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Snapshot II: Foreign-born Workers in the United States

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In 2011, immigrants made up 12.8 percent of the U.S. population, but 15.9 percent of the workforce.

This issue brief complements the NCSL document “[Snapshot on U.S. Immigration: 2011](#),” which provides an overview of the demographics of the foreign-born population. This snapshot focuses on immigrants in the labor force: the composition of immigrant workers and immigration visas and the role immigrant workers play in the current labor market. Finally, this snapshot provides labor market projections for native-born and foreign-born workers in the United States.

Foreign-born immigrants can be granted permanent or temporary residence.

1. Lawful Permanent Residents (LPRs), also known as “green card holders,” are granted permanent residence in the United States through three categories:
 - Family-sponsored preferences (annual cap 266,000)
 - Employment-based preferences (annual cap 140,000)
 - Diversity (annual cap 50,000)

In 2011, 1.06 million visas were issued for permanent residence, about 13 percent of which were granted through employment-based immigration (139,339). ([Department of Homeland Security, 2012](#))

2. Temporary immigrants, or “nonimmigrants,” refer to people who were lawfully admitted for a temporary period time and for specific purposes. In 2011, the U.S. Department of State issued approximately 7.5 million nonimmigrant visas in 87 different nonimmigrant visa categories. ([Department of State, 2012](#))

Unauthorized immigrants either entered the U.S. without inspection or overstayed their visa status. In 2010, the most recent estimate by the Department of Homeland Security shows there were approximately 11.5 million unauthorized immigrants in the U.S. ([Department of Homeland Security, 2011](#)), 8 million of those unauthorized immigrants were working, accounting for 5.2 percent of the workforce. Nevada (10 percent), California (9.7 percent), Texas (9 percent) and New Jersey (8.6 percent) ranked as states with the largest share of unauthorized immigrant workers. ([Pew Research Hispanic Center, 2011](#))

Work visas

Under the current system, there are two ways immigrants are admitted into the United States based on the employers’ demand for their skills: employment-based permanent visas (“green card”) and temporary worker visas.

Selected permanent work visas ([U.S. Department of State](#))

Employment-based immigrant visas are distributed into five preference categories. There is an annual cap of 140,000 for permanent employment-based immigration.

- 1) Employment Preference EB-1: Priority Workers, annual cap 40,040
- 2) Employment Preference EB-2: Professionals Holding Advanced Degrees and Persons of Exceptional Ability, annual cap 40,040
- 3) Employment Preference EB-3: Skilled Workers, Professionals and Unskilled Workers (Other Workers), annual cap 40,040
- 4) Employment Preference EB-4: Certain Special Immigrants, annual cap 9,940
- 5) Employment Preference EB-5: Immigrant Investors, annual cap 9,940

- **EB-1 visa: Priority Workers:**

Each year, the EB-1 category receives 28.6 percent of the annual cap (140,000) for employment-based immigrant visas. Individuals with “extraordinary ability,” “outstanding professors and researchers,” or “multinational managers or executives” may be granted an EB-1 visa. There is a high burden of proof on individuals to demonstrate that they have attained the necessary level of expertise.

- **EB-2 visa: Professionals Holding Advanced Degrees and Persons of Exceptional Ability:**

Each year, the EB-2 category receives 28.6 percent of the annual cap (140,000) for employment-based immigrant visas, plus any unused visas from the employment first preference category. This category is used by individuals with at least a master’s degree in a profession. This includes, but is not limited to architecture, law and engineering. Additionally, this visa can be used by individuals with “exceptional ability” and, in some cases, entrepreneurs.

- **EB-3 visa: Skilled Workers, Professionals and Unskilled Workers (Other Workers):**

Each year, the EB-3 category receives 28.6 percent of the annual cap (140,000) for employment-based immigrant visas, plus any unused visas from the employment first preference and second preference categories. Within the EB-3 category, there is a numerical limit of 5, 000 visas for unskilled workers annually.

- **EB-4 visa: Certain Special Immigrants:**

Each year the EB-4 category receives 7.1 percent of the annual cap (140,000) for employment based immigrant visas. This category is designed to admit special immigrants, such as religious workers, broadcasters, and armed forces members.

- **EB-5 visa: Immigrant Investors:**

Each year the EB-5 category receives 7.1 percent of the annual cap (140,000) for employment-based immigrant visas. A two-year conditional permanent residence status is granted to immigrant investors and their immediate family members. Immigrant investors are required to apply to remove the conditions within the two-year period given they meet the requirements: 1) the capital investment requirement, minimum \$1 million (\$500,000 in high-unemployment or rural area); 2) the job creation requirement, creating at least 10 full-time jobs for U.S. workers (U.S. citizens, lawful permanent residents, or other immigrant workers with authorization to work).

Selected temporary work visas ([USCIS, Temporary Workers](#)) ([U.S. Department of State, 2012](#))

There are 22 categories and sub-categories of nonimmigrant work-related visas. Four of the most used visa categories are H and L visas:

High-skilled visa: H-1B, workers in specialty occupation: The H-1B visa is often referred to as the “high-tech visa.” It can be granted for an initial period up to three years and may be approved for an additional three years (with one exception). The H-1B visa is subject to a numeric restriction. The cap is 65,000 per fiscal year, with an additional 20,000 H-1B visas for workers

who receive U.S. master's degree or higher education, for a total of 85,000. There is no cap for H-1Bs for nonprofit organizations. In 2012, the U.S. Department of State issued 135,530 H-1B visas.

- **Low-skilled visa: H-2A, temporary agricultural workers; and H-2B, temporary non-agricultural worker:**

The H-2A visas are intended to bring in workers (from one of 59 eligible countries) for temporary or seasonal **agricultural** work. The H-2A petition is granted up to one year and can be extended up to three years. There is no annual cap on H-2A admissions. In 2012, 65,345 H-2A visas were issued.

The H-2B program admits certain foreign workers (from one of 59 eligible countries) to the United States for temporary or seasonal **nonagricultural** work. The initial term of H-2B visa is up to one year and later allows extension. The maximum period of stay for H-2B visa is three years. There is a 66,000 annual cap for the H-2B visa. In 2012, 50,009 H-2B visas were granted.

- **L-1 visa: Intra-company transfer visa:**

L-1 visas are nonimmigrant visas that enable certain U.S. employers to relocate their employees (managers/executives, L-1A visa, and specialized knowledge staff, L-1B) from foreign offices to their offices in the United States. L-1 visa holders initially can be granted to work in the United States for three years, with extension up to seven years. In 2012, 62,430 L-1 visas were issued by the Department of State.

Examples of immigrant workers in the labor market

Most immigrants in the United States are workers, regardless of their legal status (authorized or unauthorized). This section presents some statistics on immigrant workers in the labor force, in certain industries and occupations, and in particular, their involvement in entrepreneurship and job creation.

Workforce

- Nearly one-in-six workers are foreign-born. ([Bureau of Labor Statistics, 2013](#))
- Approximately 80 percent of immigrants are in the “work-age” range (ages between 18 and 64), compared to 60 percent of U.S.-born (2010).
- Net immigration is projected to add 1.4 million people per year to the total U.S. population. ([Bureau of Labor Statistics, 2012](#))
- Labor force participation rate among foreign-born workers was higher than the native-born workers (66.3 percent versus 63.2 percent). ([Bureau of Labor Statistics, 2013](#))
- In 2012, the unemployment rate for foreign-born workers was 8.1 percent, in 2012, the same as the unemployment rate for native born workers. ([Bureau of Labor Statistics, 2013](#))

Industries and Occupations

- In “STEM” fields (science, technology, engineering, and mathematics), foreign-born workers composed 26.1 percent of workers with Ph.Ds and 17.7 percent of those with master's degrees. ([Information Technology Industry Council, the Partnership for a New American Economy, and the U.S. Chamber of Commerce, 2012](#))
- In 2010, immigrant workers made up 23 percent of the workforce for information technology and high-tech manufacturing. ([The Brookings Institution, 2012](#))

- In 2010, immigrant workers made up 14 percent of healthcare practitioner and technical occupations and 18 percent in healthcare support occupations. ([Immigration Policy Center, 2012](#))
- One-in-five employed foreign-born workers worked in service occupations. ([Bureau of Labor Statistics, 2012](#))
- Unauthorized immigrant workers cluster in industries with a primarily low-skilled workforce. In 2008, 25 percent of employed unauthorized immigrant workers worked as farm workers, 19 percent worked in building, groundskeeping and maintenance, and 17 percent worked in construction. ([Pew Research Hispanic Center, 2009](#))

Immigrant Entrepreneurs

- In 2010, 18 percent of small business owners were immigrant owners. (Small business usually refers to firms with fewer than 100 employees.) Among small business owners, 12 percent were Mexican immigrants—the largest share among immigrants. Between 1990 and 2010, small business ownership increased from 3.1 million to 4.9 million, with 30 percent (549,000) of the growth attributed to immigrant small business owners. ([Fiscal Policy Institute, 2012](#))
- According to the latest estimates from the Survey of Business Owners, 4.7 million people were working in small business firms owned by immigrants in 2007. And it is estimated that those firms generated approximately \$776 billion in receipts in 2007. ([Fiscal Policy Institute, 2012](#))
- On average, immigrants are 10 percent more likely than native-born to start their own business among the 25 largest metropolitan areas in the U.S. ([Fiscal Policy Institute, 2012](#))
- More than 40 percent of Fortune 500 companies were founded by immigrants or their children. ([Partnership for a New American Economy, 2011](#))
- In 2011, 28 percent of new businesses were started by immigrants. ([Partnership for a New American Economy, 2012](#))
- Between 2006 and 2012, approximately one-fourth of engineering and technology companies had at least one key founder who was foreign-born. Immigrant founders from India accounted for about 33.2 percent of the total immigrant-founded companies. ([Kauffman Foundation, 2012](#))

Future labor force projections

The baby-boom generation (those born 1946-64) began turning 65 in 2011, at a rate of 10,000 people a day. Workers 55 and older are expected to make up one-fourth of the labor force in 2022. ([Bureau of Labor Statistics, 2012](#)) By 2050, people ages 65 and older will more than double from 40 million in 2011 to 85 million, about 21.2 percent of the total population. The number of “oldest old”—people ages 85 and above—is projected to reach 19 million, one-fifth of the total 65 and above age group. ([Population Reference Bureau, 2011](#)) The prime-age working group (ages 25 to 54) is projected to drop from 71.1 percent of the civilian labor force in 2000 to 63.7 percent of that in 2020. The annual labor force growth rate is expected to be slower for 2010 -2020, 0.7 percent per year, compared to 0.8 percent for 2000–2010, and 1.3 percent for 1990–2000. ([Bureau of Labor Statistics, 2012](#))

One concern about the aging population is whether the workforce will be large enough to support the Social Security program. One of the measurements is the elderly support ratio: the number of working-age adults ages 18 to 64 for every elderly person ages 65 and older. In 2011, the elderly support ratio in the United States was about 5:1 and the ratio is projected to decline to less than 3:1 by 2050. ([Population Reference Bureau, 2011](#))

Employment estimates

According to a 2012 employment projection by the U.S. Department of Labor, Bureau of Labor Statistics (BLS), between 2010 and 2020, there will be 54.8 million job openings, with 61 percent (about 33.7 million) resulting from replacement (retirement or job changes), while the remaining 39 percent (21.1 million) will be new jobs because of economic growth. The fastest growth is expected in health care, personal care, and community and social services. ([Bureau of Labor Statistics, 2012](#))

More than half of the projected labor demand by BLS would require a high school education or less. ([Bureau of Labor Statistics, 2012](#)) It is estimated that by 2018 there would be 30 million jobs that require at least a two-year college education. There will be a labor shortage of 3 million workers with college degree demanded by the labor market. ([Center on Education and the Workforce, 2010](#))

Prepared by:

Jiashan Cui, Spring Fellow, 2013
Sam Kallman, Summer Fellow, 2013
NCSL's Immigrant Policy Project

For additional information, contact:

Ann Morse
Program Director, Immigrant Policy Project
National Conference of State Legislatures
www.ncsl.org/immig
ann.morse@ncsl.org
202-624-5400