market

Zeke Hernandez

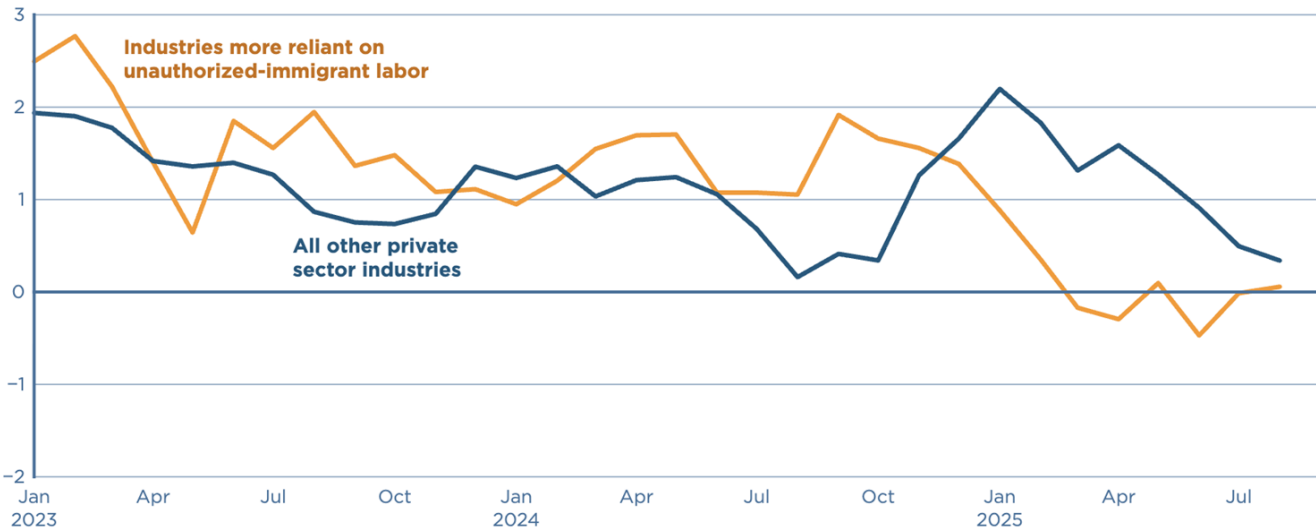
Max and Bernice Garchik Presidential Professor
The Wharton School, UPenn

Immigration Decline: Not Just “Illegal and Unskilled”

BLS: ~1.2 million fewer immigrant workers (January → July)

Slowing immigration has halted job growth in some industries

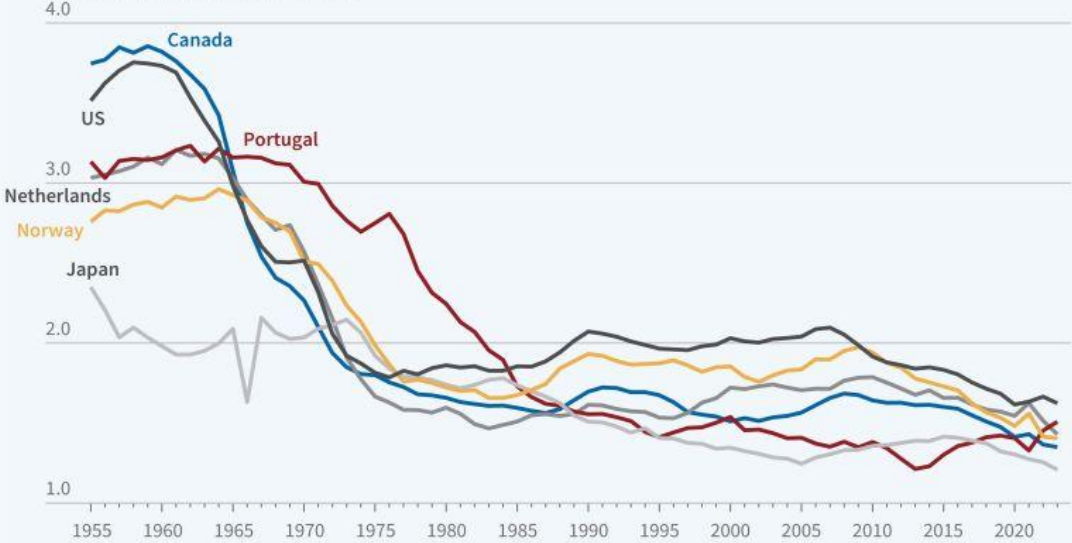
Annualized 3-month percent change in employment in two industry groups, January 2023–August 2025



Low Fertility Rates – No Native Workers to the Rescue

Total Fertility Rates in High-Income Countries

Total fertility rate (children per woman)



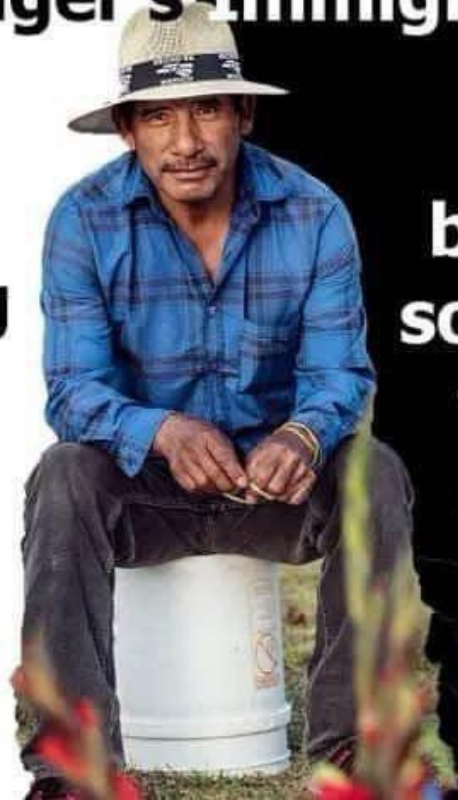
Source: Researchers' calculations using data from the United Nations.

How might firms respond?

- Stop investing, hiring, & growing (Clemens & Lewis 2023)
- Offshore (Glennon 2024)
- Outsource
- Automate (San 2023)
- Acquire → consolidation? (Friedman, Glennon, Hernandez 2025)
- Lobby or speak out in favor of pro-immigration policies?

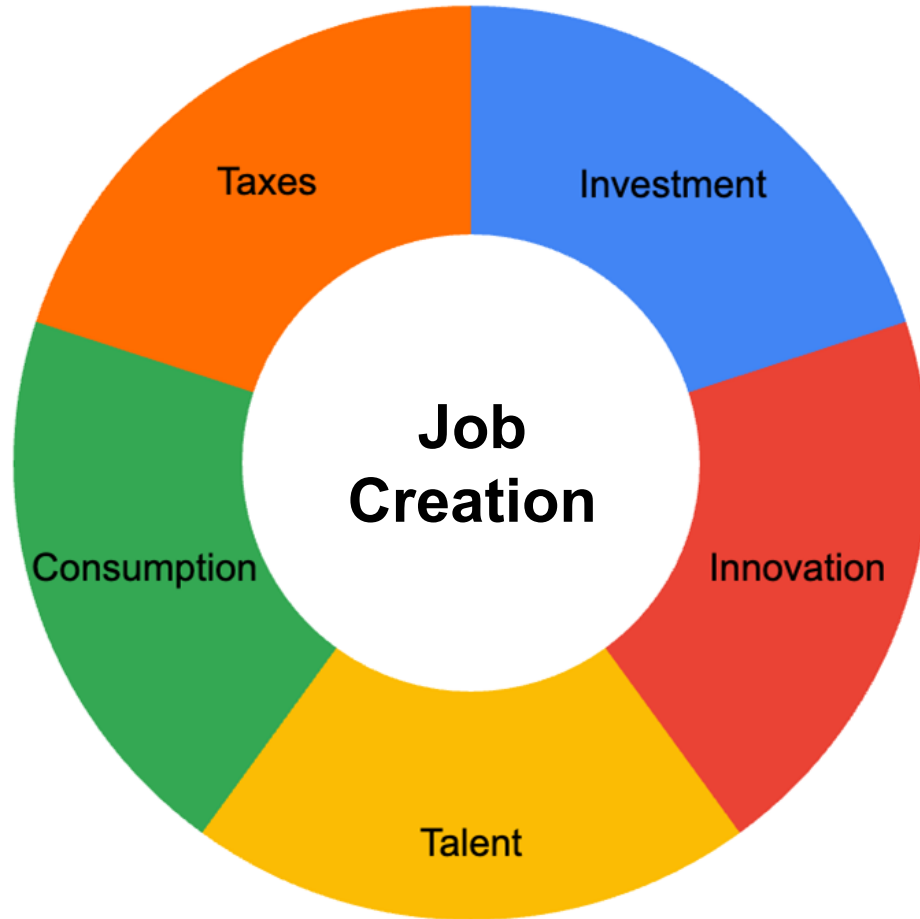
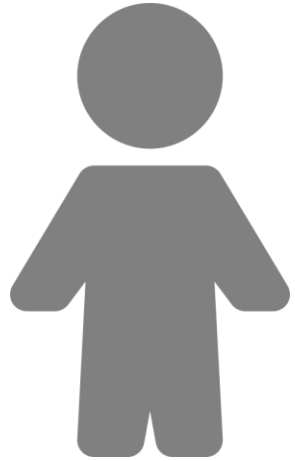
Schrödinger's Immigrant

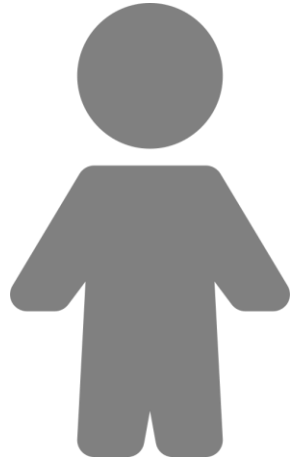
**Lazily
collecting
all the
welfare**



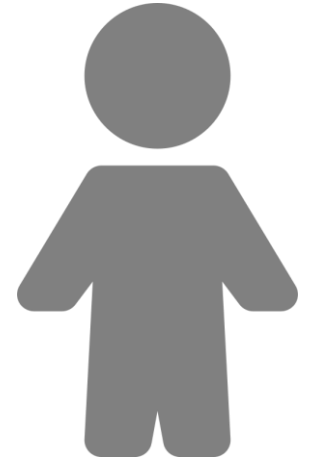
**but also
somehow
taking
all the
jobs**

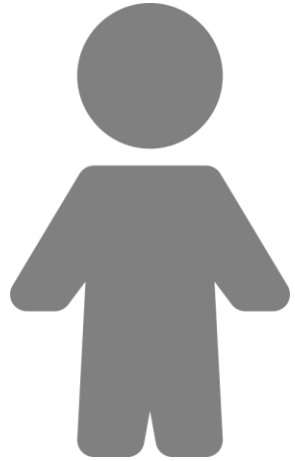
1. Immigrants only (or primarily) contribution to the economy is their labor
2. A worker is a worker is a worker, regardless of origin





Quantity

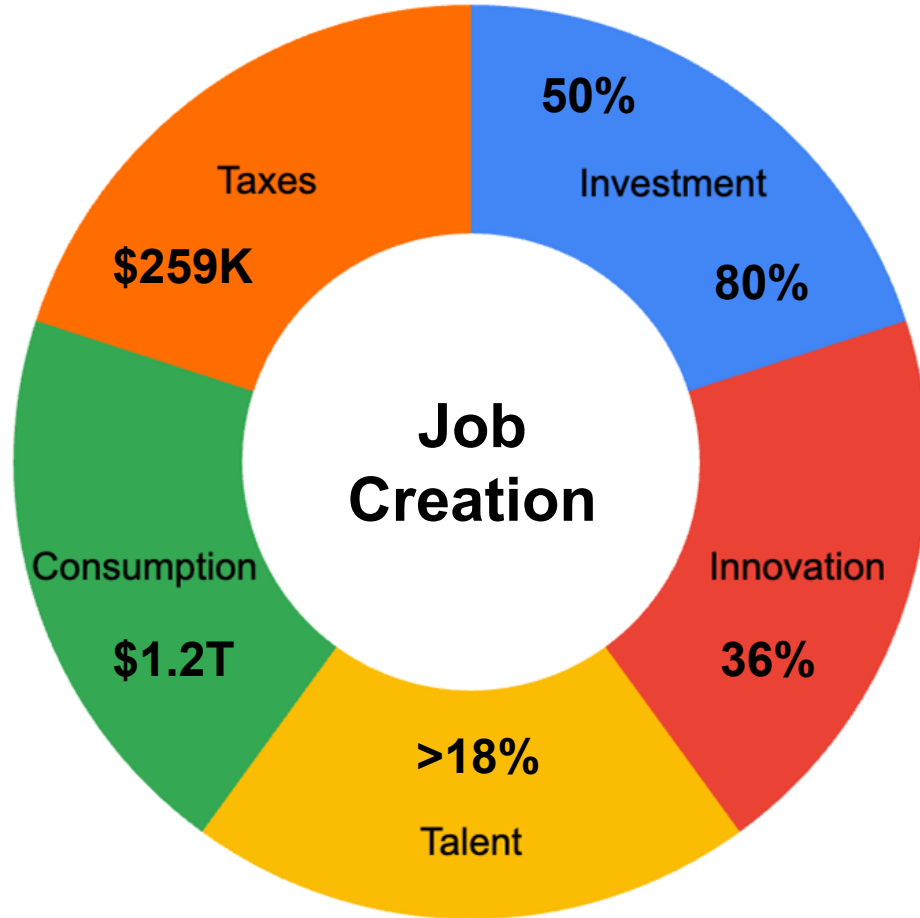
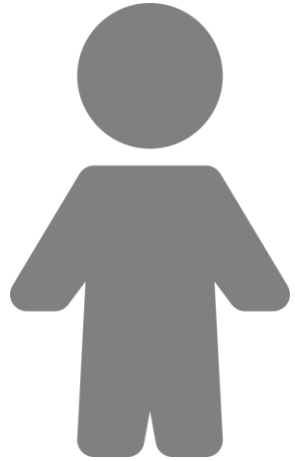




Quantity



Variety



Quantity



Variety

Immigrants are much more than “labor”!

If we don't understand that, we won't understand how firms will react to immigration dynamics or how to design good immigration policy