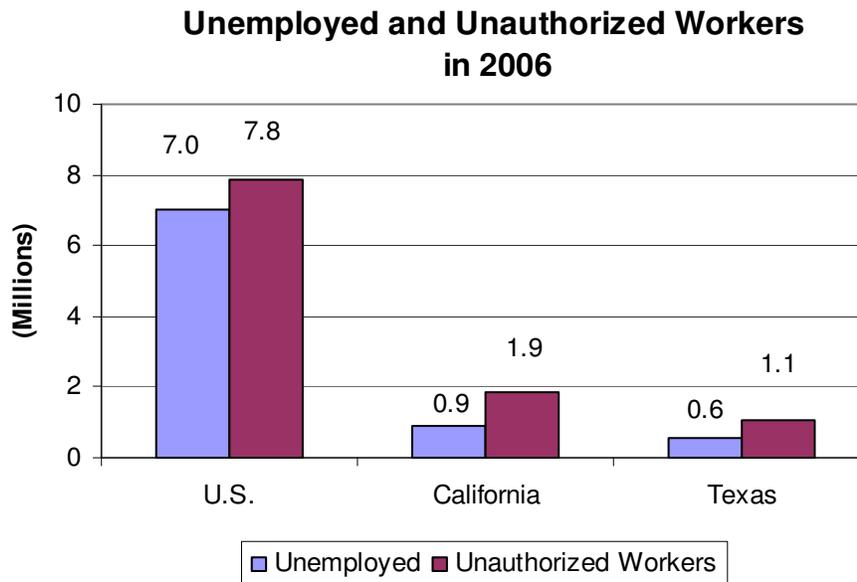


Can the Unemployed Replace Unauthorized Workers?

The Bush administration recently announced plans to require employers to fire workers who do not have valid Social Security numbers. Employers and legislators were joined by administration officials in predicting negative consequences for the economy. Homeland Security Secretary Chertoff was quoted as saying “There will be some unhappy consequences for the economy out of doing this.” Commerce Secretary Gutierrez added, “We do not have the workers our economy needs to keep growing each year”. Many analysts suspect that the announcement is intended to spur action in Congress to pass comprehensive immigration reform legislation.

There is an ongoing debate as to whether unauthorized immigrant workers fill jobs that few native-born workers want or whether there are many native-born workers who would take these jobs at current or slightly higher wage levels. The goal of this *Numbers in the News* is to compare the profile of currently unemployed workers with that of unauthorized workers. This information is one step in assessing the consequences of large turnover in the unauthorized workforce if the administration proposal is successfully implemented.

The number of unemployed workers in 2006 was less than the number of unauthorized workers and far less in states like California and Texas.



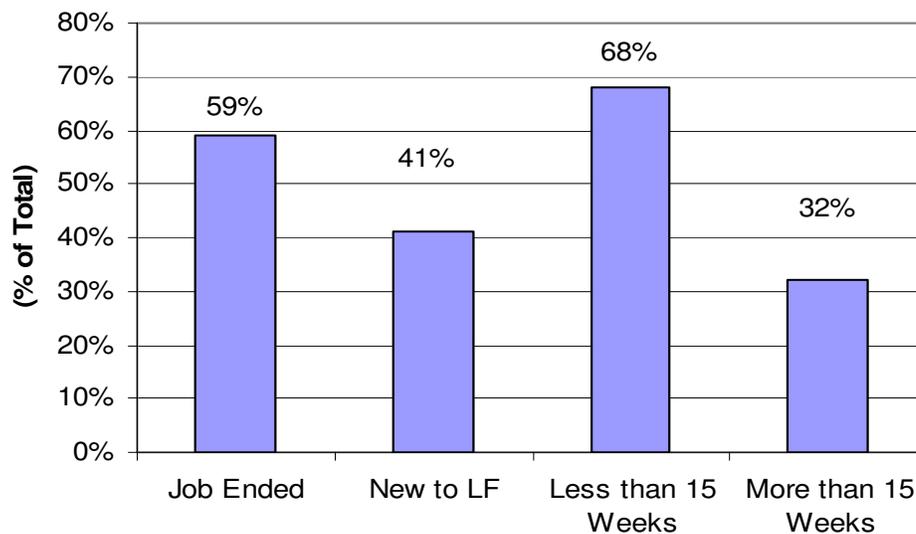
The United States had 7 million unemployed workers in 2006 compared with 7.8 million unauthorized immigrant workers in 2006. California had more than 2 unauthorized workers in 2006 for every unemployed resident—a total of 1.85 million unauthorized immigrant workers and 872,000 unemployed residents.

So, even if every unemployed worker were ready and willing to fill a job left by an unauthorized immigrant who was fired under the new rules, there would be a large shortfall in California, Texas and other states with large unauthorized immigrant populations. However, most unemployment is short term with people moving between jobs and most workers remain in their current occupation and geographic location to find their next job.

During the past twenty years including at the height of the boom in 2000, the U.S. unemployment rate was never lower than 3.9% and the California rate did not fall below 4.7%. Most (68%) unemployed workers in 2006 had been unemployed for less than 15 weeks and while more than half (59%) had just left a job; the other 41% were newly entering or returning to the labor force.

The bottom line is that most unemployed workers are not available to replace fired unauthorized immigrant workers even if their geographical location, education, occupation and pay requirements were a match.

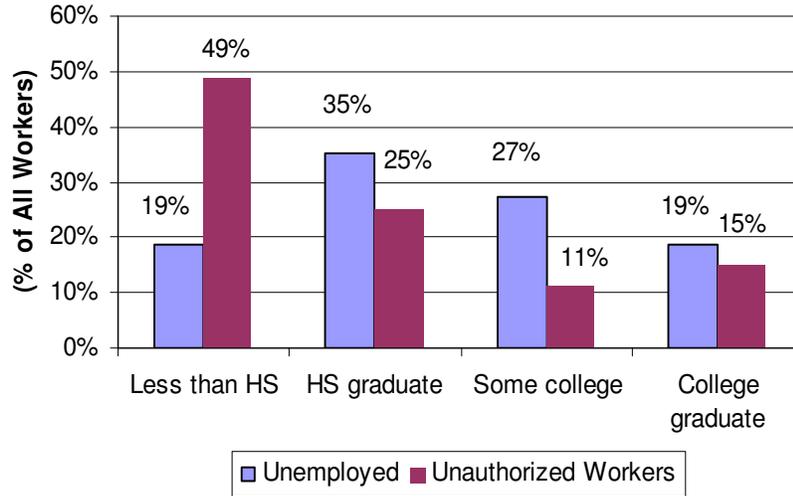
Cause and Length of Unemployment in 2006



Moreover, the education and occupation of unemployed workers is not a close match with the educational attainment and occupation of the unauthorized immigrants they would need to replace.

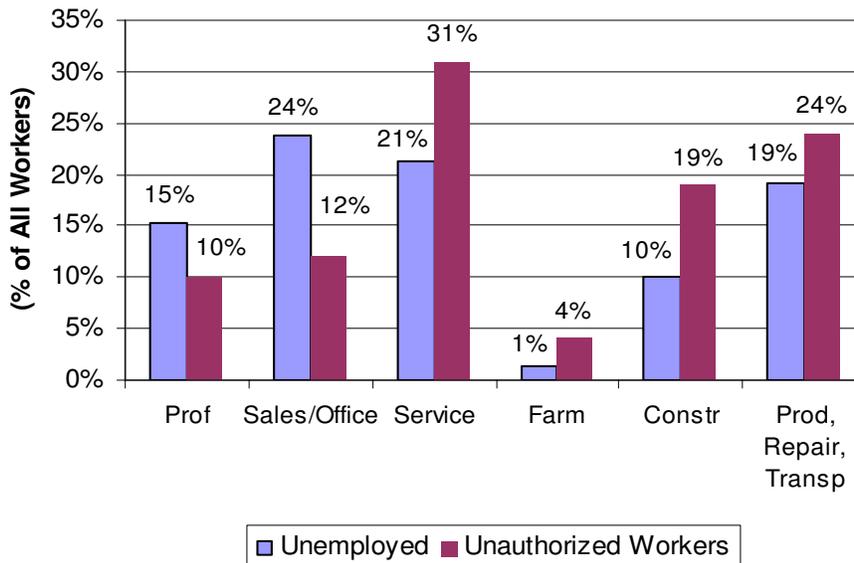
Nearly half (49%) of unauthorized immigrant workers have less than a high school education compared with 19% of unemployed workers in the U.S. in 2006. Unemployed workers, on average, have much higher educational attainment than the unauthorized immigrants they would be replacing.

Education of Unemployed and Unauthorized Workers in the U.S.



Unemployed workers are more concentrated in professional and sales/office occupations compared to unauthorized immigrant workers who are more concentrated in service, construction, production, repair and transportation handling occupations. Only 4% of unauthorized workers are in agriculture although they constitute a large share (24%) of all farm workers and a higher share in California and Texas.

Occupations of Unemployed and Unauthorized Workers



Conclusion

Job opportunities for some currently unemployed workers will improve if large numbers of unauthorized immigrant workers are fired. However, there are not nearly enough unemployed workers with the educational and occupational profile to replace the unauthorized immigrant workforce if most are fired. And in states like California and Texas hundreds of thousands of workers and their families would need to move from where they currently live to fill the low-wage jobs that would be left open by unauthorized immigrant workers who are fired.

Data Sources

Estimates of the number and characteristics of unauthorized workers were developed by the Pew Hispanic Center (www.pewhispanic.org). The estimates of unauthorized population and workers in 2006 for California and Texas were developed by CCSCE using ratios from the Pew Hispanic Center research for 2005. Estimates of the characteristics of unemployed workers come from the Current Population Survey (http://www.bls.gov/cps/home.htm#charunem_m).