

Immigration and the Great Recession

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KEY FINDINGS

- The undocumented population peaked in 2006 before declining in the wake of the Great Recession and the resulting weakening in labor demand. For the first time in six decades, the undocumented population is no longer growing. This population has stabilized at approximately 11 million persons.
- Since the Great Recession, legal immigration has also leveled off, with slightly more than 1 million entries per year.
- But not all forms of immigration have stalled. Although temporary worker migration initially dipped with the downturn, it rebounded between 2009 and 2010, when the number of temporary worker entries increased from 1.7 to 2.8 million. This explosion in the number of temporary workers is one of the (largely) unappreciated trends accompanying the Great Recession.

Immigration has been a major component of demographic change in the United States over the past several decades, constituting at least a third of U.S. population growth and up to a half of labor force growth in any given year. By any standard, it is a central feature of the nation's political economy and thus especially important to monitor as the Great Recession plays out. This brief reviews levels and patterns of immigration to the United States over the past three decades, with a particular focus on their implications for the nation as it recovers from the worst economic downturn since the 1930s.

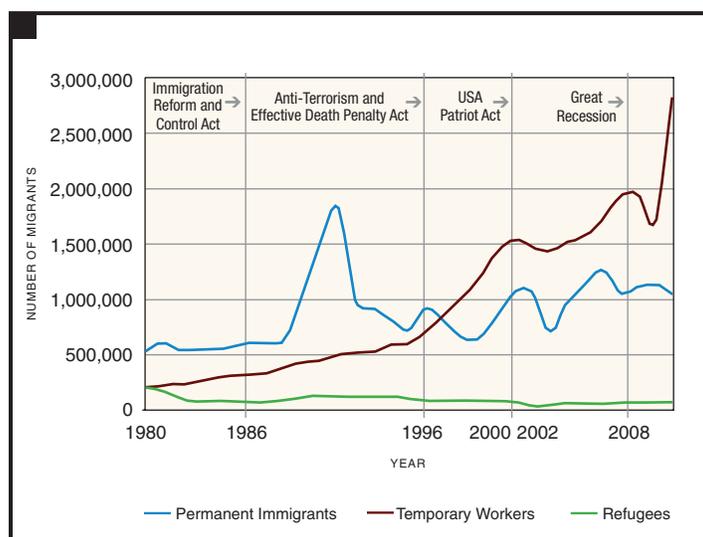
The prevailing account, insofar as there is one, has it that the influx of undocumented workers, especially from Mexico, has suddenly slowed as the demand for labor in the

U.S. weakens. The purpose of this brief will be to elaborate and complicate that account in ways that bring it into closer correspondence with the key features of recent immigration. This revised account will emphasize not just changes in the number of undocumented workers but also related and countervailing changes in other types of immigration. The analyses presented here will show that, even as the number of undocumented workers has leveled off, there are important and often unappreciated opposing trends in other types of immigration.

The Big Picture

Let's begin with the big picture. Four separate streams presently contribute migrants to the U.S. population: legal permanent immigrants, refugees, temporary workers,

FIGURE 1. Migration to the United States in Three Statuses



Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.

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and undocumented migrants. Figure 1 presents official statistics on entries since 1980 in the first three of these four categories. Unlike the figures in the other recession briefs, we haven't represented recessions with the usual vertical gray bands, and instead we've chosen to identify some of the most prominent immigrant-relevant events.

It is quickly apparent from figure 1 that refugee migration, though an important component in earlier years, is no longer a potent demographic force. In 1980 the flow of refugees from Indochina was still in progress, and 207,000 refugee entries were recorded in that year; but in the following year the number dropped to 159,000 and by 1986 it stood at only 62,000. Annual refugee entries have only averaged 54,000 over the past decade.

In contrast, legal permanent immigration has never fallen below 500,000 in the past three decades. As shown in figure 1, between 1988 and 1992 the nation experienced a massive surge in the number of green cards issued, with a peak of approximately 1.8 million issued in 1991. This upsurge did not stem from new entries, however, but from former undocumented migrants "adjusting status" after being legalized under the Immigration Reform and Control Act of 1986 (IRCA). After the legalization surge ended, legal permanent immigration never returned to the status quo ante because the millions of migrants recently legalized under IRCA immediately began sponsoring the entry of family members. As a result, in the years since 1992 the annual number of legal permanent immigrants has averaged 934,000.

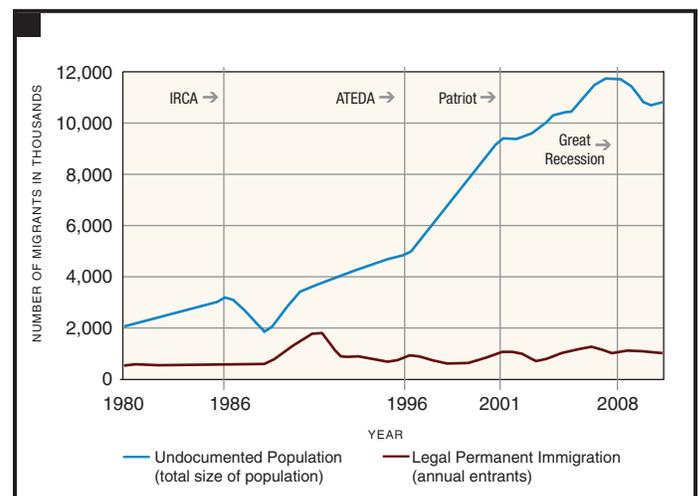
Since the mid-1990s, legal permanent immigration has generally trended upward despite increasingly restrictive immigration policies in the United States. In addition, beginning with the 1996 Anti-Terrorism and Effective Death Penalty Act (ATEDA), Congress has enacted a series of increasingly harsh laws that have steadily stripped away rights, privileges, and legal protections for non-citizens. In response, hundreds of thousands of legal permanent residents have undertaken "defensive naturalization" to protect their interests. Once naturalized, they have taken advantage of the right of citizens to sponsor the entry of spouses, minor children, and parents without numerical restriction, yielding a rising trend in legal entry and notable surges in 1996, 2003, and 2006. Since the Great Recession, however, legal permanent immigration appears to have leveled off at a little over a million entries per year.

The foregoing effect of the Great Recession on legal permanent immigration is subtle relative to what's happened to legal temporary workers in the recession period. As figure 1 shows,

by far the largest increase in documented migration to the United States has occurred among legal temporary workers, who increased from 193,000 entries in 1980 to a record 2.8 million in 2010. Whereas the increase was gradual through the mid-1990s, it accelerated markedly in the 1990s before stabilizing in the early 2000s and then surging again just before the Great Recession. Although temporary worker migration dipped in the wake of the economic downturn, it rebounded with a vengeance between 2009 and 2010, when the number of temporary worker entries rose from 1.7 to 2.8 million. In contrast to the stability observed for flows of refugees and legal permanent immigrants since 2008, guest worker migration has exploded. This unprecedented explosion in the number of guest workers has not been well appreciated in the standard literature on the effects of the recession on the labor market.

It is more difficult to reliably measure undocumented migration on an annual basis. Over the years, however, demographers have developed new and accurate methods for estimating the total size of the undocumented population. The resulting series of estimates is presented in figure 2, with annual permanent entries shown for comparison. In this figure, the time series for undocumented immigrants pertains to the total population, whereas the times series for legal permanent immigrants pertains to the annual entrants. From 1980 through 1986, undocumented population growth was relatively modest, with an average net increase of just 184,000 per year. Between 1986 and 1988, however, IRCA's legalization

FIGURE 2. Growth of Undocumented Population Compared with Annual Legal Immigration



Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.

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reduced the size of the population from 3.2 million to around 2 million, as former undocumented migrants gained temporary legal status. As can be seen in the series on legal immigration, over the next four years these people then shifted to become permanent legal residents.

After the post-IRCA dip in the number of undocumented migrants, growth resumed at the same pace as before; but starting in the early 1990s a series of anti-immigrant operations and increasingly restrictive immigration legislation accelerated border enforcement and had the perverse effect of reducing out-migration rather than forestalling in-migration. Undocumented migrants took to minimizing the rising costs and risks of border crossing by staying put once they had made it into the United States, yielding a sharp increase in net migration.

How did the Great Recession change the dynamics of this process? We saw in figure 1 that the slowing effect of the Great Recession on legal immigration was subtle at best. Is a slowing any more prominent with the undocumented population? We do indeed see a rather sharp falloff in figure 2 (and bear in mind that this time series, unlike that of figure 1, pertains to the size of the population rather than the number of migrants). The population peaked in 2006 before declining in the wake of the Great Recession. The size of the undocumented population now appears to have stabilized at around 11 million persons, with a net inflow roughly at zero.

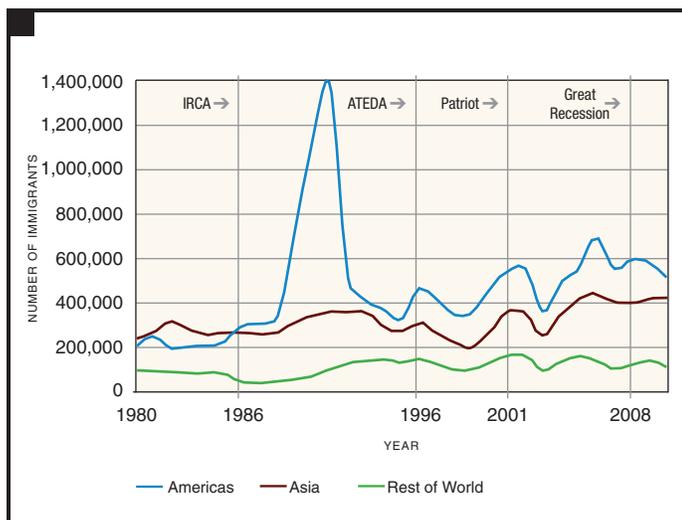
In sum, although permanent and undocumented migration rose in the years leading up to the Great Recession, only temporary labor migration rebounded and, indeed, accelerated after 2009. At present, permanent immigration is currently holding steady at around a million entries per year, refugee migration is just over 50,000 entries per year, and undocumented migration has effectively ceased. Only guest worker migration has risen substantially. The main conclusion, then, to this point is that the undocumented influx ended with the Great Recession, whereas the number of guest workers took off. Given that refugee migration is small and insignificant in the larger demographic scheme, the following sections focus on the other three flows, analyzing them in greater detail to trace out implications for the future.

Permanent Immigration

We first consider permanent immigration by region of origin since 1980. Although figure 1 established that there was a subtle falloff in permanent immigration with the Great Recession, we don't yet know whether that falloff was driven mainly by immigration from the Americas.

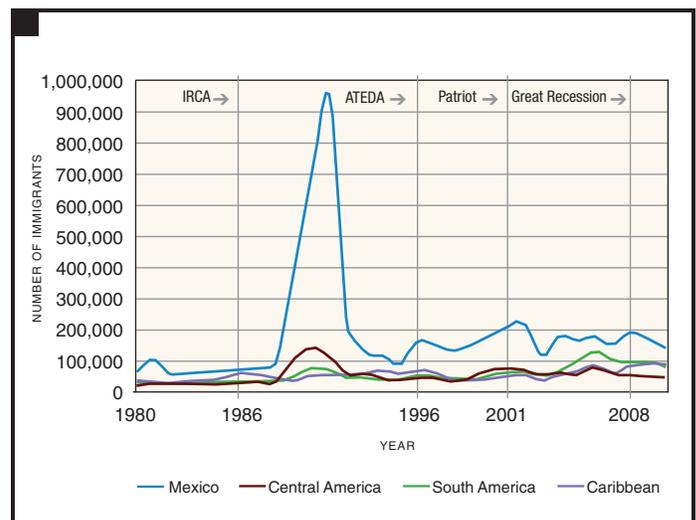
We see in figure 3 that it mainly was. By contrast, there was a slight uptick in permanent immigration from Asia, and a less substantial downturn in permanent immigration from the rest of the world. This figure also shows that immigration is still dominated by entries from Asia and the Americas. Whereas the volume of the two flows was similar until 1986, the surge

FIGURE 3. Permanent Immigration by Region of Birth



Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.

FIGURE 4. Permanent Immigration from Latin America by Region



Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.

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in permanent immigration following IRCA's legalization was expressed more among immigrants from the Americas than from Asia. During the surge from 1986 to 1992, for example, immigration from the Americas averaged 692,000 per year compared with 300,000 from Asia and just 58,000 from the rest of the world. Since then immigration from the Americas has averaged 475,000 per year, compared with 331,000 per year from Asia and only 127,000 from the rest of the world. The recession-induced downturn in immigration from the Americas and the slight uptick in immigration from Asia has brought the two flows slightly closer to parity in the post-recession period.

Figure 4 shows trends by region within Latin America. Although Mexico is the most prominent source of the recession-induced downturn in Latin American permanent immigration, the same downturn is apparent in all Latin American regions save the Caribbean. The legal inflow is still, however, dominated by Mexico. Since 1986, some 5.3 million legal Mexican immigrants have become permanent residents of the United States, compared with 1.4 million Central Americans, 1.5 million South Americans, and 1.4 million Caribbeans.

Temporary Worker Migration

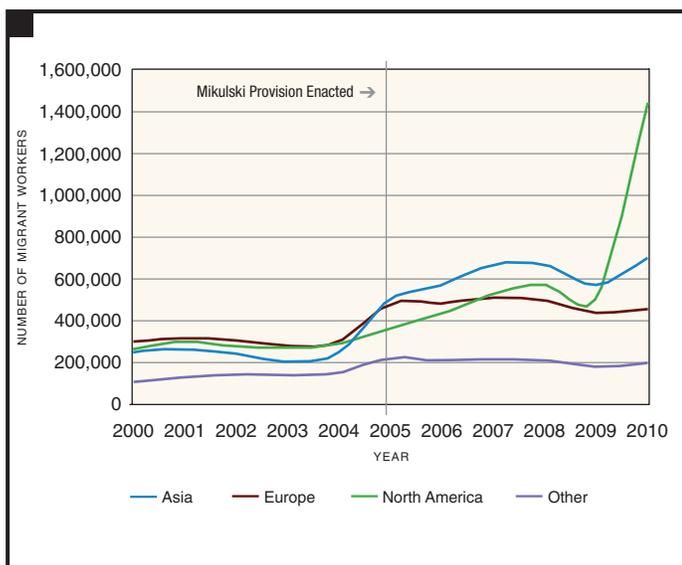
These recent declines in permanent immigration, although of interest, are swamped by countervailing increases in entries by legal temporary workers. Figure 5 shows trends in temporary legal migration by region. Given the way that statistics on temporary workers are tabulated, it is difficult to create a

consistent series over time, so the data only begin in 2000. At this date, guest worker migration was running at about 930,000 per year, with 301,000 from Europe, 269,000 from North America, 251,000 from Asia, and just 109,000 from the rest of the world.

The trend in guest worker migration was basically flat through 2004, and then jumped markedly. In 2005 Senator Barbara Mikulski inserted a provision into legislation that enabled employers to rehire, outside the usual limits, certain workers who had been employed in the United States during the three previous years. From the graphs it is obvious that Asians and North Americans especially benefitted from the new policy, but the Mikulski provision cannot explain the sharp increase in temporary worker migration observed for North Americans after 2009. Half of all temporary visas issued to North Americans went to Canadians or Mexicans, America's two partners in The North American Free Trade Agreement (NAFTA).

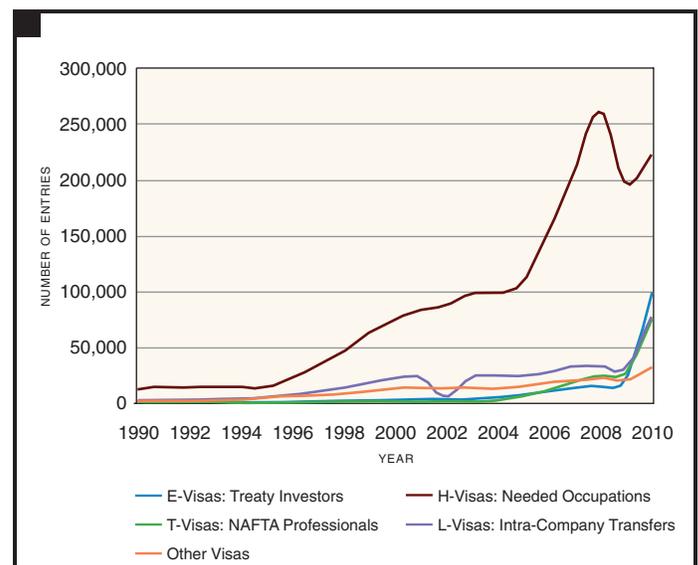
Given that Canada is a relatively small nation and Canadians are a small part of the total inflow of migrants, figure 6 focuses on Mexican guest workers and breaks them down by visa category. Clearly the bulk of the growth in temporary migration from Mexico has been among H-visa holders—workers in skilled and unskilled occupations in which native workers are in short supply. Growth in other visa categories was more modest through 2008, but the recent surge is largely attributable to sudden increases among holders of E-visas (treaty investors and traders), L-visas (intra-company trans-

FIGURE 5. Entries by Legal Temporary Workers by Region of Citizenship



Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.

FIGURE 6. Entries by Mexicans Using Different Temporary Work Visas



Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.

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erees), and T-visas (NAFTA professionals). These increases reflect an upsurge in movement stemming from economic activities spurred by the North American Free Trade Agreement. In 2010 these three categories accounted for half of all temporary entries from Mexico, compared with 44 percent for H-visas and just 6% for all other visa categories. Although the surge in NAFTA-related entries is partially an artifact of better record-keeping at ports of entry in recent years, this change cannot explain the sustained growth in H-visa migration over time. Moreover, whatever the dimensions of the increase in NAFTA-related migration, guest worker migration from Mexico is now at levels not seen since the height of the Bracero Program in the late 1950s.

Undocumented Migration

In figure 2, we found that the undocumented population ceased to grow with the Great Recession, the first pause in growth in approximately a quarter-century. Figure 7 disaggregates this trend in the size of the undocumented population across three categories: Mexicans, Central American, and the rest of the world. Central Americans here include migrants from El Salvador, Guatemala, and Honduras, the only three countries for which separate estimates are available. By excluding Nicaragua, Costa Rica, and Panama, the data obviously understate the regional total. Nonetheless, the lion's share of the growth in the undocumented population obviously comes from Mexico. As of 2010, Mexicans comprised 62% of the total undocumented

population, compared with 14% from Central America and 25% from the rest of the world. Including the missing countries from Central America in the tally would probably push its share closer to 20%, meaning that around 80% of all undocumented migrants come from Mexico or Central America.

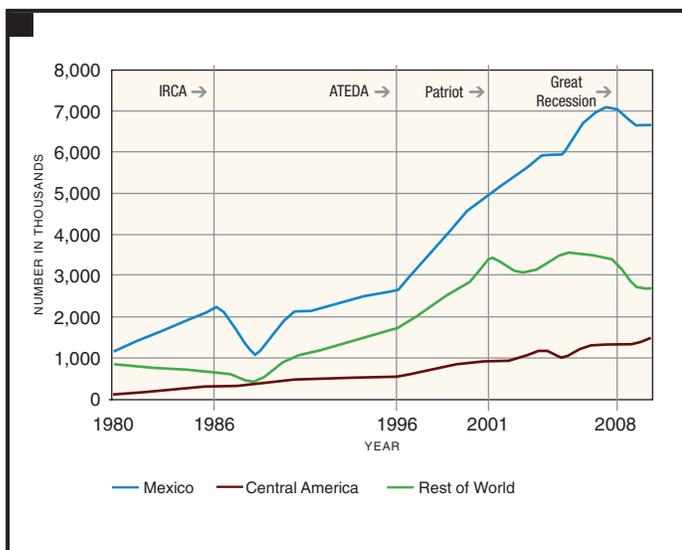
The recession-induced decline in the size of the undocumented population shows up here as a Mexican phenomenon and not a Central American one. The decline also shows up for the rest of the world. Although undocumented migrants from the rest of the world increased from 1990 to 2001, thereafter the population stabilized and since 2007 has been declining. In contrast, Mexican migrants grew steadily from 1990 to 2008, while Central Americans increased all the way through 2010. Thus undocumented migration, although slowing of late, has contributed strongly to the ongoing Latinization of the United States.

The Present and the Future

As America recovers from the Great Recession, refugee migration is small, legal immigration seems to have stabilized at just over 1 million entries per year, and undocumented migration has effectively ceased for the first time in six decades. Studies are consistent in showing that this cessation did not stem from tougher enforcement, but from larger shifts in the North American political economy, such as the weakening of U.S. labor demand, the slowing of population growth in Mexico, a relatively stable economy south of the border, and perhaps most significantly, the opening of new legal avenues for the legal entry of Mexicans. As we have seen, in contrast to permanent and undocumented migration, entries by temporary legal workers have continued to rise and, indeed, have lately surged, especially from Mexico. This countervailing surge of entries by temporary legal workers has occurred quietly and without the attention it deserves.

With permanent immigration running at around a million persons per year and guest worker migration at record levels, the nation's employment needs are currently being met without the entry of new undocumented migrants. If temporary worker entries continue to rise as they have in recent decades, undocumented migration is unlikely to resume even if labor demand increases. Given demographic deceleration in Mexico, growing economies throughout Latin America, and expanded opportunities for temporary migration, the great boom in Mexican migration is likely over. The biggest problem facing the United States now is what to do with the population of 11 million people currently living outside the law. A third of all foreigners in the United States are undocumented.

FIGURE 7. Estimated Size of Undocumented Population by Origin



Source: Author's tabulations of data downloaded from the Office of Immigration Statistics, U.S. Department of Homeland Security.

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Among all Latinos present in the country today, 20 percent are undocumented and an even larger share live in households containing an unauthorized migrant, thus rendering this group uniquely exploitable and susceptible to economic dislocations. When one adds in the rapidly expanding number of temporary workers—people who lack freedom of mobility and labor rights—the singular vulnerability of this population is readily apparent.

Studies show that Latinos have been disproportionately affected by the Great Recession, experiencing the largest

drop in wealth of any group. This economic shock comes on top of earlier declines in earnings, deteriorating health, stagnating education, growing residential segregation, and rising poverty rates. The pervasive illegality and marginality among Latinos that has evolved in recent decades presently constitutes the single largest and most potent barrier to their socioeconomic mobility and full integration within the United States. With sizeable fractions of Latinos lying outside the protections of the law, their position in America has never been more precarious.

ADDITIONAL RESOURCES

Chaudry, Ajay, and Karina Fortuny. 2011. *Children of Immigrants: The Changing Face of Metropolitan America*. Washington DC: The Urban Institute. Available at: <http://www.urban.org/publications/412435.html>

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