

IMMIGRATION POLICY FOCUS

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MEXICAN IMMIGRANT WORKERS AND THE U.S. ECONOMY:

An Increasingly Vital Role

AMERICAN IMMIGRATION LAW FOUNDATION



AFP Photo/Jeff Kowalsky

“...We both recognize how important the contribution to our economy the Mexican workers have made; that we want people treated with respect; that we both have a mutual and shared responsibility to make sure our border is safe, and that we enforce the border; that I hope to come forward with a program that will pass the Congress, that deals with guest workers with some sense of normalization. And I would like to do that as soon as possible.”

—U.S. President Bush speaking to Mexican President Fox, September 6, 2001.

EXECUTIVE SUMMARY

The dialogue between the United States and Mexico, culminating in the Bush-Fox visit of September 5, 2001, promised to open exciting new ways for the two countries to regularize the historic migration relationship between them. The two Presidents discussed making “legality” the norm — regularizing the status of millions of undocumented Mexican immigrants working hard, paying taxes, and raising families in America, and providing new temporary programs for those who wish to work in the U.S. and return home.

One week later, the most horrific acts of terrorism the United States has ever known brought the U.S.-Mexico discussions to a complete halt as America scrambled to address security issues and to bring to justice those responsible for the attacks.

During the months that followed, Congress and the Bush Administration implemented a series of new laws, executive orders, regulations, and other directives that sought to make America safer from future attacks. Yet while these new security provisions were undertaken, the immigration issues facing the United State and Mexico did not disappear. The need to address these issues remains as critical as before, based on the American Immigration Law Foundation’s review of recent government data about the impact of Mexican workers on the nation’s economy. Among AILF’s findings:

Mexican Workers Are Integral to U.S. Economic Growth. The portion of Mexican workers in the U.S. workforce has doubled during the past decade, as they become more integral to the nation’s economic growth. While other immigrant groups also perform these essential worker jobs, the size of the Mexican population makes its impact on the U.S. economy more quantifiable.

Mexican Workers Are Filling Needed Jobs in New Geographic Areas. Mexican workers are becoming increasingly important in locations throughout the nation not previously known for large immigrant populations, including southern states such as Mississippi and Tennessee.

New Jobs Will Not Require Advanced Education. Nearly 43 percent of all job openings by 2010 will require only a minimal education, at a time when native-born Americans are obtaining college degrees in record numbers and are unlikely to accept positions requiring minimal education.

America’s current immigration policies are antiquated and fail to recognize the importance of Mexican workers to the national economy. A year has now passed since the Bush-Fox visit of 2001. The nation must act to reform immigration laws so that they give the immigration system the integrity to keep Americans safe, while at the same time giving businesses the essential workers they need to succeed. U.S. immigration law must provide ways for Mexican workers to enter and remain in the U.S., in both temporary and permanent status, with protections to assure that they have the dignity and respect they deserve, given the important contributions they make to America. The status quo can no longer be accepted if the United States is to remain the world’s leading economy.

MEXICAN IMMIGRANT WORKERS AND THE U.S. ECONOMY: An Increasingly Vital Role



The impact of Mexican immigration on the United States has been a major focus of policymakers and the public for well over a decade now. Federal legislation passed in the 1980s and 1990s was directed to a large extent at the perceived impacts of the ongoing arrival of tens of thousands of Mexican immigrants to the U.S. Similarly, local elected officials, members of the news media, and the general public regularly contend with understanding and responding to the movement of Mexican immigrants into communities across the nation.

American employers in a wide variety of industries, however, clearly recognize the value of Mexican immigrant workers. U.S. industry has hired and continues to seek to hire large numbers of Mexican workers due to significant worker shortages in America, fueling a dramatically increased role for Mexican immigrants in the national economy.

In the 1990s alone, the number of Mexican immigrant workers in the U.S. grew by 2.9 million persons, a 123 percent increase in this segment of the labor force. In contrast, the overall number of American workers grew by only 13 percent in the same period.

UNEMPLOYMENT RATE AT HISTORICALLY LOW LEVEL

The supply of Mexican workers has been critical to the expansion of U.S. industry in the last decade. Even while absorbing 2.9 million Mexican workers in the 1990s— who represent 19 percent or one of every 5 new workers joining the labor force in the period — the U.S. workforce overall saw its unemployment rate fall from 6.3 percent in 1990 to 3.9 in 2000. Far from leading to an oversupply of workers, the arrival of significant numbers of Mexican workers has permitted American employers to have access to needed personnel in a tight labor market.

The owners and managers of factories, restaurants, hotels, construction sites, hospitals, orchards, and innumerable other places of employment have been clear about their need for con-

tinued access to immigrant workers, a large portion of whom, statistics show, come from Mexico. Testifying on U.S.-Mexico migration before the U.S. Senate, Thomas J. Donahue, President and CEO of the U.S. Chamber of Commerce asked “Who will fill the millions of essential worker positions that we will create? Immigration must be one answer.”¹

Other organizations such as the American Health Care Association, the American Hotel and Motel Association, and the National Association of Home Builders have written to Congress in recent years describing businesses who find themselves “with no applicants of any kind for numerous job openings.” They cite the comments of Alan Greenspan, Chair of the Federal Reserve Board, that the inflationary pressures caused by a tight labor market can be alleviated “if we can open up our immigration rolls significantly.” Even in Summer 2002, with well-publicized declines in the stock market, unemployment in the U.S. was 5.9 percent in June 2002, still well below unemployment rates of over 7 percent in the early 1990s. And despite a slight increase in the unemployment rate, employers still cannot find sufficient workers in the housing, retail, and service industries, with the U.S. Bureau of Labor Statistics projecting that 22 million new jobs will be created by 2010, with 70 percent of those requiring only on-the-job-training.²

Employers cannot find sufficient workers in the housing, retail and service industries.

ESSENTIAL WORKER JOB OPENINGS INCREASE

For American employers, Mexican immigration plays a critical role in efforts to maintain a sufficiently large pool of workers in part because of the close match between the needs of employers and the job readiness of Mexican immigrant workers, especially in “essential worker” categories, which are considered both unskilled and semi-skilled workers. The U.S. Department of Labor reports that of the top 30 occupations with the largest projected job growth in the 2000-2010 period, 16 are job categories that require only “short-term, on-the-job training.”

In fact, the Labor Department reports that by 2010 some 24.7 million jobs will open up for persons with minimal education levels, and that these jobs will represent nearly 43 percent of all projected openings (Table 1). Another 15.1 percent of expected employment opportunities will require only “moderate-term on-the-job training” without college, according to the Labor Department. With rising educational levels among native-born workers — 90.5 percent had a high school degree in 2000 compared to



86.8 percent in 1990 — immigrant workers are necessary to fill gaps in the labor force.

As citizens of a developing nation, many Mexican immigrants may have relatively low levels of formal education, but they have the necessary skills that are compatible with numerous jobs being created in the U.S. Furthermore, Mexicans experience pressures to emigration in search of jobs because of high unemployment in their home country. Under this scenario, Mexican immigrants are an obvious source of recruits for American employers.

Table 1

JOB OPENINGS BY LEVEL OF EDUCATION OR TRAINING NEEDED, 2000–2010

(Numbers in Thousands of Jobs)

Training Required	Number of Job Openings	Percent of All Openings
B.A. Degree or Higher	12,130	20.9
Associate Degree or Vocational Award	5,383	9.3
Work Experience in a Related Occupation	3,180	5.5
Long-Term on-the-Job Training	3,737	6.5
Moderate-Term on-the-Job Training	8,767	15.1
Short-Term on-the-Job Training	24,735	42.7

Source: U.S. Department of Labor, Bureau of Labor Statistics

INCREASED RELIANCE ON MEXICAN IMMIGRANT WORKERS

While the record for the highest level of U.S. immigration remains the decade of the 1900s (with immigrants accounting for 13.6 percent of the population), the decade of the 1990s did see the foreign-born population grow by 10.7 million persons (10.4 percent of the population).³ Mexican immigration was a key part of this phenomenon. The Mexican foreign-born population grew by 104 percent during the 1990s, from 4.3 million to 8.8 million persons overall. Mexicans were 42 percent of all the new immigrants that came to this country during the 1990s.

As the Mexican foreign-born population grew in the 1990s, it became an increasingly important part of the U.S. labor force. While Mexican immigrants were 2.0 percent of the U.S. labor force in 1990, by 2000, this had nearly doubled, with Mexican immi-

grants accounting for 4.0 percent of the U.S. workforce.

Almost every major industrial sector experienced a dramatic increase in its reliance on Mexican workers in the 1990s. As seen in Table 2, the percent of agricultural and related workers who were born in Mexico jumped from 8.8 percent in 1990 to 15.3 percent. The construction industry workforce was 3.3 percent Mexican foreign born in 1990 but by 2000 this had grown to 8.5 percent. Mexican immigrants were 3.5 percent of nondurable goods manufacturing employees in 1990, but were 9.1 percent in 2000. Mexican workers were increasingly important to two sub-sectors of the service industry. The percent of service workers providing administration and support grew from 4.0 percent in 1990 to 9.1 in 2000. The percent of service workers providing accommodations and food increased from 4.2 percent to 9.5 percent.

Mexicans accounted for 42 percent of all new immigrants during the 1990s.

Table 2

NEARLY ALL MAJOR INDUSTRIES INCREASED RELIANCE ON MEXICAN IMMIGRANT WORKERS

	Mexican Immigrants as Pct. of Workforce 1990	Mexican Immigrants as Pct. of Workforce 2000
Agriculture, Forestry, Fishing and Hunting	8.8	15.3
Mining	1.5	3.0
Utilities	1.0	0.7
Construction	3.3	8.5
Mfg. - Nondurable Goods	3.5	9.1
Mfg. - Durable Goods	2.8	4.7
Wholesale Trade	2.3	4.9
Retail Trade	1.3	2.5
Transportation and Warehousing	1.1	2.5
Information	0.5	1.7
Finance and Insurance	0.4	1.0
Real Estate and Rental and Leasing	1.1	2.8
Services	1.6	3.3
Total	2.0	4.0

Source: 1990 Census and Census 2000 Supplementary Survey

The presence of Mexican foreign-born workers is especially notable in certain specific industrial categories. Mexican employees are 4.0 percent of all workers nationally, but they are represented at twice this rate in 19 detailed industrial categories. As seen in Table 3, Mexican workers are 8 to 11.9 percent of



workers in 11 industrial categories, such as construction and plastics manufacturing. Mexican immigrants were between 12.0 to 15.9 percent of all employees in 5 industries, including bakeries and furniture manufacturing, and there were 5 industries in which Mexican immigrants were at least 16.0 percent of all workers. Indeed, in these five latter industries, which included crop agriculture, fruit and vegetable manufacturing, animal slaughter, and landscaping, Mexican workers were more than one-fifth of the entire workforce.

Table 3

INDUSTRIES WITH HIGH USE OF MEXICAN WORKERS

Industry	Mexican Immigrants as Pct. of Workforce 2000
Agriculture - Crops	22.9
Agriculture - All Other (Except Animal)	10.9
Construction	8.5
Mfg. - Fruit and Vegetable	22.3
Mfg. - Animal Slaughter	26.8
Mfg. - Bakeries	15.2
Mfg. - Other Food	9.4
Mfg. - Textile Mill	9.7
Mfg. - Apparel	15.6
Mfg. - Plastics	10.4
Mfg. - Lumber/Wood	8.7
Mfg. - Furniture	12.2
Wholesale - Grocery	10.6
Professional - Services to Buildings	13.2
Professional - Landscaping	22.6
Entertainment - Restaurant and Drink	10.0
Service - Car Washes	28.0
Service - Drycleaning	10.4
Service - Private Household	13.4

Source: 1990 Census and Census 2000 Supplementary Survey

MISSISSIPPI & TENNESSEE AMONG STATES BENEFITING FROM ACCESS TO MEXICAN AMERICAN WORKERS

In 1990, just 3 states — California, Texas and Illinois — accounted for about 85 percent of all Mexican immigrant workers. By 2000, however, only some 68 percent of Mexican workers were in those states, and new patterns of immigration had developed, often in areas not traditionally associated with Mexican immigration.⁴

Table 4 shows the remarkable growth of the Mexican labor force in each regional division of the United States during the 1990s.⁵ (These are official Census Bureau regional definitions.) The number of Mexican workers grew by at least 100 percent in 8 of 9 U.S. regions. The number of Mexican workers increased most impressively in the East South Central states of Alabama, Kentucky, Mississippi and Tennessee, where the population grew by 3,800 percent, adding 112,000 workers to the region's labor force. The West North Central states, stretching from Minnesota and North Dakota down to Missouri and Kansas, saw the Mexican workforce grow by 520 percent. Mexican employees in the South Atlantic regional division, ranging from Delaware to Florida, grew in number by 493 percent.

While the most striking percentage growth in the Mexican labor force took place in the southeast and in the central part of the nation, the greatest numerical growth occurred in the Pacific states, which added 954,000 Mexican workers in the 1990s. Most of this growth was in California, whose Mexican workforce grew by 864,000. Second to the Pacific states was the West South Central regional division including Arkansas, Louisiana, Oklahoma and Texas. The region's number of Mexican workers increased by 540,000, with the great majority of the increase in Texas, which added 510,000 Mexican workers.

New patterns of immigration have developed, most notably in Southern states.

Table 4

NUMERIC AND PERCENTAGE GROWTH OF MEXICAN IMMIGRANT WORKERS, BY U.S. REGIONAL DIVISION

	Percentage Growth of Mexican Workers, 1990-2000	Numeric Growth of Mexican Workers, 1990-2000	2000 Population of Mexican Workers
New England	361%	19,562	24,984
Middle Atlantic	353%	138,900	178,282
East North Central	141%	273,720	467,363
West North Central	520%	94,242	112,376
South Atlantic	493%	318,268	382,772
East South Central	3,808%	112,289	115,238
West South Central	118%	539,563	998,033
Mountain	274%	403,293	550,290
Pacific	69%	954,216	2,336,396
Total	123%	2,854,053	5,165,734

Source: 1990 Census and Census 2000 Supplementary

NEED CONTINUES FOR SECURE AND EFFICIENT ADMISSION SYSTEM



Prior to the events of September 11, 2001, President Bush and national policymakers were in the process of devoting substantial resources toward an overhaul of American immigration policies toward Mexico with an eye to facilitating the flow of workers northward. Policy experts debated both an earned adjustment and an improved temporary worker program.

The war on terrorism has temporarily assigned a less urgent status to the question of American policies toward Mexican immigration, but the underlying labor needs of U.S. industries and employers have not fundamentally changed, and many observers urge renewed attention to Mexican immigration⁶. Within this context, it bears consideration of how efficiently Mexican workers — given their documented demand by U.S. employers — are currently able to enter the U.S..

Most Mexican workers enter the U.S. under several broad categories. On an on-going basis, the great majority enter under the family reunification system, some enter via the employment-based visa system, and still others come as temporary workers. (On a one-time basis, a large number of Mexican workers acquired legal permanent residence in the U.S. through the legalization programs of the Immigration Reform and Control Act of 1986.)

Table 5 compares Mexican and non-Mexican immigrants in 1998 in terms of whether the immigration system permitted their entry on a purely economic basis, i.e., whether they were explicitly expected to fulfill a labor market need in the U.S.⁷ As seen in the table, in a recent year, 1998, Mexicans were far less likely than other nationalities to be either admitted to the U.S. on the basis of employment (either permanent or temporary worker categories). Only 29.3 percent of Mexicans admitted to the U.S. had an employment related visa, compared to 45.3 percent of non-Mexicans. Thus, while the vast majority of Mexican American workers are significantly contributing to the U.S. economy, a relatively small proportion are being admitted with this as their primary reason for entry into the country.

This results in two aspects of this system giving the appearance of inefficiency. First, the waiting list for immigrants from Mexico to obtain a family-sponsored immigration visa are ex-

tremely long, and therefore out of sync with both America’s desire to quickly reunite separated families, but also with the evolving needs of American employers. (For example, by the time a bricklayer from Mexico obtains an employment-related visa to immigrate, the need for masons may have diminished.) This kind of inefficiency places pressure on the individual to enter illegally.

Table 5

MEXICAN IMMIGRANTS LESS LIKELY TO BE ADMITTED ON EMPLOYMENT BASIS, 1999

	Non-Mexican Immigrants	Mexican Immigrants
Employment-Related*	45.3%	29.3%
Family-Sponsored Preference and Immediate Relatives of U.S. Citizens	41.2%	68.5%
Other LPR Admissions	13.5%	2.2%
Total	812,714 (100%)	204,901 (100%)

Source: *Derived from 1998 Statistical Yearbook of U.S. Immigration and Naturalization Service.* “Employment-related” includes legal permanent residents admitted with employment-based preference visas plus nonimmigrants admitted in 1998 as H1A, H1B, H2A and H2B temporary workers.

Secondly, of the employment categories most accessible to Mexican American workers, a high percentage is concentrated in agriculture. Agricultural workers with H2A visas were 43.5 percent of all 1998 Mexican entrants either admitted with employment-based visas in 1999. Given the data presented earlier outlining major industries with Mexican American workers, it seems that current immigration policies may not easily allow workers to have access to non-agricultural positions for which there are a significant number of job openings in the U.S. economy.

Most Mexicans enter the U.S. to reunite with family members.

CONCLUSION



Mexican President Fox during an address to a joint session of Congress September 6, 2001. Fox asked Congress to complete the NAFTA trade partnership by granting legal status to Mexicans working in the United States.

The economic importance of Mexican workers will only continue to grow as job openings for unskilled and semi-skilled workers increase. Governmental and private sector leaders concerned about strengthening the productivity of the American workforce should therefore implement steps to maximize the contributions of Mexican workers and minimize any hindrances associated with their admission and integration into the country.

Maximizing the contributions of Mexican workers can take the form of facilitating the ability of American employers to legally hire needed Mexican workers: to help, as President Bush has said “willing employers to get together with willing employees.”⁸ This can be achieved in part by reducing conditions that force employers to unknowingly hire Mexican workers pressured to enter the U.S. illegally to obtain a job. As described earlier, the current system of admissions to the U.S. disfavors Mexican workers in comparison to other immigrants.

The need to increase the number of visas or methods of entry for Mexican workers is clear. Not only would employers be less hindered in responding to worker shortages, but the dramatic human and social consequences of undocumented immigration would be alleviated. Hardworking, taxpaying Mexican Americans contribute to our nation’s economy, and without access to them, employers face a more difficult challenge of meeting their labor needs.

This paper is authored for the American Immigration Law Foundation by Rob Paral, who is affiliated with the National Center on Poverty Law in Chicago. He may be reached at robparal@corecomm.net.

¹ U.S. Senate, Committee on the Judiciary. Statement of Thomas J. Donahue, September 7, 2001.

² Bureau of Labor Statistics. “BLS Releases 2000-2010 Employment Projections: Occupations with the Largest Job Growth.” *Monthly Labor Review*, November 2001. Available www.bls.gov/news.release/ecopro.nr0.htm. January 23, 2002.

³ U.S. Census Bureau, “The Foreign-Born Population in the United States.” www.census.gov January 2001

⁴ For discussion of changing locations of Latino populations see Suro, Roberto and Singer, Audrey, July 2002 “Latino Growth in Metropolitan America: Changing Patterns, New Locations” Washington, DC, The Brookings Institution.

⁵ These are official Census Bureau regional definitions. For a list of U.S. regional divisions by state, see the online version of this AILF report.

⁶ For example, Papademetriou, Demetrios 2002 “An Immigration and National Security Grand Bargain with Mexico,” Washington, DC, Migration Policy Institute.

⁷ “Employment related” migrants in the table include persons either receiving permanent residence status on the basis of employment skills or receiving an H visa as a temporary worker. Other categories for temporary workers are excluded from consideration, such as artists with P2 visas, to focus on admissions directed not so much at individuals but rather at broader classes of workers. Including all temporary workers in the analysis would make differences between Mexicans and non-Mexicans even greater.

⁸ Cited by U.S. Chamber of Commerce in a April 16, 2002 statement on “Strengthening U.S.-Mexico Relations: The Unfinished Agenda” before U.S. Senate Committee on Foreign Relations, Subcommittee on Western Hemisphere, Peace Corps and Narcotics Affairs.

For a more detailed explanation of the statistical analysis used in this report, please visit AILF’s online version at www.ailf.org/focus.



AMONG THE STATISTICS INSIDE THIS ISSUE OF IMMIGRATION POLICY FOCUS:

Unemployment in the U.S. was 5.9% in June 2002, still well below rates of over 7% in the early 1990s. —Page 5

22 million new jobs will be created by 2010, with 70% of those requiring only on-the-job-training. —Page 5

By 2010, 24.7 million jobs will open up for persons with minimal education levels, representing nearly 43% of all projected openings. —Page 5

Mexicans were 42% of all new immigrants who came to the United States during the 1990s. —Page 6

Mexican immigrants represented 4% of the U.S. workforce in 2000. —Page 6

The number of Mexican immigrants in the agriculture field rose from 8.8% in 1990 to 15.3% in 2000. —Page 7

The number of Mexican immigrants in the hotel and restaurant industry rose from 4.2% in 1990 to 9.5% in 2000. —Page 7

85% of all Mexican Americans lived in California, Texas, and Illinois in 1990, but by 2000, that number had dropped to 68%. —Page 8

Only 29.3% of Mexicans are admitted to the U.S. with an employment visa, compared to 45.3% of non-Mexicans. —Page 10



AFP Photo/Lucy Nicholson

A Mexican immigrant street vendor sells U.S. flags in Los Angeles at a memorial procession one week after the September 11 terrorist attacks.

ABOUT THE FOUNDATION...

The American Immigration Law Foundation is a 501(c) (3) non-profit organization dedicated to increasing the public understanding of immigration law and policy and the value of immigration to American society; to promoting public service and excellence in the practice of immigration law; and to advancing fundamental fairness and due process under the law for immigrants.



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