

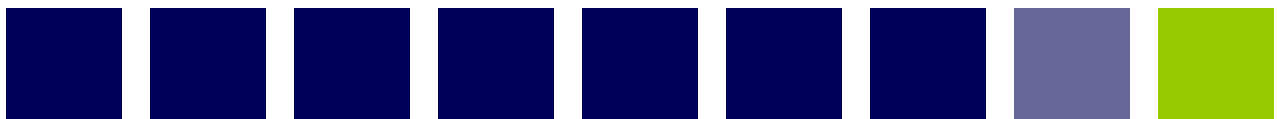


# **Workforce**

**Section IX of the  
2006-2007 Travis County Immigrant Assessment**

**Conducted by  
Travis County Health and Human Services & Veterans Service  
Research and Planning Division**

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## Workforce Overview

### **Community Goal**

The community goals for workforce development are reflected in the following statement:

**To provide enough skilled workers to support growing businesses and industry. To provide all individuals with the opportunity to achieve self-sufficiency.**

(Community Action Network)

The future economic prosperity of the Travis County community will rely on addressing the workforce needs of both businesses and community residents.

### **Highlights**

- Immigrants play a significant and growing role in the U.S., Texas, and local labor forces. Based on projected labor force dynamics, including retirement of the baby boomers, globalization, and technological advancement, they are expected to continue to do so.
- When compared with national averages, many industries in Texas rely more heavily on foreign-born workers. Nearly one in five Texas workers is estimated to be foreign-born.
- Nationally as well as locally, immigrant workers are represented throughout all sectors and occupations. However, they tend to be most concentrated either in jobs that require little formal education or training (such as construction and the service industry) or jobs that require advanced skills and training (such as engineering and medical professions).
- While undocumented workers are legally entitled to most of the same labor protections as other workers, they are often vulnerable to exploitation of their rights, including being denied wages.
- The issue of immigration's effects on the wages and job opportunities of native-born workers has generated much debate. Overall, there is little agreement among researchers regarding immigration's impact on wage effects. As related to job opportunities, immigrant labor generally complements the native-born workforce rather than competes with it. However, the research does show that immigration has likely displaced some low-skilled workers from jobs in some industries.
- Immigrants make significant contributions to the U.S. economy. Immigrants help create new jobs both through their entrepreneurship and by increasing the demand for goods and services. Immigrants also contribute to business's profits and help U.S. companies stay competitive in the global market.

## The Labor Market and Immigrant Workers

Immigrants play a significant and growing role in the U.S., Texas, and local labor forces. To explore this trend, the following describes 1) the conditions associated with the increasing role of immigrant workers, 2) the extent of the growth, and 3) the sectors and occupations in which foreign-born workers are most heavily represented.

### **Labor Market Conditions**

Trying to understand the increased reliance on immigrant workers requires a global perspective on change in the U.S. economy and labor market. These include progression of a technologically-advanced, knowledge-based economy, a shift in labor force demographics including the pending retirement of the baby boomer generation, and increased globalization. Each of these trends is associated with a demand for workers with specific characteristics or skills. Immigrant workers, by nature of their skills, relative youth, or willingness to work for lower wages, often possess these desired characteristics. Thus, the growing role of immigrant workers in the U.S. economy is best considered within the context of these current conditions, described briefly below:

**Changing skill demand:** Due to rapid advancements in technology and a shift toward a knowledge-based economy, businesses need workers with more advanced skills and higher levels of education than in the past. The United States faces challenges to remaining competitive in a global economy including ambiguity around responsibility for meeting training needs and a lesser supply of young, recently trained workers entering the workplace. (United States General Accounting Office, 2004)

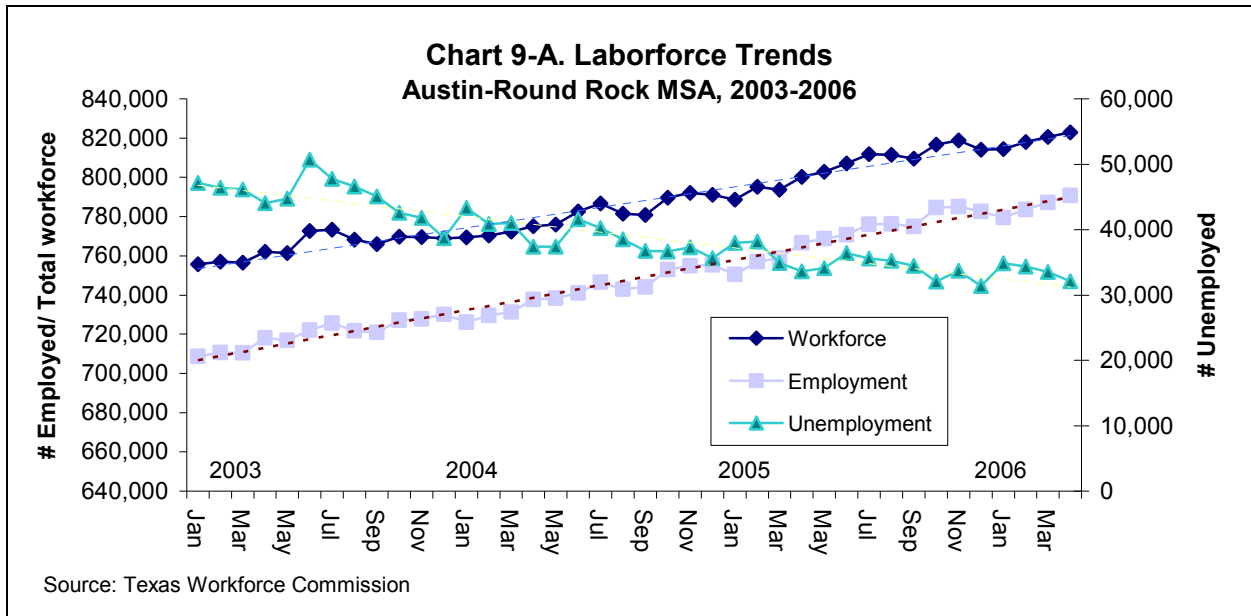
**Shift in labor force demographics:** As the baby-boomer generation reaches retirement age, the U.S. will incur labor shortages. By one national estimate, by 2030, 41 million new workers will enter the workforce, but 76 million will retire (Gunderson, Jones, Scanlan, 2005). Some sectors including energy, education and health are already beginning to feel the impact of this trend. Responding to current and pending labor shortages will require identifying, attracting, and training younger workers. (Krepcio, 2006)

**Globalization:** Although the term has taken on many meanings, economic globalization in the simplest form refers to the increasing share of the world's economic activity that is taking place between people who live in different countries (PREM Economic Policy Group and Development Economics Group, n.d.)<sup>52</sup>. Faced with an increasingly global market, many U.S. businesses have found that remaining competitive means reducing costs. Solutions can include using technological innovation to increase efficiency and/or finding workers who will work for less, whether by bringing the job to the worker (outsourcing) or the worker to the job (through immigration). (United States General Accounting Office, 2004)

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<sup>52</sup> While certainly relevant to the topic of immigration, a comprehensive discussion of the effects of globalization is beyond the scope of this report.

Not only will Austin experience these trends, but local data show that since 2003, the Austin area has experienced a steady growth in the number of people employed, outpacing growth in the workforce, and a rapid decline in the number of people unemployed (see Chart 9-A below).



Shifting labor force dynamics and positive workforce trends create a situation where the local demand for labor may be greater than the supply. Immigrant workers help meet a growing demand for labor across all segments of the regional economy. Such workers are clearly critical in high growth industries where demand has simply outgrown the workforce, like construction and hospitality (see Table 9-A below). Immigrant workers also fill critical skill needs in industries that are not experiencing rapid growth, but are dealing with rapid and dramatic changes in skill needs, such as the need for workers with advanced technical skills to support the manufacturing sector.

Table 9-A. Change in Private Sector Employment: First Quarter 2004 – First Quarter 2006 Largest Industry Sectors, Austin Round Rock MSA		
Industry	# Change in Employment	% Change in Employment
Trade, Transportation and Utilities	10,475	9.3%
Professional and Business Services	12,403	14.3%
Leisure and Hospitality	6,115	9.5%
Education and Health Services	5,794	9.4%
Manufacturing	96	0.2%
Financial Activities	3,388	9.0%
Construction	5,362	15.4%

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Quarterly Census of Employment & Wages

### **Foreign-Born Workers: Numbers and Trends**

Foreign-born workers comprise a substantial and growing part of the Texas labor force. Nearly one in five (20%) Texas workers are foreign-born, compared with 16% of the national labor force. Workers from Mexico and Central America make up 14% of the total Texas labor force, while workers from the rest of the world comprise 6%. In addition to Mexico and Central America, the most common countries of origin for foreign-born Texas workers include Vietnam, India, the Philippines, Germany, China, Canada, England and Japan. (Current Population Survey, 2005)

The foreign-born labor force in Texas is growing at a faster pace than the Texas labor force as a whole. Between 1995 and 2005 the Texas labor force grew by 18%, while the foreign-born labor force in Texas grew by 62% (see Table 9-B below). As of 2005, there were about 2,206,000 foreign-born workers in Texas. The Research and Planning Division of Travis County Health and Human Services estimates that there are between 76,000 and 97,000 foreign-born workers in Travis County and between 123,000 and 157,000 foreign-born workers in the Austin-Round Rock MSA.<sup>53</sup>

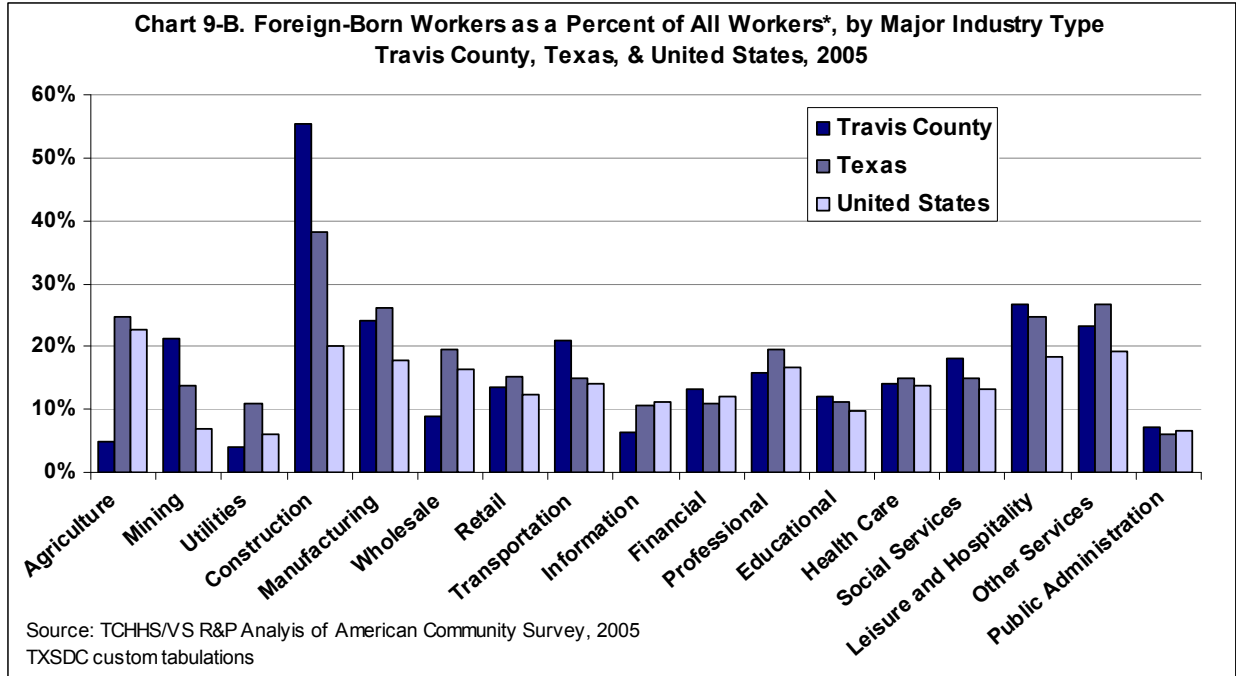
<b>Table 9-B. Size and Growth of Civilian Labor Force by Nativity Texas, 1995 &amp; 2005</b>				
	<b>In Labor Force</b>		<b>Growth, 1995-2005</b>	
	<b>1995</b>	<b>2005</b>	<b>Number</b>	<b>% Change</b>
Total	9,343,048	11,062,332	1,719,284	18%
U.S. Citizen by Birth	7,976,970	8,855,496	878,526	11%
Foreign Born	1,366,077	2,206,837	840,760	62%
Mexico and Central America	936,298	1,521,554	585,256	63%
Rest of world	429,779	685,283	255,504	60%

Source: TCHHS/VS R&P Analysis of Current Population Surveys, 1995 & 2005

### **Foreign-Born Workers: Sectors and Occupations**

Immigrant workers are represented throughout many occupations in the U.S. labor force. Many immigrant workers, particularly recent immigrants from Mexico and Central America, are concentrated in occupations that require little formal education. However, foreign-born workers are also significantly represented in industries that require advanced skills and training such as computer and mathematical sciences. (Congressional Budget Office, 2005) Chart 9-B below indicates the representation of foreign-born workers by major industry type for the United States, Texas, and Travis County.

<sup>53</sup> This figure was estimated by using the 2005 American Community Survey estimate for the number of individuals in the civilian labor force and multiplying it by 15.6% (national percentage of foreign born in the labor force) to get the low end of the range and by 19.9% (Texas percentage of foreign born in the labor force) to get the high end of the range.



\*See footnote<sup>54</sup>

In Texas, foreign-born workers make up at least 10% of the workforce in most major industries. They are most greatly represented in construction (38% foreign-born workforce), other services, including work for private households (27% foreign-born), manufacturing (26% foreign-born), leisure and hospitality (25% foreign-born) and agriculture (25% foreign-born). When compared with national averages, many industries in Texas appear to rely more heavily on foreign-born workers. In Travis County, foreign-born workers are likewise significantly represented in most major industries. In comparison to the United States and Texas, in Travis County, foreign-born workers are more significantly represented in construction (55% foreign-born workforce), leisure and hospitality (27% foreign-born), mining (21% foreign-born), transportation (21% foreign-born), and social services, including childcare (18% foreign-born).

**Local Findings: Sectors and Occupations**

Immigrant focus group participants represented a range of occupations, including engineers and other high-tech workers, professors and teachers, and a professional in the independent film industry. By nature of the focus group sample, many participants were employed doing manual labor and working in service industry occupations. Specific jobs mentioned included cleaning, maintenance, construction and personal care.

<sup>54</sup> For purposes of this analysis “worker” is anyone who has been employed in the previous 5 years. Industry affiliation is based on single job defined as the current job in which the person works the most hours or if currently not employed, the most recent job held. Although this does not provide a perfect snapshot of the current workforce, it provides an overall picture of the industries in which foreign-born workers are concentrated in the country, state and county.

### Special Topic: Day Labor

Day laborers are workers who search for work each day, typically near home improvement stores, intersections, or day labor worker centers. Nationally, day laborers are typically undocumented immigrants (75%), are most often employed by private homeowners/renters (49%) or contractors (43%), and are usually hired for construction, moving, and gardening or landscaping (Valenzuela, Theodore, Melendez & Gonzalez, 2006). To date, no comprehensive local research on day laborers exists, although anecdotally local issues and trends mirror the national picture. Based on a rough estimate of visits to the major known day labor sites, on any given day, 400 day laborers may be looking for work in the Austin area (Emily Timm, personal communication, August 12, 2006).

As in other labor markets, day labor can be explored as an issue of supply and demand. The day labor market and day labor hiring sites support employer demand for a flexible supply of workers to provide manual labor on an as needed basis. For many workers, day labor is the first job they hold upon arrival in the United States and may offer a way to gain the skills, experience and contacts necessary to secure permanent employment. Some workers may seek day labor opportunities to supplement another, often part-time and low-paying job, while others may transition between the day labor market and the traditional job market, as opportunities, especially in low-wage jobs, tend to fluctuate with the economy. (Valenzuela et al., 2006)

Day laborers' informal relationship with the labor market and typical worker characteristics (such as newly-arrived immigrant status, limited English proficiency, and lower education or skill levels) make them vulnerable to workplace abuses and health and safety risks (United States General Accounting Office, 2002). A national survey of day laborers found that 67% have missed work due to injury, 49% have been denied payment for work they have completed, and 44% have been denied food, water, or breaks (Valenzuela et al., 2006). Many of these abuses have been anecdotally reported in Austin/Travis County as well. In addition, many workers report injuries including falls, cuts, puncture wounds, and damage to ears, eyes and respiratory system. Overtime and minimum wage laws are also inconsistently applied in cases involving day laborers. (Emily Timm, personal communication, August 12, 2006)

Even when no clear violations or abuses exist, day laborers often face other challenges. Many make well below a living wage and even a regularly employed worker will usually earn under the federal poverty level within a given year (Emily Timm, personal communication, August 12, 2006). Additionally, day laborers may not be welcome in neighborhoods or near the businesses where they search for and are hired for work (Chavez, 2005).

## Immigrant Workers, Immigration Policy, & Employment Law

For some foreign-born individuals, work is what brings them to the United States; others come to reunite with family, attend school, or escape persecution, but seek employment once they arrive. Immigrants vary greatly in the opportunities that are available to them as well as in their workplace experiences. Some immigrant workers, particularly those with legal status, visas tied to their employment, and/or higher educational attainment and skill levels may have little difficulty securing employment that offers acceptable wages and good working conditions. Others may face some challenges. Those with lower educational attainment, fewer job-related skills or lack of legal status may face low wages or be vulnerable to discrimination, exploitation, or substandard working conditions. Some immigrants may find that the education, occupational skills, and licenses they acquired in their home country do not translate easily into the U.S. job market. Those authorized to live in the United States on a non-work related temporary visa may learn that the terms of their visa do not allow them to work in the U.S.

The following section describes groups or categories of immigrant workers including their typical characteristics and related immigration policy.

### ***Categories of Immigrant Workers***

**Lawful Permanent Residents:** Some foreign-born individuals are granted status as lawful permanent residents (green card holders) because their job skills meet an employer's needs where there are no U.S. workers qualified, willing, or able to fill the position. These individuals may obtain a visa in their country of origin or may already be living in the United States (perhaps on a student or work visa) and apply for an adjustment of status<sup>55</sup>. Highest priority for employment-based preference is given to highly educated or skilled individuals such as professors, executives, or doctors. Nationally, individuals granted employment-based preferences typically account for a relatively small portion (10-17%) of foreign-born individuals who are granted legal permanent residence each year. (Jefferys, 2005)

Other individuals are granted lawful permanent resident status through sponsorship by a family member, based on status as a diversity immigrant, or as a refugee or asylee<sup>56</sup>. For individuals belonging to these groups, work is not the reason for coming to the U.S., however they are authorized to seek employment and to work.

#### **Special Topic: Refugee and Asylee Workers**

Refugees and asylees are persons who face or fear persecution in their country of origin and seek safety in the United States (or in one of many of the other countries that offers refuge to these groups (Jefferys, 2006). Although refugees and asylees don't come to the United States for work, many seek employment upon arrival. In order to assist with the transition, the federal government funds resettlement services through the State of Texas and community-based organizations (Office of Immigration and Refugee Affairs, 2002). Despite such services, a 2004 University of Texas study found that refugees in Austin/Travis County may face multiple barriers to obtaining employment including limited English proficiency and literacy, transportation, and childcare. Those who are able to secure employment may still face barriers to self-sufficiency including low wages and underemployment. Additionally, refugees and asylees may find that the education, occupational skills, and licenses they acquired in their home country may not translate easily into the U.S. job market (Busch, Fong, Cook Heffron & McClendon, 2004).

<sup>55</sup> A variety of temporary nonimmigrant visas, including student visas and work visas can convert to lawful permanent resident status, assuming availability of an immigrant visa. For a more comprehensive discussion of immigration policy and eligibility for legal permanent residence status please see the Immigrant Policy, Process and Legal Rights section of this report. There are also undocumented individuals waiting for the completion of labor certifications filed prior to April 30, 2001. Upon successful completion of the process and payment of an additional \$1000 fine, these individuals are eligible to adjust their status pursuant to section 245i of the Immigration and Nationality Act.

<sup>56</sup> The major categories under which lawful permanent residence is granted include: family sponsored preferences, employment preferences, diversity immigrants, and refugees or asylees. The majority of foreign-born individuals who are granted legal permanent resident status each year are family-sponsored immigrants. For a more comprehensive discussion of immigration policy and eligibility for legal permanent residence status please see the Immigrant Policy, Process and Legal Rights section of this report.

**Individuals with Temporary (Nonimmigrant) Visas:** Under current United States law, a limited number of foreign-born individuals are able to obtain temporary legal status to work in the United States each year. Temporary workers are admitted to the United States for a specific period typically ranging from a few months to several years. While in the United States, temporary workers are restricted to the job and length of stay designated in their visa. However, in some cases, visa holders may apply to extend their initial period of stay. Those who meet certain eligibility requirements may also apply to adjust their status to lawful permanent residence if there is a visa available. Because nonimmigrant visas are issued for a specific purpose, foreign-born individuals who have a visa tied to something other than work, for example a student visa, may be authorized to live, but not to work in the United States. (Greico, 2006)

In 2005, the consular offices of the U.S. Department of State issued 303,420 temporary work-based visas to foreign-born workers/trainees; nearly half of these issuances (124,096)<sup>57</sup> were on employer sponsored H-1B visas for specialty occupations that require at least a bachelor's degree or its equivalent (U.S. Citizenship and Immigration Services, n.d.c; U.S. Department of State, 2005).

**Undocumented Workers:** Undocumented workers are either those who have entered the United States without the documents required by the Department of Homeland Security or those who have entered the United States with a valid visa, but have remained in the country past its expiration. There are an estimated 7.2 million undocumented workers in the United States (nearly 5% of the total civilian labor force). In general, undocumented workers are often employed in occupations that require less formal education, have no licensing requirements, and where individuals can learn the skills needed through on-the-job-training. Nationally, the largest numbers of undocumented workers are employed in service occupations (31%), followed by construction (19%), and production, installation and repair (15%). (Passel, 2006)

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<sup>57</sup> Figure based on TCHHS & VS analysis of U.S. Department of State nonimmigrant visa workload data of work related visa categories as defined by the U.S. Department of Homeland Security in Grieco, 2006.

### Local Findings: Experiences of Immigrant Workers in Travis County

Focus group participants shared a range of experiences working in Travis County. The variation in responses suggests a link between the type of employment and level of job satisfaction. Those in professional positions generally reported positive work experiences, while those in lower wage service occupations or manual labor jobs described both positive work experiences and a number of significant challenges.

Participants employed in professional positions generally expressed satisfaction with their work noting flexibility in their work schedules and pride in the contributions they made through their jobs. The most common challenge for professional workers was balancing work and family. One participant explained that in the United States there is a general expectation for longer work hours and less personal or family time.

Among participants employed in low wage service industry jobs or doing manual labor some described positive experiences<sup>5</sup> including job satisfaction and pride in their work:

- [We] are the ones that get things done! We are the [workers] that are more efficient.
- I do maintenance work. My idea of a good day is a satisfied customer.
- [A good day for me is] doing a job well and finishing it completely.

Many also described many challenges they faced in their work as listed below:

**Work Authorization:** Focus group participants shared difficulties obtaining or renewing work authorization. One individual explained: “I worked very hard to renew my Employment Authorization Document [EAD]. The immigration system is not set up to complete the EAD renewal in enough time without problems. The EAD is the most important document, more important than the permanent residence card. Some [of my] other co-workers did not get their EAD renewal in time and cannot continue to work.”

**Credentials and Licenses:** In focus groups, individuals discussed recertification, licenses and education. Some noted that their former credentials had never been acknowledged. Others wished they had more information on how their credentials from their native countries could be accepted or adjusted to allow them to work in the United States in their field of training.

**Health and Safety:** Individuals spoke of the dangerous nature of their work and the physical toll that work often took on their bodies:

- “I work with potentially dangerous machinery and it is a miracle that I haven’t cut my hand off.”
- “I work with electric saws that are exposed. It is surprising that we don’t get hurt at work.”
- “Mexicans come here to kill themselves—to work they abuse their bodies. The body in the process gets worn down physically.”

**Language and Job Skills:** Participants explained that their limited English proficiency posed challenges and noted the need for ESL classes and vocational training:

- “I have had a lot of difficulty finding work. I lost my husband and need to support myself and my two children but I have a very limited knowledge of English. I have had problems because of the limited, part-time jobs. There is not enough training for low-income people like myself.”
- “I don’t see a way for us to progress without more training. We need more skills based training.”
- One individual explained that he gets upset when he makes a mistake at work, especially if it is because he can’t understand the language.

**Discrimination:** Another challenge participants described is discrimination. One man described that the most challenging days for him are when he is underestimated at work because he is an immigrant. He wants people to know that immigrants are [as] skilled [as others] and wishes that people were not judged on their ethnicity. Another explained that he had a supervisor who he felt discriminated against him because he is an immigrant.

**Low wages:** Participants frequently cited low wages as a challenge they face. For many immigrants this issue can be magnified if they are working to support themselves and their family in their country of origin.

- “Gas is very expensive and salaries are very low in Austin. It’s really difficult to make ends meet with the mix of those two factors.
- “I need to find another job. I get paid \$200 every 15 days and I work from 7:30-4:30 helping a woman who cooks for a living. I can’t make ends meet with that kind of salary.”
- “Right now I am working 13 to 14 hours a day to help my family because they are also very poor.”
- “A principle challenge is trying to earn enough money to send back every day.”

## Rights and Protections for Immigrant Workers

Foreign-born workers, regardless of immigration status, are legally entitled to most of the same labor protections as any other worker (with the exception of unemployment benefits). Foreign-born workers are covered under the United States employment laws shown in Table 9-C below:

Law	Description
<b>Fair Labor Standards Act (FLSA)</b>	Protects the wage and hour rights of workers and mandates minimum wage and overtime payments
<b>Occupational Safety and Health Act (OSH Act)</b>	Provides workplace health and safety protections
<b>National Labor Relations Act (NLRA)</b>	Prohibits employers from engaging in unfair labor practices against employees and unions
<b>Civil Rights Act of 1964 Title VII</b>	Prohibits discrimination on the basis of race, gender, religion and national origin

Source: Yasui, 2002; Grantmakers Concerned with Immigrants and Refugees, 2003

While all U.S. employers are required to follow standards set under labor and immigration laws, instances of discrimination, exploitation, and substandard working conditions do exist (Grantmakers Concerned with Immigrants and Refugees, 2003). Following are common reasons that despite laws and protections, discrimination and exploitation still occur:

- **Existing labor laws and protections are not consistently enforced.** Confusion amongst the courts and agencies charged with enforcement may lead to some groups of workers, such as day laborers, being wrongly excluded from coverage under FLSA, OSH Act, or NLRA. (Yasui, 2002; Grantmakers Concerned with Immigrants and Refugees, 2003)
- **More recently arrived immigrants and those with lower levels of education, skills, or limited English proficiency may have few options for work and limited knowledge about their rights and protections.** This often means they are more willing to accept lower wages, substandard jobs offering few benefits or protections, or jobs that incur greater health risks. Foreign-born workers may not be aware of labor protections available to them, their rights as employees under the law, or dangers associated with hazardous work conditions. (United States General Accounting Office, 2002)
- **Undocumented workers often fear deportation.** Thus, they are more likely to endure abusive practices or other violations in order to remain undetected, rather than file a complaint or report an unsafe condition. (United States General Accounting Office, 2002; Grantmakers Concerned with Immigrants and Refugees, 2003)

### Local Findings: Workers Rights Abuses

Focus group participants described the following workers rights abuses that they or their family members had experienced while working in the Austin/Travis County community:

- “The work here is brutal, especially in carpentry. The conditions in which we work are awful. Sometimes we have not breaks, no water.”
- “There is not health care when people do get hurt.”
- “My husband had a problem with a contractor not paying him. My husband went to his house and waited outside, but no one answered the door.”

In Austin/Travis County there are several efforts to prevent or address abuses of workers rights. For example, **Proyecto Defensa Laboral (The Worker’s Defense Project)**<sup>58</sup> assists immigrant workers to recover unpaid wages, helps to organize and support day laborers in defending their labor and civil rights, and offers a worker empowerment leadership course. **First Workers, the City of Austin Day Labor Center**, offers a place where customers and day laborers can exchange work for pay in an organized and supervised environment where both parties are provided with direct assistance to facilitate the hiring process.

## Immigrant Labor and the U.S. Economy

In recent years, a flurry of debate has centered on the impact of immigrant workers on the U.S. economy and the subsequent wages and job opportunities for native-born U.S. workers. This complex and many-sided issue is best considered in the context of a global and rapidly changing economy. Here are some of the issues:

**Overall, immigrant labor complements the native-born workforce rather than competes with it. However, some competition does exist.** During the past 50 years, the native-born U.S. labor force has been aging and becoming better educated. In the 1960s much of the work that is typically performed by immigrants in today’s economy was done by the 40% of the U.S. born workforce that did not have a high school diploma. In general, less-educated immigrants support growing industries (such as personal services, retail, elder care) or work in those (such as agriculture, gardening) for which wages tend to be low and the supply of native-born workers is limited. On the other side of the educational spectrum, while the U.S. labor force is becoming better educated, it is not highly educated enough to remain globally competitive in fields such as science and engineering. In these fields, contributions of foreign-born workers keep the U.S. competitive in innovation and new product development. Still, some competition for jobs does exist. A recent review of the literature on job displacement found that most research suggests that immigration has displaced some native-born low-skilled workers<sup>59</sup>.

<sup>58</sup> Formerly known as Central Texas Immigrant Workers Rights Center (CTIWorc) a program of the Equal Justice Center

<sup>59</sup> The authors of the literature review report that they are unaware of any studies that have focused on job displacement among the highly skilled. The authors also acknowledge that while a review of the literature does show some job displacement and/or native exclusion within given sectors or cities, one criticism is that many of these studies have looked where one would expect to find impact.

Effects may vary by industry type and geography and may be most observable when the U.S. economy is slowing. (Jacoby, Johnson, Orrenius, & Siciliano 2006; Holzer, 2005; Murray, Batalova & Fix 2006)

**There is little agreement among researchers regarding immigration's impact on wage effects** (Murray, Batlova & Fix, 2006). For example, Harvard University economists Borjas and Katz calculated that during the period, 1980-2000, immigrant labor *reduced* earnings of the native born by 3 to 4 percent, with greater impact on those with less than a high school diploma or equivalent and a lesser impact among other groups. The research of other economists, such as that of Professor David Card of Berkley has shown little or no negative effects of immigration on the wages of native-born workers. (Holzer, 2005) Finally, Giovanni Peri (2007) calculated that between 1990 and 2004, immigration produced a 4% real wage *increase* for the average native-born California worker.

**Immigrant workers help to create jobs and sustain jobs.** Immigrants are consumers as well as workers; they not only increase the supply of labor but also increase the demand for goods and services. In addition, immigrants are business owners and increasingly play a role in starting and growing small-and medium-sized businesses. (Jacoby, et al., 2006)

**Immigrants contribute to business profits, lower costs for consumers, help keep jobs in the U.S., and allow U.S. companies to stay competitive in the global market.** The labor of immigrants helps to stabilize U.S. businesses and keep jobs in the United States. Immigrant workers often supply the manual labor needed by businesses and frequently do so for low wages (lower levels of educational attainment typically correlates with lesser pay). This helps businesses lower their costs (which may be passed on to the consumer) and increase their profits. In a global market, if low wage workers are not available, companies may close or look for cheaper labor overseas. In cases of relocation or closing, job loss may ensue for native-born workers who hold positions with that company. (Jacoby, et al., 2006; Holzer, 2005)

**While immigrant<sup>60</sup> workers use services that are supported by public tax dollars, they also pay into tax systems.** Immigrant workers and their families do rely on local public services; perhaps most notably school districts and public health systems. They also pay sales and property taxes, which in Texas are the two significant forms of tax revenue to fund local and state public services. However, lower income immigrants, like other low-income residents, tend to contribute less tax revenue<sup>61</sup> than higher earning workers. In December 2006, the Texas Comptroller of Public Accounts released a financial analysis of the impact of undocumented immigrants on the FY2005 Texas state budget and economy. The Comptroller's office concluded that the state revenues collected from undocumented immigrants exceeded state expenditures on services by \$424.7 million. However, the Comptroller's office also estimated that local governments and hospitals collectively spent \$928.9 million more on health care and incarceration costs than they received in revenue from undocumented immigrants (Strayhorn,

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<sup>60</sup> While statement is applicable to immigrants as a group, typically discussion or debate on this issue refers to undocumented immigrants.

<sup>61</sup> This refers to lesser amount, not lesser proportion.

2006). As related to Federal benefits, many undocumented immigrants actually pay into the social security system although they are not eligible to receive social security benefits and thus are actually subsidizing the system for native-born workers (Lowenstein, 2006). Undocumented immigrants are not eligible for federal benefits such as Food Stamps; however children of undocumented immigrants who are U.S. citizens are eligible to receive these benefits ("USDA Issues Guidance," 2003). Immigrant eligibility for federal benefits is described in greater detail in the Economic Safety Net section of this report.