Immigrants and the Illinois Labor Force: The Potential Impact of Immigration Reform on Illinois Industries

Acknowledgements

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Executive Summary

How would reduction of immigration, or a guest-worker program that legalized, but reduced numbers of new immigrants, affect Illinois industries?

Foreign-born workers comprise a large and growing sector of the Illinois labor force. It is clear from the data presented in this report, that significant changes in U.S. immigration policy would have major effects on many Illinois employers. Foreign-born workers now comprise about 14 percent of the entire Illinois workforce.

Approximately one in twenty Illinois workers is an immigrant who arrived in the United States within the past ten years. About half of these workers are from Mexico, and a large percentage of them are undocumented.

Recent immigrants most affect the accommodation and food services industry, the administrative, support and waste management industry, and manufacturing, industries in which they comprise 9 percent or more of all workers. These industries also hire very large numbers of recent Mexican immigrants. In each of these industries, employment of Mexicans arriving during the 1990s increased by 200 percent or more.

Illinois agriculture employs relatively few fruit pickers and so few immigrants work in that capacity.

Rapid growth industries and occupations

The industries expected to grow fastest from 2000 to 2010 all have moderate to high reliance upon the foreign-born, which is to say that around 10 percent or more of their workers are foreign-born. These include miscellaneous business services, health services, educational services, eating and drinking places, and engineering, accounting and management services. While increasing numbers of recent Mexican immigrants work in these industries, they work in large numbers only in eating and drinking places.

Among occupations expected to grow significantly during the decade, immigrants are a moderate to high proportion of production workers, registered nurses, and food preparation and serving. Recently-arrived Mexicans are most commonly found among production workers and food preparers and servers.

Functions within industries

Across all occupational categories, the foreign-born make up the greatest proportion of production and transportation workers, around 25 percent, up from 18 percent in 1990. In 1990 53 percent of these were newly-arrived Mexicans, by 2000 about 61 percent were.

Considering industries and occupations in combination, recent immigrants from Mexico are most commonly found among manufacturing production workers, service workers in hotels, restaurants and food services and construction workers.

Recent immigrants from countries other than Mexico were most commonly found among managers and professionals in health and educational services, and production managerial workers in manufacturing.

What would be the functional impact in Illinois of federal policy that reduced substantially the number of undocumented and/or low-skilled Mexican workers into the United States?

While about 12 percent of Illinois agricultural production workers are foreign-born, fewer than half of these are recently-arrived Mexican immigrants.

The Illinois construction, manufacturing, business support and wholesaling industries have similar levels of reliance on newly-arrived immigrants for basic construction or production tasks – around 10 percent, of which half of the workers are Mexicans arriving in the U.S. within the last 10 years. In wholesaling, higher proportions of immigrants are Mexicans who arrived within the past 10 years.

The heaviest reliance on recently-arrived Mexicans is in the accommodation and food service industries, where almost 14 percent of service workers are recently-arrived, and of those, about 70 percent are Mexicans. New immigrants, and Mexicans in particular, are also very important to business support services.

Recently-arrived immigrants make up smaller portions of other Illinois industries and so they tend not to dominate particular occupations. Foreign-born make up significant percentages of health care professionals and management and professionals among professional, scientific and technical services, but few of these workers are from Mexico.

To what degree do various industries rely on immigrants for part-time or temporary workers?

Of the four major categories or worker tenure, immigrants are most prevalent among workers who work full-time for only part of the year, comprising about 20 percent of this type of worker. Foreign-born were about 14 percent of year-round, full-time workers, about 10 percent of part-year, part-time workers and only 8 percent of year-round, part-time workers. Clearly immigrants fill an important niche among the contingent workers employers utilize to accommodate expansions and contractions in production. In the accommodations, food and manufacturing industries, recently-arrived Mexicans comprise over 10 percent of all such workers, nearly doubling since 1990.

Recently-arrived foreign-born, and Mexicans in particular, make up relatively few workers who work the entire year full-time. Only in accommodations, food services and business services, industries that use few such workers, do they comprise as much as 10

percent of that type of worker. Immigrants are even less prevalent among part-time workers as most immigrants come to the United States for economic reasons and so do not settle for or seek part-time work.

Would immigration reforms discussed help or hurt the state's human capital?

Newly arrived Mexican workers tend to be poorly educated, speak little English and are young. While foreign-born from Europe and Asia in particular are found in most segments of the labor force, Mexican immigrants in particular have been slow to penetrate managerial and professional sectors. In part this is because they continue to have low levels of education and English language acquisition. While the percent of newly arrived Mexicans with at least a high school education increased by 6 percent during the 1990s, it is still only 37.3 percent. Only about 37 percent of newly arriving Mexicans claim to speak English "well or better." Mexican workers in manufacturing, construction and agriculture are the least educated.

Newly arrived Mexican workers average about 28 years of age, about a year younger than ten years ago, and about 7 years younger than non-Mexican new arrivals. The youngest workers are found in accommodations, food service, construction and retail trade.

How might immigration reform affect industries in different parts of the state?

The foreign-born continue to comprise a large percentage of workers in Chicago (26%) and a rapidly increasing percent of suburban workers (17%). However, they make up only a small percentage of workers outside the Chicago area (2.8%).

In Chicago, recent arrivals, including Mexicans, comprise large portions of the manufacturing, construction, business support services, accommodations and food industries. In these industries, newly-arrived Mexicans comprise around 10 percent of all workers.

In the suburbs, Mexican immigrants are almost equally important to the business support services, accommodations and food service industries as they are in Chicago, but play a much smaller role in others. They are about 5 percent of manufacturing workers and 3 percent of construction and wholesale workers. They are, however, increasing rapidly. From 1990 to 2000 recent immigrants moved from 3.5 percent of the suburban workforce to 6.9 percent, with an increasing proportion of these recent Mexican arrivals.

I. Introduction

Illinois has a large foreign-born population, and the state is therefore highly impacted by federal policies that govern immigration. One of the primary areas of debate with regard to immigration has been the problem of how to respond to undocumented aliens, whose numbers have been growing steadily in recent decades. The increasing presence of the undocumented across the country has raised questions about the rigor of law enforcement and the extent to which the United States can control its borders. How to treat undocumented aliens is complicated by the role they play in the American economy. While on the one hand undocumented immigrants are in violation of federal immigration law, on the other hand they are of immense value to many employers.

In January 2004 President Bush called for a new program that would allow currently undocumented workers to obtain a temporary legal status. The President's proposal would allow otherwise undocumented workers to remain in the U.S. and work legally for three years. An extension of an additional three years also is under discussion. Immigrants enrolled in the temporary worker program would not be eligible for any special permanent immigrant visas, i.e., there would be no open-ended "amnesty" for these persons. This implies that after the temporary period, the undocumented would once again be subject to deportation. Democratic members of the U.S. House and Senate have introduced competing measures. In April 2004 Senator Edward Kennedy of Massachusetts and U.S. Representative Luis V. Gutierrez jointly introduced an immigration reform bill that would make immigrants eligible for legalization if they have lived in the U.S. for five years, have worked for an aggregate of two years, and have paid taxes, and creates provision for additional guest-worker programs.

Assessing the immigrant contribution to the Illinois labor force and estimating the scope and magnitude of undocumented workers in Illinois and the types of employers who hire them is, therefore, important for the state. This report provides insight into the industries in which undocumented immigrant workers are concentrated in Illinois by analyzing the patterns of hiring of recent immigrants and the foreign-born in general. Many recent immigrants to Illinois, i.e., those who arrived in the past ten years, are undocumented. In the case of Mexican immigrants, there are strong indications that the majority of 1990s arrivals were unauthorized to live and work in the U.S.

Mexican immigrants merit particular attention in a report on the use of immigrants in Illinois industries. Mexicans are a large portion of the undocumented in this state, having comprised the majority of persons who received immigration amnesty in Illinois via the Immigration Reform and Control Act of 1986. While the proposals for temporary workers and legalization pending in Washington are not limited to Mexico, that country clearly has special significance as a sending nation of workers and undocumented immigrants to the U.S.

Both the Bush and Kennedy/Gutierrez proposals imply reductions in the number of immigrants working in the United States. The Bush proposal would create some reductions over the next six years, assuming that most undocumented currently working

in the United States applied for and qualified for temporary work permits, and substantial reductions in the future as time expired on those permits six years later and future immigration was limited to those with legal work permits.

The Kennedy/Gutierrez proposal would attempt to legalize most undocumented workers currently employed in the United States, thereby maintaining the current workforce. It would seem to assume, as does the Bush plan, that by legalizing the large undocumented population, there will be a reduced unauthorized pool of workers, and most future hiring will be of the legalized residents.

These implications need to be considered within the context of data in this report that indicates that several Illinois industries 1) have a heavy current reliance on recent low-skilled immigrants, many of whom are likely undocumented, and 2) for many occupations within those industries, that reliance has increased substantially since the 1980s. And so the fate of future flows of low-skilled and/or undocumented immigrants should be of interest to them.

Immigration in Illinois

The state of Illinois is home to 1.5 million immigrants who comprise approximately 17 percent of the state's overall population. The foreign-born are dispersed across the state, though the majority, about 1.4 million, live in the six-county metro Chicago area. Within metro Chicago, slightly more than half live in the suburban areas.

Immigrants in Illinois come from virtually every nation in the world, but several groups predominate. Mexican immigrants alone represent about 40 percent of the foreign-born, and Mexicans, along with immigrants from Poland, India, the Philippines and China, are about 80 percent of all foreign-born persons in the state.

Immigrants come to Illinois with a variety of immigration statuses including persons joining their families through the family reunification process, persons gaining permanent residence as a result of their employment skills, undocumented immigrants (who may be further categorized as those who illegally enter the U.S. and those who overstay a temporary visa), refugees and temporary immigrants such as holders of H-1b visas that permit high-skilled persons to work for a three-year period in areas of labor shortage. Numerous other categories exist.

Immigrants come to the state of Illinois and the U.S. for many reasons. Macro-theory holds that immigration responds to differences among countries in the supply and demand of labor. Micro-theory ascribes migration to decisions made by individual actors making a cost-benefit calculation with regard to re-locating. In recent years, a "new economics of labor migration" has emphasized the role that households and even communities play in deciding on whether their members should migrate. (Massey 1998; Bean and Stevens 2003) These decisions are made to minimize risk for the household or community, and often are responses to lack of insurance, credit, and social safety net

programs in the country of origin. Other frameworks for understanding immigration include segmented labor market theory, which holds that modern industrial economies have seen their labor markets bifurcate, with a growing number of relatively low-skilled jobs with low benefits. These jobs are distinct from and their workers have little access to higher-paying jobs with benefits and so immigrants are prime candidates to fill these jobs that the native-born attempt to avoid. Finally, world systems theory has special relevance for Illinois, arguing that there are global cities that are nexuses for the flow of capital and information. These cities, which include Chicago, New York and Los Angeles in the United States, have high concentrations of wealth and educated workers that generate jobs in the service sector that are filled in part by migrants.

Illegal Immigration

The issue of undocumented immigration has been a concern of public policy makers and the general public for decades. In 1971 Congressman Peter Rodino held a series of hearings on illegal immigration in the U.S. House Subcommittee on Immigration, devoting substantial attention to the idea of penalizing employers who hire the undocumented (Calavita 1994). Employer sanctions and legalization for the undocumented were introduced as legislation at several points in the 1970s, with the Carter Administration introducing a bill including employer sanctions, legalization and heightened enforcement in 1977. While Carter's bill did not progress out of Congress, a U.S. Select Commission on Immigration and Refugee Policy supported the concept of penalizing employers, granting amnesty to some undocumented, and tightening border control.

Congress debated the control of illegal immigration several times in the early 1980s and eventually passed the Immigration Reform and Control Act of 1986 (IRCA). IRCA sought to control immigration by enacting a one-time set of amnesties for unauthorized immigrants in the U.S., by instituting sanctions on employers who hire the undocumented, and by increasing funding for the U.S. Border Patrol. The numbers of undocumented immigrants declined in the period immediately following IRCA, but eventually the numbers of persons estimated to be illegally crossing the U.S. border again reached pre-IRCA levels (Fix and Passel 1994). Congress responded by enacting the Immigration Act of 1990, which authorized more Border Patrol personnel. In 1996 Congress enacted the far-reaching Illegal Immigration Reform and Immigrant Responsibility Act, which sought to control illegal immigration by establishing further measures to control U.S. borders by increasing border personnel, improving barriers on the Southwest border, increasing penalties for smuggling and passport fraud, by instituting numerous other measures such as restricting benefits to aliens and mandating data collection by educational authorities on the undocumented. (USCIS 1998).

Despite the attention to controlling illegal immigration, the number of unauthorized aliens in the country has continued to grow. The U.S. Citizenship and Immigration Services Bureau (formerly the U.S. Immigration and Naturalization Service) estimated that 3.4 million undocumented immigrants were in the U.S. in 1992, a number that had risen to 5 million as of October 1996 [USCISb]. The USCIS subsequently estimated

from the 2000 Census that the undocumented population stood at approximately 7 million as of the year 2000. More recently, using data from the 2002 Current Population Survey, the Urban Institute has estimated that the undocumented population stands at about 9.3 million persons (Passel, Caps and Fix 2004). Some of the growth is due to improved estimation techniques, and earlier estimates may suffer from the inadequacies of the survey instrument on which they are based (the Current Population Survey used in the 1994 and 1996 estimates) and so had undercounted the immigrant population. Clearly, however, undocumented immigration has been increasing.

Undocumented immigration has been an issue at the local and national levels. In 1996 California voters passed Proposition 187 which sought to deny a range of public benefits to illegally residing aliens, but most of the initiative's provisions were struck down by a federal court. Earlier in the 1990s, a set of state governments had unsuccessfully attempted to sue the federal government for costs in education and social services that they incurred as a result of illegal immigration. In Illinois, the runner-up in the Republican Party primary election of March 2004 ran on a platform that emphasized stopping illegal immigration.

At the national level, President Bush and Mexican President Vicente Fox were widely reported to be considering a program designed to legalize in some fashion a portion of Mexican illegal workers in the U.S. Early in his administration President Bush had assigned a team of high-ranking officials including Secretary of State Colin Powell to discuss immigration with their Mexican counterparts, and the two Presidents were scheduled to hold a meeting on the topic a few days after September 11, 2001. The events of that day scuttled talk of immigration reform involving legalization of undocumented workers.

In January 2004, however, President Bush made headlines when he announced his support for a temporary guestworker program in the U.S. Bush had previously stated his support for finding a mechanism to relieve worker shortages in the U.S. through temporary immigration. In his 2004 announcement Bush called for granting temporary work authorization for up to three years to new foreign workers and to undocumented aliens already in the U.S. These persons would be required to register with the federal government and would be able to cross the U.S. border without hindrance during their stay. The envisioned program would not offer immigrants the ability to make their stay permanent other than through existing channels of family- and employment-based immigration, channels with large backlogs. (The White House 2004).

Illinois has one of the largest foreign-born populations in the United States, which includes a sizable presence of undocumented immigrants. The USBCIS estimates that there were about 430,000 undocumented immigrants in Illinois in 2000, growing at a rate of about 24,000 persons per year, and representing about 3.5 percent of the state's population. In its 2002 estimates, The Urban Institute places the number of undocumented at 400,000 in Illinois, with six percent of the nation's illegal immigrant population living in the state. The undocumented make up between 30 percent and 39 percent of all foreign-born in Illinois, according to Urban Institute (2004) calculations.

Unauthorized Immigrant Arrivals in the 1990s

Nationally, the USCIS estimates that there were 4,808,000 undocumented Mexican immigrants in the U.S. in the year 2000, compared to a total of 9,177,000 Mexican immigrants of all statuses recorded by the 2000 census. Not all undocumented immigrants are included in the census, but these numbers clearly indicate that a large portion of Mexican immigrants – regardless of time of arrival – are unauthorized to live in the U.S.

For the cohort of Mexican immigrants who came in the 1990s, the portion that is undocumented is likely to be higher than in the case of the overall Mexican foreign-born population. 1990s undocumented immigrants have had less time to legalize their status via family reunification visas or employment-related visa. In contrast, the 1980s cohort of Mexican arrivals is less likely to be undocumented at this point in time because, apart from having had a longer time in which to secure family- and employment-based visas, many could avail themselves of the legalization programs of the Immigration Reform and Control Act of 1986 (IRCA). This legislation granted legal status to many immigrants who resided in the U.S. prior to 1982, and even later in the case of some agricultural workers. Furthermore, undocumented immigration declined in the initial years after the passage of IRCA, due to increased border control and the new legal channels opened up for close family members of those who received legalization (USCIS 1990).

In the case of Mexican immigrants there are particularly strong indications that the majority of 1990s arrivals are currently undocumented. While Passel, Caps and Fix estimate that up to 39 percent of all immigrants in the state of Illinois are undocumented, the average for Mexican immigrants is likely to be higher than for the overall population, given Mexico's long history as a major source of workers in the U.S., many of whom are unauthorized immigrants (Massey, Durand and Malone 2002). Approximately 283,000 persons in Illinois told the 2000 census that they came from Mexico in the 1990s. The number of legal immigrant visas awarded to Mexican immigrants coming to Illinois in that decade, however, total about 71,000.[1] This suggests that three-quarters of 1990s Mexican arrivals may be undocumented.

There is an established history of using government survey data to proxy the characteristics of undocumented immigrants. The surveys include the decennial census, the Current Population Survey, and others. In the early 1990s the Urban Institute began producing research on the undocumented and on other immigrant statuses such as refugees by census data on groups with very similar characteristics. Clark developed national estimates of undocumented immigrant use of welfare programs (Clark 1994). In a separate study, for the U.S. Justice Department, Clark and others estimated education, medical services and incarceration of the undocumented (Clark et al. 1994) In Illinois, the Illinois Immigrant Policy Project, funded by the Illinois Department of Human

[1] This number of legal immigrant visas excludes persons who received amnesty via IRCA. By definition, they arrived in the U.S. prior to 1990.

Services, used proxying methodology to describe use of welfare and tax payments by undocumented immigrants in the state (Latino Institute, 1996).

Industrial Definitions

In this paper we analyze the extent to which the foreign-born and recent immigrant arrivals are employed in major industrial sectors in Illinois. We use census data from 1990 and 2000 to examine the presence of foreign-born in general, recent immigrants and more specifically recent Mexican immigrants in various industrial categories.

The paper utilizes records from the Public Use Micro Sample and analyzes records for Illinois residents who responded to the U.S. Census in 1990 or 2000. Strictly speaking, the report analyzes the work patterns of Illinois residents, some of whom may live in Illinois but work in an adjacent state, and does not include workers who lived in an adjacent state but worked in Illinois.

This paper compares the use of immigrant workers by industrial category in both 1990 and 2000. This comparison across time is important to show trends, but the task is made difficult by the fact that the U.S. Census Bureau redefined its industrial categories between 1990 and 2000. From the 1990 Census 19 major industrial categories may be identified. For the 2000 Census there are 21 major categories. New categories have been added, and some specific industries have been shifted from one major category to another. Our method for allocating 1990 industry and occupation to 2000 categories was based on the work of Scopp for the Census Bureau (Scopp 2003). We used the Census 5 percent PUMS, and used a universe of the experienced civilian labor force, that is, the civilian employed and civilian unemployed with recent work experience (the latter defined as 5 years prior to the Census).

Using Scopp's methodology, we assigned the overall number of persons in the Illinois experienced labor force in 1990 into revised categories that match those of the 2000 Census. The industry "crosswalk" that we used is found at the Bureau of the Census website at http://www.census.gov/hhes/www/ioindex/sf3indcrosstemplate.xls as is the occupation crosswalk at http://www.census.gov/hhes/www/ioindex/sf3occcrosstemplate.xls We further categorized some in the Armed Forces industry and/or military occupations, which Scopp does not do.

The methodology is useful for re-aggregating summary data. To derive socioeconomic characteristics for the new 1990 Census categories, however, it is necessary to recode PUMS records. There were 236 industry groups in 1990 as described by Scopp. We re-assigned each of these codes to the 265 categories available in 2000. We assigned each individual 3-digit industry code to the largest major sector/subsector as shown in Table P-51 of Summary File 3 from Census 2000. Similarly, there were 501 occupation groups in 1990. We assigned each individual 3-digit occupation code to the largest of the 6 occupation groups shown in Table P-50 of SF3 from Census 2000. We then compared these estimates to the industrial and occupational data from the crosswalks. We used PUMS socioeconomic data from only categories that were +/- 10% of the crosswalks.

II. Overview of Recent Immigrants in the Illinois Labor Force

Immigrants are a large and growing portion of the Illinois workforce. In the year 2000, some 877,000 immigrants were employed in Illinois, and they represented 14.3 percent of the labor force. The foreign-born workers grew in number by 290,000 over the 1990s, for an increase of nearly 50 percent over the decade. During the 1990s, immigrants represented 68.9 percent of the growth in the state's labor force. Clearly federal policy that has the effect of either removing immigrants from the current workforce, or reducing the future flow of immigrants will have an impact on the operation of firms in many Illinois industries and their labor markets.

Recent immigrants, and in particular recent immigrants from Mexico, are growing in importance even faster than the overall immigrant labor force. Immigrants who arrived in the U.S. in the 1990s are 5.8 percent, or more than one in twenty, of Illinois workers. The numbers of recent immigrants grew at a fast pace in the last decade, by 66.1 percent (i.e., the number of recent immigrants in 1990 compared to the number of recent immigrants in 2000).

The number of Mexican immigrants who arrived in the past ten years nearly doubled in the 1990s, increasing by 90.5 percent over the decade. Mexican immigrants with less than ten years of residence account for 2.4 percent of the Illinois workforce. The immigrants from Mexico are roughly half, 49.3 percent of all recent immigrant workers.

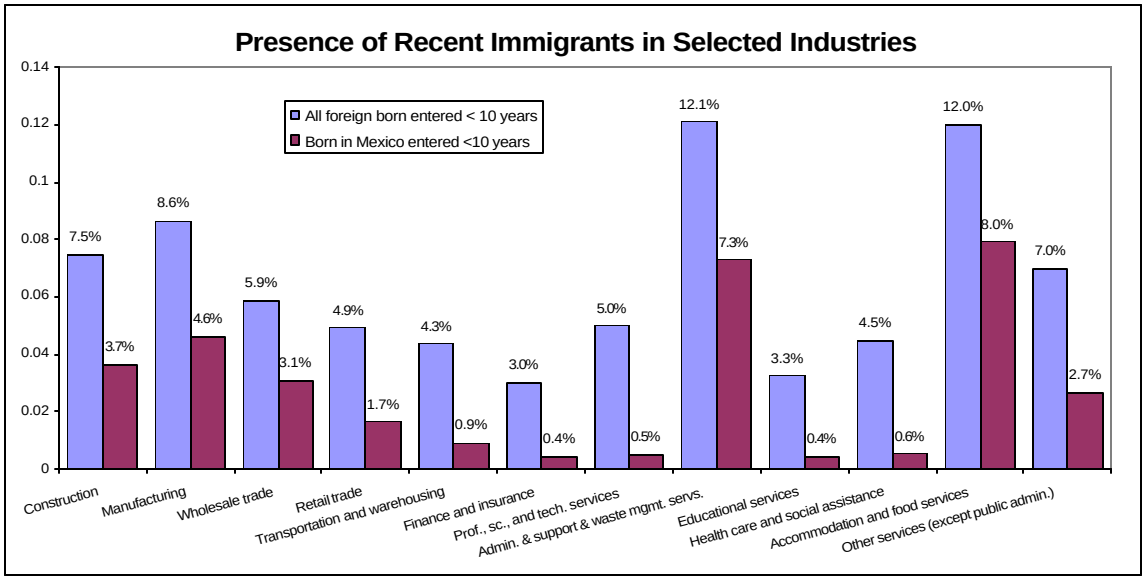
Table 1: Composition of the Illinois Workforce

	1990		2000		1990-2000 Change	
	Workers	Pct of Workers	Workers	Pct of Workers	# Change	Pct. Growth
Total:	5,726,415	100.0%	6,147,743	100.0%	421,328	7.4%
Native Born	5,139,585	89.8%	5,270,419	85.7%	130,834	2.5%
Foreign Born	586,830	10.2%	877,324	14.3%	290,494	49.5%
Immigrants <10 Years	216,171	3.8%	359,144	5.8%	142,973	66.1%
Mexicans <10 Years	77,967	1.4%	148,511	2.4%	70,544	90.5%

Certain Illinois industries use recent immigrants more than do others. Recent immigrant workers are more than 12 percent of all employees in the administrative, support, and waste management industry, and in the accommodation and food services industry. They are nearly 9 percent of workers in the manufacturing industry. Recent immigrants are more than 5 percent of workers in seven major industrial categories in Illinois.

Recent immigrants from Mexico are 8 percent of workers in accommodation and food services and 7.3 percent of workers in administration, support and waste management. Mexican immigrants are more than half of all recent immigrant workers in these categories and in manufacturing and wholesale trade.

Figure 1: Presence of Immigrants in Selected Industries, 2000



Many Illinois industries have experienced extraordinary growth in the number of their workers who have recently arrived from abroad. Six industries, as seen in the graphic below, saw the number of recent immigrants in their employ grow by more than 100 percent during the 1990s. Growth of recent Mexican immigrants was even more extensive, as nine industries doubled their employment of these workers over the 1990s. The highest increase in recent Mexicans was in administration, support and waste management and in accommodation and food services. In each of these industries employment of recent Mexicans grew by several hundred percent.

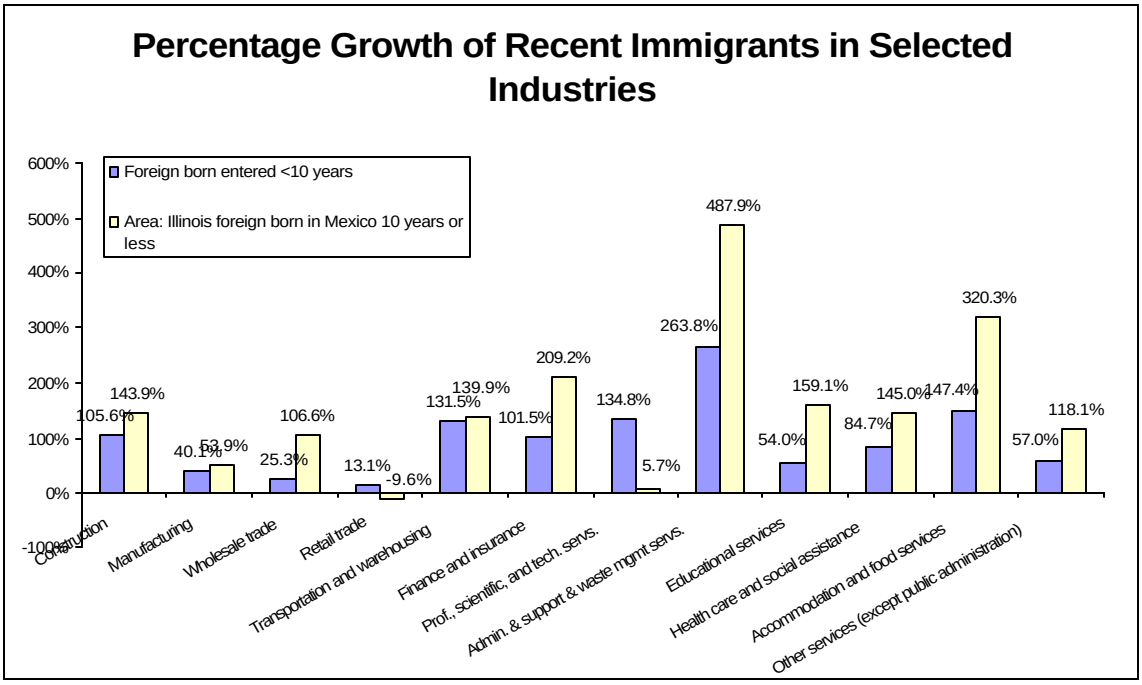
From these figures, we can begin to make some guesses about possible economic impacts of restricting immigration, particularly of new or undocumented Mexicans. We suggest that there are two broad categories of jobs that employ low-skilled immigrants. These are defined by whether they could be sent overseas, such as manufacturing work, or whether they must be land-based and located near Chicago, such as hotel and restaurant work. The two areas where low-skilled immigrants are most prevalent, miscellaneous business services and accommodations and food services are not functions that can be sent overseas. Were low-skilled immigration restricted, some work would likely go undone and in other cases wages would probably rise somewhat, drawing more low-skilled African Americans into the workforce. Many Mexican food service workers work in restaurants and those enterprises could close, reducing somewhat levels of commerce. In some instances, workplaces would be restructured either managerially or technologically to sustain production levels with fewer workers.

The loss of Mexican workers in manufacturing would result in higher wages for some companies that were either too small to move overseas or who had strong incentives to keep production within the United States. This could result in technological upgrades

leading to higher productivity by domestic workers, or drawing more unemployed native-born into the labor force in an attempt to keep wages lower. However, some manufacturers may choose to relocate production off-shore, or even to Mexico, with the result that many skilled or managerial jobs held by native-born within those companies would either be transferred overseas, or lost.

However given industries or firms might respond, immigration reform clearly affects a wide variety of Illinois industries, rather than a few isolated sectors. The hiring of recent immigrants has quickened in the last decade, with the number of recent immigrants growing faster in percentage terms than the native-born, and with the recent immigrants subsequently comprising growing portions of the Illinois labor force. Many of these immigrants are undocumented and suggesting many firms depend on undocumented workers and would be affected by policies that promise to legalize undocumented workers.

Figure 2: Percentage Growth of Recent Immigrants in Selected Industries, 1990 to 2000



Immigrants and projected industry growth patterns

Some rapidly growing industries depend heavily upon foreign-born and recently immigrated labor; others do not. The following table shows the top ten industries projected to expand from 2000 to 2010 by the Illinois Department of Employment Security. As seen in the table, three industries, eating & drinking establishments, trade contractors, and auto repair services, depend heavily on immigrants and to some extent on recent Mexican immigrants.

Table 2: Industrial Dependence on Immigrants by Number of New Jobs Projected

Industry	Projected number of new jobs, 2000 to 2010	Dependence on foreign-born	Dependence on recent Mexicans
Miscellaneous Business Services	244,650	Moderate	Low
Health Services	93,126	Moderate	Low
Educational Services	65,606	Moderate	Low
Eating and Drinking Places	59,071	High	Moderate
Engineering, Accounting, and Management Services	54,672	Moderate	Low
Social Services	30,050	Moderate	Low
Special Trade Contractors	25,776	High	Moderate
Miscellaneous Retail Stores	20,068	Moderate	Low
Trucking and Warehousing	17,713	Moderate	Low
Automobile Repair, Services, Garage	17,065	High	Low

Note: Low 0% to 8%; Moderate 8% to 15%; High over 15%
Source: http://lmi.ides.state.il.us/PDFs/StateEmplymtProj.pdf and authors' calculations

When we consider occupations that the Illinois Department of Employment Security projects to expand, we find a much higher potential dependence upon immigrants. In total volume, many low-skilled occupations are expected to be among the fastest growing in Illinois and these are populated with both high proportions of foreign-born and, in many cases, recent Mexican immigrants.

Table 3: Occupational Dependence on Immigrants by Project Number of New Jobs

Occupation	Number of new jobs, 2000 to 2010	Dependence on foreign-born	Dependence on recent Mexicans
Customer Service Rep	25,485	Low	Low
Production Workers, All Others	23,030	High	Moderate
Registered Nurses	20,105	Moderate	Low
Combined Food Preparation and Serving Workers, Including Fast Food	18,040	High	Moderate
Office Clerks, General	17,393	Moderate	Low
Computer Support Specialists	16,533	Moderate	Low
Waiters and Waitresses	16,481	High	Low
Computer Software Engineers, Applications	16,480	High	Low
Business Operations Specialists, All Other	15,999	Moderate	Low
Truck Drivers, Heavy and Tractor-Trailer	15,983	Moderate	Low
Construction Laborers	15,238	High	Moderate
Security Guards	15,148	Moderate	Low
Janitors and Cleaners, Excluding Maids	14,828	High	Low
Cashiers	14,071	Moderate	Low
Retail Salespersons	13,495	Moderate	Low

Note: Low 0% to 8%; Moderate 8% to 15%; High over 15%
Source: http://lmi.ides.state.il.us/PDFs/StateEmplymtProj.pdf and authors' calculations

Dependence on the Undocumented

While no method utilizing Census data can precisely ascertain the dependence of various industries on undocumented labor, non-citizenship is a strong proxy for it, particularly where recent Mexican immigrants are concerned. As the table below indicates, the vast majority of recent Mexican immigrants living in Illinois remained non-citizens in 2000. Construction, accommodations and food service industries in Illinois are most dependent on recent non-citizen Mexican immigrants, although all are to a great degree. In these industries, around 95 percent of recent Mexican immigrant workers are non-citizens. Among the occupations production and services, most recent Mexican immigrants are non-citizens. Essentially, dependence on Mexican, non-citizen labor tends to shadow dependence on recent Mexican undocumented immigrants.

Table 4: Percent of 1990s Mexican Arrivals Non-Citizen in 2000

	Mgr	Service	Sales	Farm	Construct	Prodctn	Total
Accom & Food	99.1%	95.5%	94.1%		100.0%	95.1%	95.5%
Adm/Supt/WstMgmt	88.3%	96.4%	93.8%	100.0%	91.0%	94.6%	95.4%
Construction	88.3%	48.6%	82.9%		95.3%	89.2%	94.1%
Wholesale trade	71.9%	87.7%	95.7%	90.2%	96.2%	95.0%	93.4%
Manufacturing	88.8%	100.0%	93.3%	100.0%	90.4%	92.8%	92.8%
Retail trade	93.3%	96.8%	92.3%	100.0%	95.6%	90.9%	92.5%
Ag/For/Fish/Mine	100.0%	100.0%		88.0%		100.0%	90.8%
FIRE	81.9%	91.8%	89.0%		100.0%	100.0%	89.9%
Health	77.3%	91.5%	83.6%			81.7%	87.4%
Prof/Sci/Tech	90.3%	100.0%	69.5%		69.0%	90.9%	86.4%
Public Admin	100.0%	77.3%	93.1%			100.0%	86.4%
Trnsp/Wareh	45.0%	100.0%	88.8%		79.7%	84.9%	85.5%
Educ Svcs	79.3%	57.7%	90.4%	100.0%	100.0%	22.2%	85.4%
All Industries	85.1%	95.4%	91.4%	91.1%	94.7%	93.0%	92.0%

III. Occupations within Industries

When considering changes in U.S. immigration policy and their possible effects on Illinois businesses, one of the most important factors is the contribution immigrants make to the operations of businesses. To what extent do businesses in Illinois depend on foreign-born labor, either longer resident or more recently-arrived, to perform vital functions within the company?

America's economic history is in many ways the story of immigrants who filled vital functions in industry at key moments in industrial or scientific development such as German metallurgists, Welsh miners, Chinese railroad workers, Eastern European laborers, Jewish clothiers or German physicists. America's first industrial revolution, the transition from shop-based to factory-based manufacturing, could not have occurred as it did without the huge infusion of European labor and Chicago's prosperity is particularly indebted to those immigrants. The question we may ask, then, is to where do Illinois industries most depend upon immigrants, and particularly the newest arrivals today?

Across all industries, the1990s saw significant change from the 1980s in the occupations taken up by new arrivals. All of the six major occupational areas show significant increases in the percentage of their workers who are foreign-born with production at the top with over 24 percent of its workers foreign-born. The greatest numerical increases came in the areas of service occupations.

Table 5: Nativity by Occupation

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Production, transp, material moving	17.7%	24.5%	6.7%	10.3%	3.5%	6.3%
Farming, fishing and forestry	8.3%	19.6%	5.5%	9.0%	4.4%	8.7%
Service	13.6%	18.4%	6.9%	8.9%	3.1%	4.8%
Construction, extraction, maintenance	10.2%	15.8%	3.8%	6.8%	1.7%	3.4%
Managerial, Prof & Related	8.1%	11.2%	2.3%	4.1%	0.1%	0.3%
Sales and office	6.6%	9.5%	2.1%	3.5%	0.4%	1.1%
Total	10.2%	14.3%	3.8%	5.9%	1.4%	2.4%

Note: Throughout the report "recent immigrants" are immigrants who arrived in the U.S. within 10 years prior to the 1990 or 2000 Census.

Illinois industries depend upon recent Mexican immigrants to perform low-wage and low-skilled tasks in industries that utilize large numbers of workers with these

characteristics. Recent immigrants from Mexico are important for basic production in manufacturing, comprising nearly 40,000 of these workers statewide. The next most important function for them is as service workers in the accommodation and food services industry. As the table below indicates, none of the most common occupational functions within industries for recent Mexicans requires high skills or education.

Table 6: Top 10 Industrial Occupations with Largest Number of Recent Immigrants from Mexico in 2000 Census: Selected Industrial Sectors

Industry	Occupation	Number in 2000
Manufacturing	Production	39,063
Accommodation and food services	Service	23,939
Construction	Construction	12,017
Administrative, support, waste management	Service	9,001
Retail Trade	Sales and Office	6,653
Administrative, support, waste management	Production, transp, material moving	6,487
Wholesale Trade	Production	3,939
Educational, health and social services	Service	2,976
Retail Trade	Production, transp, material moving	2,958
Accommodation and food service	Sales and office	2,157

Recent immigrants from other countries perform a different function in the Illinois economy. While large numbers of these immigrants do work in production jobs in manufacturing, two of the three largest industrial/occupational functions are working as managers or professionals in human services and manufacturing. They also commonly work in various service occupation as well as white-collar jobs in finance, insurance, and real estate.

Table 7: Top 10 Industrial Occupations with Largest Number of Recent Immigrants from other Countries, 2000 Census: Selected Industrial Sectors

Industry	Occupation	Number in 2000
Educational, health and social services	Managerial, professional and related	26,554
Manufacturing	Production, transportation and material moving	22,381
Manufacturing	Managerial, professional and related	11,769
Construction	Construction, extraction and maintenance	10,978
Accommodation and food services	Service	9,979
Educational, health and social services	Service	9,721
Administrative, support and waste management services	Service	6,932
Transportation and Warehousing	Production, transportation and material moving	6,923
FIRE	Sales and Office	6,049
FIRE	Managerial, professional and related	4,308

Agriculture, forestry, fishing and hunting, and mining

The Illinois agricultural economy is not built on labor intensive produce, such as fruit, that must be picked. As a result, in comparison with California and the south, it has never had a large market for migrant farm workers who in other states are largely immigrants. The greatest part of the industries generating raw materials and food are found downstate, where the post-1965 immigrations have penetrated least. Most of the workers in these industries are farm workers and it is there that the largest numbers of foreign-born workers are found, and where the greatest increases have occurred between the 1980s and 1990s. Of those new immigrants who do work in agriculture, a large percentage of them are from Mexico. Almost all recent immigrants engaged in farm work itself were from Mexico in 2000.

While changes in immigration policy affecting the unskilled or undocumented would have little impact on agriculture across Illinois, they could have some effect on operations that utilize large numbers of Mexican workers. In some parts of the state, it could be difficult to find substitutes for these workers and so could have a significant wage effect in order to maintain production.

Table 8: Occupation by Nativity: Agriculture, forestry, fishing, hunting, mining

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Farming, fishing and forestry	6.7%	12.5%	4.7%	5.4%	4.1%	5.4%
Production, transp, material moving	3.8%	7.4%	1.1%	3.6%	1.1%	1.5%
Service	8.6%	5.9%	5.4%	2.9%	4.0%	1.7%
Sales and office	1.9%	5.0%	0.3%	0.8%	0%	0%
Construction, extraction, maintenance	2.0%	2.3%	0.2%	0.0%	0.2%	0%
Managerial, Prof & Related	0.8%	1.1%	0.2%	0.5%	0.1%	0.2%
Total	2.7%	4.5%	1.4%	1.8%	1.1%	1.5%

Construction

The construction industry is a major industry in Chicago and its suburbs. The foreign-born have become increasingly represented in most occupations within the industry from the 1980s to the 1990s. They now make up around 20 percent of custodial or maintenance workers within the industry (service) and the construction workers themselves. They have generally not penetrated management, increasing from only 9 percent to 12 percent of managers during the 1990s. Large increases have been seen in the number and percentage of recent immigrants, and Mexicans among them, in the basic construction occupations.

Policies that resulted in reduction in the availability of low-skilled or undocumented immigrants could affect the construction industry. Most construction jobs by nature cannot be sent off-shore so construction firms would have to accommodate changes in their labor supply by either restructuring work somewhat, raising wages, or hiring employees they would not otherwise have hired. In 2000 recent Mexican arrivals comprised 4 percent of service, construction, production and transportation jobs in the industry, up from around 2 percent in the 1990 Census.

Table 9: Occupation by Nativity: Construction

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Service	17.1%	22.3%	5.0%	7.0%	2.4%	4.1%
Construction, extraction, maintenance	11.7%	17.9%	5.1%	8.7%	2.4%	4.5%
Production, transp, material moving	7.8%	15.0%	2.7%	6.8%	1.1%	4.2%
Managerial, Prof & Related	9.4%	12.0%	2.5%	4.3%	0.1%	0.7%
Sales and office	4.6%	5.7%	0.9%	2.3%	0.1%	0.5%
Total	10.6%	16.0%	4.3%	7.5%	1.8%	3.7%

Manufacturing

Recent Mexican immigrants have had one of their largest impacts in the manufacturing industry. The percentage of production workers who are foreign born increased from around 22 percent in the 1980s to 30 percent in the 1990s. The percent who were recent immigrants increased from 8 percent to 12 percent, and the new immigrants in the industry became more Mexican, moving from 41 percent in the 1980s to over 60 percent arriving in the 1990s. While the industry depends upon immigrants for a substantial body of its production workforce, it is much less dependent on them for sales and management. Likewise, the Mexican immigrants so common among the production workers (7.7% in 2000), tend to be far less represented among management.

Changes in immigration policy affecting the unskilled and undocumented would have a significant impact on the industry. The firm response to change is probably the most unpredictable across the industry of all of the industries considered. Individual firms vary widely in their use of immigrant workers and various production processes vary widely in their uses of skilled and unskilled labor. Options of manufacturing firms were low-skilled labor supplies to decrease, would include raising wages to attract other domestic workers, adopting more efficient production processes and technologies that sustained productivity with fewer workers, or possibly moving off-shore in pursuit of new low-wage workers. How individual firms responded to changes would depend upon a variety of factors including reliance on immigrant labor, wage structure, access to technology, location, price competitiveness and strength of foreign markets.

Table 10: Occupation by Nativity: Manufacturing

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Production, transp, material moving	22.5%	30.5%	8.4%	12.0%	4.7%	7.7%
Service	17.7%	23.4%	6.5%	8.2%	3.4%	6.0%
Construction, extraction, maintenance	12.9%	19.2%	3.8%	6.4%	1.9%	3.0%
Managerial, Prof & Related	9.6%	14.3%	2.6%	5.4%	0.2%	0.5%
Sales and office	8.3%	10.7%	2.4%	3.2%	0.8%	1.4%
Farming, fishing and forestry	16.0%	9.1%	0.0%	9.1%	0.0%	9.1%
Total	16.4%	22.6%	5.7%	8.6%	2.8%	4.6%

Wholesale Trade

In wholesale trade the most significant foreign-born presence is found among service workers and production and material handlers. The service workers category saw large percentage decreases in dependence on both foreign-born and recent arriving immigrants from the 1980s to the 1990s as new service occupations within the industry were largely taken by native-born workers. On the other hand, among the new immigrants who did enter the industry, there was a large increase in the representation of Mexicans. Around 8 percent of service, production and material moving workers were recent Mexican immigrants in the 2000 Census.

Most of the recent immigrants who make up about 10 percent of the service, production and material moving jobs are from Mexico and so changes in immigration policy affecting the unskilled or undocumented could have a significant effect on wholesale firms. In Chicago and south and near western suburbs, it seems likely that any losses of these workers might be replaced by African Americans hired at somewhat higher wages. In the northwest suburbs, the same might be true, although the challenge of locating these workers might be harder.

Table 11: Occupation by Nativity: Wholesale Trade

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Service	45.8%	28.9%	26.1%	12.3%	13.5%	9.9%
Production, transp, material moving	18.0%	23.8%	6.6%	10.4%	3.4%	7.6%
Managerial, Prof & Related	9.4%	14.8%	3.9%	4.9%	0.1%	0.8%
Construction, extraction, maintenance	9.1%	12.6%	3.2%	5.3%	0.8%	3.3%
Sales and office	7.3%	11.7%	2.5%	3.7%	0.6%	1.4%
Total	10.6%	15.6%	4.0%	5.9%	1.3%	3.1%

Retail Trade

The retail industry shows a modest but increasing dependence on immigrants, with nearly 11 percent of sales persons in the industry, and 16 percent of production workers foreign-born. These represent 4 percent increases from the 1980s to 1990s. Recent immigrants make up an increasing but small percentage of workers in the industry. Mexicans make up an increasing percentage of the sales force, up from 17.8 percent of recent immigrants in the 1980s to 30.9 percent of recent immigrants in the 1990s, perhaps in part a result of increased presence of retail stores in neighborhoods with large Latino populations and increased interest by retailers in reaching Latino markets. However, recent Mexican immigrant representation among managers remained low at about one half of one percent of managers.

Changes in policy affecting the undocumented or the low-skilled could have some direct effects on the industry overall, but more likely the effects would be indirect as changes would tend to affect stores operating primarily in immigrant enclaves and affect employees and customer base there. Many recent immigrants work in the lowest skilled back room and stocking jobs in stores, and in some cases might have to be replaced with higher wage workers, but in other cases firms might accommodate changes by restructuring work so as to operate with fewer employees.

Table 12: Occupation by Nativity: Retail Trade

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Service	11.0%	16.2%	5.5%	6.0%	2.4%	2.7%
Production, transp, material moving	12.1%	15.8%	5.5%	7.3%	2.8%	3.9%
Managerial, Prof & Related	7.1%	10.8%	2.0%	4.5%	0.2%	0.4%
Sales and office	6.9%	10.8%	2.4%	4.6%	0.4%	1.4%
Construction, extraction, maintenance	6.4%	8.6%	2.4%	4.0%	0.9%	2.0%
Total	7.6%	11.5%	2.8%	4.9%	0.8%	1.7%

Transportation and Warehousing

The transportation and warehousing industries have experienced substantially increased penetration by the foreign-born over the past ten years across all major occupational categories. The largest percentage gain was among the managerial occupations, where the percent who were foreign-born jumped from 4.7 percent in 1990 to over 11 percent in 2000.

Perhaps in part because of the need for driver's licenses, recently-arrived Mexicans and workers who are likely undocumented have played a small role in the transportation industry. While some surely work on loading docks and in laborer positions, these industries are much more characterized by non-Mexican foreign-born.

Table 13: Occupation by Nativity: Transportation and Warehousing

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Production, transp, material moving	7.8%	13.6%	2.4%	5.5%	0.5%	1.3%
Construction, extraction, maintenance	8.1%	12.1%	0.6%	2.2%	0.2%	0.7%
Managerial, Prof & Related	4.7%	11.3%	1.0%	5.3%	0.2%	0.1%
Service	8.7%	11.3%	4.1%	3.5%	1.5%	0.8%
Sales and office	5.2%	9.7%	1.3%	2.6%	0.2%	0.6%
Total	6.8%	12.1%	1.9%	4.3%	0.4%	0.9%

Educational Services

Relative to other industries, the foreign-born tend to work less in educational services. The most interesting development over the past ten years has been the growing presence of Mexican immigrants among the foreign-born working in the education industry. These tend to be service and maintenance employees. With growing Latino enrollments, Latinos will one day likely be better represented among teachers and other professionals in schools, but to this point, boards of education have had a difficult time recruiting certified Spanish-speaking personnel and so they make up only a small proportion of the professional educational workforce. In the future, they will likely make up much more, with some being recruited from among second-generation Americans and others from Spanish-speaking countries. In general, the education industry is affected far more by policy affecting skilled immigrants than by policies respecting the low-skilled or undocumented.

Table 14: Occupation by Nativity: Educational Services

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Service	7.3%	9.1%	2.9%	3.0%	0.6%	1.2%
Managerial, Prof & Related	6.5%	8.6%	2.7%	3.5%	0.1%	0.3%
Sales and office	5.8%	5.9%	2.2%	2.4%	0.1%	0.3%
Construction, extraction, maintenance	4.5%	5.6%	0.6%	2.2%	0.0%	0.9%
Production, transp, material moving	3.8%	5.3%	0.8%	1.3%	0.2%	0.6%
Total	6.4%	8.2%	2.6%	3.3%	0.2%	0.4%

Health Care

As a whole recent immigrants make up a small percentage of health care employees, although South Asians make up an important component of professional health care workers. Although a growing segment, recent immigrants made up only around 4 percent of health care professionals in Illinois in 2000. Among recent immigrants, Mexicans are conspicuous in their absence from the field, making up only 4.2 percent of recent immigrants with professional positions in the industry, and only around 20 percent of recent immigrants in service or office occupations.

Changes in immigration law affecting the low-skilled or undocumented would have little effect on this industry.

Table 15: Occupation by Nativity: Health Care

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Managerial, Prof & Related	11.5%	13.9%	2.6%	4.4%	0.1%	0.2%
Service	9.5%	12.6%	4.3%	5.8%	0.6%	1.2%
Production, transp, material moving	11.7%	12.0%	3.7%	4.6%	1.3%	1.5%
Construction, extraction, maintenance	10.3%	10.4%	3.0%	2.5%	0.3%	0.0%
Sales and office	6.6%	8.1%	1.7%	2.5%	0.2%	0.5%
Total	10.1%	12.5%	3.0%	4.5%	0.3%	0.6%

Accommodation and Food Services

The foreign-born, and recent Mexican immigrants in particular, are very important to the accommodation and food services industries. The foreign-born play important roles in all of the major occupational categories, and recent immigrants are particularly prevalent among the service and production workers, comprising around 15 percent of them. Recent Mexican immigrants comprise about half of most categories, but make up over 70 percent of recently-arrived immigrants. Hotel, restaurants and other food service employment positions lend themselves well to recent immigrants with little English as work is often organized around teams and many positions require almost no customer contacts.

The food and accommodations industries are becoming increasingly dependent on the foreign-born across all occupations with increases of as much as 50 percent in most occupations. This was true as well for Mexicans, who became a far higher percentage of new immigrant workers in sales and office, as well as management. Changes in immigration policy affecting the unskilled and undocumented would have significant effects on the industry, likely forcing employers to raise wages and for suburban hotels and restaurants to reach into the city more for employees. Higher costs in these industries would not, however, likely lead to loss of jobs as most of the industry function cannot be transferred off-shore. In some instances, work might be restructured so as to utilize fewer employees, in other instances profit margins might fall somewhat or prices could rise minimally

Table 16: Occupation by Nativity: Accommodation and Food Services

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Production, transp, material moving	14.5%	26.3%	7.8%	15.8%	4.5%	9.1%
Service	18.9%	24.8%	10.9%	13.6%	6.4%	9.6%
Managerial, Prof & Related	15.3%	21.5%	3.5%	6.0%	0.5%	2.4%
Construction, extraction, maintenance	14.2%	19.7%	1.3%	3.9%	0.0%	2.0%
Sales and office	9.7%	16.0%	5.0%	8.8%	0.9%	4.7%
Total	17.0%	23.3%	8.8%	12.0%	4.6%	8.0%

Public Administration

Relatively few government workers are foreign-born, and far fewer of these arrived recently. Jobs in government tend to require English speaking, but they also continue often to be linked to political organizations and so largely to native-speaking networks. Most, if not all, require citizenship. The presence of the foreign-born and recent immigrants has increased over the past 10 years, but only to very small proportions. Changes in immigration policy affecting the unskilled or undocumented would be expected to have little effect on government.

Table 17: Occupation by Nativity: Public Administration

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Managerial, Prof & Related	4.0%	6.2%	0.9%	1.6%	0.0%	0.1%
Production, transp, material moving	3.1%	6.2%	0.8%	2.0%	0.1%	0.2%
Sales and office	3.4%	5.1%	1.1%	1.5%	0.1%	0.3%
Construction, extraction, maintenance	4.1%	4.0%	0.7%	1.3%	0.3%	0.4%
Service	1.8%	3.6%	0.4%	1.0%	0.1%	0.3%
Total	3.1%	4.9%	0.8%	1.4%	0.1%	0.2%

Finance, Insurance & Real Estate

The foreign-born remained a stable component of most occupations within the FIRE industries from the 1980s through the 1990s at around 10 percent for each occupation. Perhaps reflecting the need for literacy skills in most FIRE occupations, the percent who were recent immigrants remained relatively low, as did the percent who came from Mexico, particularly in management.

In general, this is a labor category that would be affected more by policies aimed at sponsored, skilled workers than at the undocumented and unskilled.

Table 18: Occupation by Nativity: Finance, Insurance & Real Estate

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Service	15.7%	17.3%	4.3%	7.2%	0.9%	2.5%
Production, transp, material moving	11.6%	12.3%	2.6%	2.3%	0.8%	1.3%
Construction, extraction, maintenance	9.7%	11.9%	3.4%	5.1%	0.7%	2.3%
Sales and office	6.2%	9.2%	1.5%	3.0%	0.1%	0.6%
Managerial, Prof & Related	6.3%	8.3%	1.5%	2.4%	0.1%	0.1%
Total	6.7%	9.2%	1.7%	2.9%	0.2%	0.5%

Professional, Scientific and Technical Services

Foreign-born workers have played a numerically small but highly important role in many firms engaged in scientific and technical work. A large percentage of workers sponsored by employees on H-1b visas work in these categories. For the most part these are skilled workers and recent Mexicans and the undocumented play a relatively small role in this industry. Immigration reforms aimed at sponsored workers could have some impact on firms engaged in these types of works but proposed guest-worker programs and policies aimed at the undocumented would have little impact on the industry.

Table 19: Occupation by Nativity: Professional, Scientific and Technical Services

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Production, transp, material moving	14.9%	27.3%	3.8%	15.1%	0.4%	7.7%
Managerial, Prof & Related	7.9%	12.4%	2.8%	5.7%	0.0%	0.3%
Construction, extraction, maintenance	6.2%	12.3%	1.6%	4.2%	0.0%	1.3%
Service	10.7%	9.8%	5.0%	4.8%	1.4%	1.9%
Sales and office	5.7%	6.7%	1.3%	1.9%	0.1%	0.4%
Total	7.4%	11.4%	2.4%	5.0%	0.1%	0.5%

Business Support Services

Firms engaged in the support of businesses and waste management utilize the foreign-born heavily in production, transportation and various service occupations. These include landscapers, truck drivers and laborers and low-skilled clerical work. Over one-third of these workers in Illinois were foreign-born in 2000. Of the production, transportation and material moving workers in these industries, over 20 percent were recent immigrants and most of these were from Mexico. Nearly 20 percent of service workers in the industries were recent foreign-born and about half of these Mexican.

Clearly changes in policies affecting the undocumented and other low-skilled workers coming from Mexico would affect this industry significantly. Many of the jobs within them are low wage and it is not evident that substitute workers could be found at the same low wages. Policy changes resulting in fewer immigrant workers could alter the wage structure of these occupations with resulting changes in the organization of various business functions, including less use of contingent labor.

Table 20: Occupation by Nativity: Administration & Support & Waste Management

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Production, transp, material moving	n/a	34.0%	n/a	21.7%	n/a	18.1%
Managerial, Prof & Related	n/a	12.7%	n/a	4.5%	n/a	0.6%
Construction, extraction, maintenance	n/a	18.3%	n/a	6.5%	n/a	3.1%
Service	n/a	35.8%	n/a	19.1%	n/a	10.8%
Sales and office	n/a	8.7%	n/a	3.5%	n/a	1.5%
Total	n/a	23.2%	n/a	12.1%	n/a	7.3%

Note: 1990 data is unavailable for direct comparison due to changes in Census category definitions between 1990 and 2000.

IV. Job Tenure

The American workplace utilizes workers with a variety of job tenures, including various combinations of full and part-time, and permanent and temporary workers. Levels of training, workplace cooperation, and complexity of workplace relationships may favor more or less permanent work forces. Seasonal or market-driven shifts in levels of production may dictate worker tenure or whether they work full or part-time. One of the most noted characteristics of the new economy has been the increased reliance of businesses on contingent labor – workers who are hired with little or no expectation that their jobs will last more than a few months at most. Firms use contingent labor for many reasons including accommodation of variable or unpredictable production needs, avoidance of offering full benefits, wages or promotions, or because an industry has seasonal needs.

Illinois does not have the seasonal patterns of work that characterize states with large needs for fruit pickers and other types of agricultural workers or the seasonal tourist industry but a significant percentage of Illinois workers who work less than full-time are recent immigrants. Many firms likely rely on them as a low-cost way of responding to heightened or lowered demand for their products.

Across all industries, the foreign-born make up the greatest percentage of workers who report having worked part-year, full-time (20.4%), suggesting that Illinois businesses do utilize them to respond to shifts in the marketplace. This has become increasingly true as the number of immigrants in this type of employment increased by over 50 percent during the 1990s. Of the four types of work tenure, immigrants were least likely to work the entire year in a part-time position.

Table 21: Work Tenure by Nativity: All Industries

	Percent of total 1990 foreign-born	Percent of total 2000 foreign-born	Percent Increase in number of foreign-born
Year round, full-time	10.1%	13.6%	48.4%
Year round, part-time	6.3%	8.5%	54.1%
Part-year, full-time	13.4%	20.4%	55.5%
Part-year, part-time	6.9%	10.1%	47.5%

Although part-year farm workers are a declining sector of the Illinois labor market, it is the most common type of farm worker among which immigrants are most common. The percentage of part-year, full-time farm workers who were foreign-born increased from 6 percent in 1990 to 11 percent in 2000. Still, this increase in proportion represented a decrease in the number of foreign-born in that type of work as the prevalence of that type of work decreased across Illinois.

Across all industries, employers appeared most dependent upon recent arrivals for part-year/full-time employment with 9.5 percent of all workers in the category immigrants who had arrived within the past ten years. While all types of employment tenure indicated increasing dependence on the foreign-born, the increase was greatest for part-year/full-time employment. This proportion may be slightly high because the first year of work recorded by the Census for a newly-arrived worker could be truncated by the worker's having arrived within the year.

Among major industrial categories, the accommodation and food service industries depended most on newly arrived immigrants for their full-time/part-year employees. In 2000 over 19 percent of their employees in this category were newly arrived immigrants, up from around 14 percent in 1990. Other industries showing high levels of utilization of newly arrived immigrants for these jobs were manufacturing (15.3%), wholesale trade (12.0%), retail trade (12.4%) and construction (10.5%). For most of these industries, their rate of utilization of newly arrived immigrants doubled from 1990 to 2000.

Table 22: Work Tenure of Recent Arrivals, All Industries

	Percent of total 1990	Percent of total 2000	Change
Year round, full-time	3.2%	4.9%	70.5%
Year round, part-time	1.9%	3.2%	92.9%
Part-year, full-time	6.1%	9.5%	59.2%
Part-year, part-time	2.8%	4.7%	69.6%

Newly arrived Mexican immigrants made up substantial portions of workers in part-year/full-time jobs in several industries. Most conspicuous of these were the accommodation and food service industries where they made up more than 13 percent of the industries' total workers. Other industries with significant portions of their workers newly arrived from Mexico were manufacturing and wholesale trade. In all industries that utilized large numbers of recent Mexican arrivals, utilization roughly doubled from 1990 to 2000.

Table 23: Work Tenure of Recently-Arrived Mexicans, All Industries

	Percent of total 1990	Percent of total 2000	Change
Year round, full-time	1.0%	1.9%	98.2%
Year round, part-time	0.3%	0.8%	168.1%
Part-year, full-time	2.7%	4.8%	78.0%
Part-year, part-time	0.6%	1.2%	111.6%

Part-year, Full-time

In all of the major industrial categories, immigrants were most represented among part-year/full-time workers. Manufacturers most depended upon immigrants for that type of worker, where over 34 percent of that type of worker was foreign-born. The reason for the trend could be that part-year/full-time work implies "contingent" labor that is hired for periods of short increases in production or activity. This could include responses to sudden product demand in manufacturing, or seasonal demand in retail and agriculture. The annual remuneration of such jobs is generally lower than for full-time jobs, making them less desirable. This is the type of job that immigrants are widely described as being likely to fill. Making these jobs increasingly desirable for immigrants is the decline in groups that once filled these jobs in the U.S., particularly women, who have moved into the full-time labor force, and to some extent students (Massey et al. 1998) Other reasons for immigrant presence in part-year, full-time employment could include higher mobility levels of the foreign-born, who are less likely to have long-tailed families in a community and may be less settled than the native-born in a single place to live. Equally possible is that employers hire foreign-born, and recent immigrants in particular, in temporary jobs.

The table below shows the comparative dependence of different industries on the foreign-born for workers in full-time/part-year work. In some instances, these were contingent jobs, where the length of time was determined by the employer; in other instances the work may have been part-year because an employee moved, quit, or arrived in the United States less than a year before the taking of census and so could only have worked part of a year. Manufacturing is highly dependent on the foreign-born for part-year workers with over one-third of part-year manufacturing workers being foreign-born. The 2000 figure of 34.6 percent represented a substantial increase in dependency from 1990 when 23.7 percent of such workers were foreign-born. Wholesale trade, retail trade, and construction all showed dependence of over 20 percent and a rough doubling of the level of dependence on the foreign-born since 1990. FIRE, agriculture and public administration all showed greater levels of dependence on the foreign-born for part-time than for full-time workers, ranging from around 7 percent to 11 percent dependence. Recent Mexican immigrants were particularly prevalent in the accommodation and food service industries, and in manufacturing, where they comprised over 10 percent of all workers.

Of the major industries considered here, construction firms made the most use of full-time/part-year workers. In 1990, almost one-third of persons who reported working in the industry characterized their work as full-time/part-year, although the percent had fallen to 27.7 percent by 2000. Other industries utilizing workers commonly in that capacity were hotels, restaurants, manufacturers and agriculture and mining. In general, industry reliance on this type of worker appeared to be declining. In almost all industries, the percentage of workers who were full-time/part-year declined from 1990 to 2000 with the greatest decline among retailers, from 14.7 percent to only 9.7 percent.

Table 24: Full-time, Part-year Workers by Industry and Nativity

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Accom & Food	23.4%	34.9%	14.2%	19.1%	7.9%	13.6%
Manufacturing	23.7%	34.6%	10.0%	15.3%	5.7%	9.8%
Adm/Spt/WMgmt	n/a	29.8%	n/a	16.1%	n/a	11.8%
Wholesale trade	15.1%	26.9%	6.9%	12.0%	3.1%	7.4%
Retail trade	10.2%	25.9%	4.9%	12.4%	1.5%	5.2%
Construction	11.9%	21.9%	5.4%	10.5%	2.4%	5.8%
Transp/Warehs	10.1%	18.3%	3.7%	7.7%	0.6%	1.4%
Health	12.5%	17.7%	4.9%	7.7%	0.5%	1.1%
Prof/Sci/Tech	8.4%	17.0%	3.9%	8.5%	0.1%	1.2%
FIRE	9.6%	13.5%	3.7%	6.4%	0.6%	1.3%
Ag/For/Fish/Mine	6.3%	11.3%	4.2%	5.1%	3.6%	4.1%
Public admin	4.3%	6.8%	2.2%	2.9%	0.1%	0.4%
Educ svcs	4.2%	6.2%	1.5%	2.2%	0.2%	0.4%

Table 25: Percent of Industry's Workers in Full-time/Part-year Employment

	Percent of all workers, 1990	Percent of all workers, 2000
Educ svcs	33.0%	30.2%
Construction	33.7%	27.7%
Adm/Spt/WMgmt	n/a	26.6%
Accom & Food	20.0%	18.5%
Transp/Warehs	17.8%	17.6%
Manufacturing	17.6%	16.8%
Health	16.3%	15.9%
Agriculture	17.8%	15.5%
Wholesale trade	15.3%	14.4%
Prof/Sci/Tech	14.7%	14.3%
FIRE	12.4%	12.4%
Public admin	12.5%	10.8%
Retail trade	14.7%	9.7%
All Industries	18.6%	17.6%

In terms of overall effect of immigrants on industries, hotels, restaurants and manufacturers had the highest combination of utilization of immigrants in these types of jobs, and high degrees of organizing work around these jobs. Construction utilizes high

numbers of full-time/part-year workers, but used fewer immigrants in these positions. Hotels and restaurants appeared most dependent upon recently immigrating Mexicans for these positions and so would appear to be most affected of the major industries with respect to this type of worker were a policy to limit the number of undocumented or new arrivals.

Full-time/Full-year

Of the major industry categories, the manufacturing industry tends to be most dependent upon foreign-born workers to fill full-time/full-year jobs. This was true in 1990 and in 2000, and as both the industry and the number of foreign-born workers in the Illinois has increased, the relative dependence of the manufacturing industry upon them has also increased. In 1990, 14.7 percent of full-time/full-year workers in manufacturing were foreign-born, by 2000 that had increased to 20 percent.

Construction and wholesale trade had similar levels of dependency on the foreign-born, each increasing from around 9 percent foreign-born in 1990 to around 14 percent in 2000. However, the increase in the number of foreign-born working in the industry was far higher in construction, which saw an 86 percent increase in the number of foreign-born workers over the 1990s, compared to just a 23 percent increase in manufacturing and a 24 percent increase in wholesale trade. The FIRE, agriculture and public administration industries used relatively few of the foreign-born in full-time/full-year employment.

Changes in policy affecting the flow of recent immigrants would seem to have the most impact on hotels and restaurants, where nearly 15 percent of full-time/full-year workers are persons who arrived within the past 10 years, and two-thirds of these are Mexicans. The representation of Mexicans among this group has increased substantially over the past decade, from around 6% of all workers, to over 10 percent.

Table 26: Full-time, Full-year Workers by Industry and Nativity

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Accom & Food	24.4%	31.5%	11.3%	14.6%	6.2%	10.1%
Adm/Spt/WMgmt	n/a	22.3%	n/a	10.4%	n/a	5.4%
Manufacturing	14.7%	20.0%	4.6%	6.8%	2.0%	3.1%
Construction	9.8%	14.0%	2.9%	6.1%	1.3%	2.7%
Wholesale trade	9.5%	13.9%	3.2%	4.8%	0.8%	2.3%
Health	10.9%	12.8%	2.8%	4.2%	0.2%	0.5%
Retail trade	8.3%	11.6%	2.6%	4.3%	0.7%	1.4%
Prof/Sci/Tech	7.4%	11.0%	2.1%	4.7%	0.1%	0.4%
Transp/Warehs	6.3%	10.9%	1.5%	3.4%	0.3%	0.8%
FIRE	6.1%	8.5%	1.7%	3.0%	0.1%	0.5%
Educ svcs	6.5%	7.5%	1.7%	2.5%	0.1%	0.3%
Public admin	2.8%	4.4%	0.4%	1.1%	0.1%	0.1%
Ag/For/Fish/Mine	1.8%	3.3%	0.5%	1.2%	0.2%	1.1%

While hotels and restaurants indicated the highest proportional utilization of recent immigrants and recently-arrived Mexicans for full-time/full-year workers, they were the industry least likely to organize their workplace around this type of worker. With nearly 80 percent of workers full-time/full-year, and having 6.8 percent of its workers in this category recent immigrants, manufacturers likely have the greatest net dependence on immigrants for full-time/full-year work.

Most industries saw increases in the percentages of their workers who were full-time/full-year over the 1990s. This may have been a product of the economic boom years captured by the 2000 Census, which enabled firms to offer employees more hours and reduced the number of layoffs. However, the relatively low dependence on immigrants, and recent Mexican arrivals in particular, for these jobs, suggests that firms tend to invest in native-born for these usually superior jobs.

Table 27: Percent of Industry's Workers in Full-time/Full-year Employment

	Percent of all workers, 1990	Percent of all workers, 2000
Public admin	78.5%	80.4%
Manufacturing	76.0%	77.7%
Wholesale trade	74.9%	76.0%
FIRE	75.2%	76.0%
Prof/Sci/Tech	69.3%	71.4%
Transp/Warehs	69.1%	69.0%
Ag/For/Fish/Mine	67.2%	66.9%
Construction	55.6%	62.7%
Health	57.6%	58.6%
Adm/Spt/WMgmt	n/a	53.1%
Retail trade	50.7%	55.3%
Accom & Food	37.1%	41.2%
Educ svcs	36.7%	40.6%
All Industries	61.8%	63.0%

Full-year, Part-time

Of the major industries, manufacturers have been the most dependent upon immigrants for full-year/part-time work. Reliance on foreign-born in accommodation and food service and in construction actually declined. Very few recent Mexican arrivals report working only part-time the year round.

Table 28: Full-year, Part-time Workers by Industry and Nativity

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Adm/Spt/WMgmt	n/a	14.1%	n/a	6.8%	n/a	2.0%
Manufacturing	11.2%	13.4%	2.8%	4.6%	0.9%	1.6%
Educ svcs	8.5%	11.1%	4.7%	5.5%	0.2%	0.2%
Accom & Food	7.3%	10.5%	3.1%	4.8%	0.9%	2.6%
Wholesale trade	8.1%	8.4%	2.1%	2.3%	0.3%	1.1%
FIRE	4.9%	7.8%	1.8%	2.6%	0.0%	0.6%
Construction	9.1%	7.6%	2.2%	4.5%	0.9%	1.2%
Retail trade	4.4%	7.5%	1.2%	3.2%	0.2%	0.8%
Transp/Warehs	4.2%	7.4%	1.2%	2.9%	0.3%	0.2%
Health	6.1%	7.1%	1.5%	1.8%	0.0%	0.1%
Prof/Sci/Tech	5.7%	6.2%	1.6%	1.9%	0.0%	0.2%
Public admin	2.3%	4.1%	0.3%	0.9%	0.1%	0.4%
Ag/For/Fish/Mine	1.8%	2.6%	1.0%	1.0%	1.0%	0.5%

For most industries, full-year/part-time workers make up a very small portion of their workforce (8.8%). The two exceptions to this are hotels and restaurants, which are around 15 percent, and retailers at around 16 percent. In both of these industries, however, foreign-born in general and recent immigrant arrivals in particular, make up only a small portion of workers. Immigrants generally come to the United States seeking to support families on their wages, whether in the United States or in their country of origin, and so are unlikely to settle for full-year/part-time work. Many of these jobs are held by secondary wage earners in native-born families and youth and so they play a minimal part in the immigrant labor market. Industry use of these types of workers was fairly stable during the 1990s, despite the improvement in the economy, suggesting that however well the economy is doing workers want to preserve this niche for secondary wage earners and youth.

Table 29: Percent of Industry's Workers in Full-year/Part-time Employment

	Percent of all workers, 1990	Percent of all workers, 2000
Retail trade	15.7%	16.1%
Accom & Food	14.7%	15.6%
Health	14.1%	14.4%
Agriculture	7.0%	9.3%
Adm/Spt/WMgmt	n/a	8.7%
Educ svcs	6.5%	7.5%
Prof/Sci/Tech	7.0%	7.4%
FIRE	6.8%	6.9%
Transp/Warehs	6.2%	6.6%
Wholesale trade	4.6%	5.2%
Public admin	3.6%	4.4%
Construction	3.5%	3.9%
Manufacturing	2.9%	2.7%
All Industries	8.2%	8.8%

Part-year/Part-time

Manufacturing in particular appears to utilize the greatest numbers of the most marginal workers, those working neither full-time nor permanently. Almost 20 percent of manufacturing employees of this nature are foreign-born. However, less than half of these kinds of workers are recent arrivals, and only a small percentage are recently-arrived Mexicans.

Table 30: Part-year, Part-time Workers by Industry and Nativity

	Percent of workers who are foreign-born, 1990	Percent of workers who are foreign-born, 2000	Percent of workers who were recent immigrants, 1990	Percent of workers who were recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Manufacturing	11.7%	18.9%	4.4%	8.6%	1.7%	3.7%
Adm/Spt/WMgmt	n/a	15.0%	n/a	8.6%	n/a	3.9%
Construction	7.3%	12.2%	3.1%	5.1%	2.0%	2.8%
Wholesale trade	6.8%	11.4%	2.6%	4.2%	0.1%	1.6%
Transp/Warehs	4.3%	10.8%	1.5%	4.1%	0.1%	1.1%
Educ svcs	7.6%	10.5%	3.9%	4.9%	0.1%	0.5%
Health	7.2%	10.5%	2.4%	4.0%	0.3%	0.4%
Accom & Food	6.6%	9.0%	3.2%	5.2%	1.0%	2.3%
FIRE	8.4%	8.9%	0.6%	7.0%	0.6%	1.3%
Retail trade	5.7%	8.5%	2.3%	4.3%	0.4%	0.9%
Prof/Sci/Tech	4.7%	7.5%	1.6%	2.8%	0.1%	0.7%
Public admin	4.4%	6.6%	1.8%	1.4%	0.2%	0.2%
Ag/For/Fish/Mine	0.7%	2.3%	0%	1.7%	0.0%	1.2%

Hotel and restaurant and retailers are also the industries most likely to use part-time/temporary workers. They are particularly common in hotels and restaurants, where they make up nearly one fourth of all workers in the industry. As with other part-time occupations, immigrants make up a small share of workers in these industries and so their loss would likely have little effect on the operation of these industries in this respect. Foreign-born comprise over 18 percent of temporary/part-time workers in manufacturing, but this type of worker comprises less than 3 percent of all workers in the industry. As a result, loss of immigrant workers would appear to have little impact on industrial use of this type of worker. While overall use of these types of workers was fairly stable during the 1990s, the strong economy led hotels and restaurants to keep workers on throughout the year who might otherwise have worked only part of the year.

Table 31: Percent of Industry's Workers in PartYear/Part-time Employment

	Percent of all workers, 1990	Percent of all workers, 2000
Accom & Food	28.2%	24.8%
Educ svcs	23.8%	21.7%
Retail trade	18.8%	18.9%
Adm/Spt/WMgmt	n/a	11.7%
Health	12.0%	11.0%
Ag/For/Fish/Mine	8.0%	8.3%
Prof/Sci/Tech	9.1%	7.0%
Transp/Warehs	7.0%	6.8%
Construction	7.2%	5.7%
FIRE	5.6%	4.7%
Wholesale trade	5.2%	4.4%
Public admin	5.4%	4.3%
Manufacturing	3.5%	2.9%
All Industries	11.4%	10.6%

V. The Human Capital of Immigrants: Education, Language and Age

Education and Language

The extent to which immigrants are likely to make a long-range contribution to the American economy depends in part on how well educated they are and how effective they are at transacting in English. While ethnic enclaves wherein little or no English may be spoken can certainly contribute to economic growth, the limits on that growth would seem to be circumscribed when employees have limited capability to communicate with the mainstream community and inevitably fewer options for changing jobs, adapting to economic transitions, or climbing the occupational ladder.

It is of interest to business to understand which industries appear to rely most and least on employees who speak little or no English, and may have the least education. Industries are affected differently by changes in immigration policy that have the effect of stimulating or restricting flows of workers with different educational and linguistic skills. Quotas and requirements that either intentionally or effectively screen workers for skills have historically had impacts on the viability of particular industries and businesses and will continue to. We ask the question here, how might policies that tend to regulate the flow of the least and best educated immigrants tend to affect Illinois businesses?

The Census indicates that the educational levels of recent immigrants both from Mexico and from other countries has been rising. Thirty-one percent of Illinois immigrants who came to the United States during the 1980s had at least a high school degree, whereas 37 percent of those arriving during the 1990s had a degree. The same pattern obtained among non-Mexican immigrants, albeit at a higher level of education. Almost 80 percent of 1980s arrivals had at least a high school degree while almost 86 percent of 1990s arrivals did. As a result, recent immigrant workers are increasingly well-positioned to contribute more broadly to the U.S. economy. More recent immigrants may be expected to do better in business start-ups and be better participants in civic life generally. More educated immigrants are also better able to shift occupations as economic change occurs and various opportunities for work open and close, and so are less likely to be unemployed, or if unemployed, remain so for long. On the other hand, better educated immigrant workers are better positioned to compete with native-born workers. Particularly the undocumented have generally competed with few native-born as the higher reserve wage of native-born workers had tended to exclude them from unskilled jobs performed by the undocumented. But as new arrivals are increasingly well-educated, they may be capable of competing for jobs that native-born African Americans and whites have historically tended to hold.

Table 32: Preparation for Work: All Recent Immigrant Workers

	Born Mexico, 1990	Born Mexico, 2000	Born Other, 1990	Born Other, 2000
High School Graduates	31.0%	37.3%	79.2%	85.9%
Speak English Well or better	37.8%	37.6%	75.0%	78.2%

Review of the major industrial categories suggests that levels of education for recent immigrant workers have been rising. In several categories, wholesale trade, educational services and finance, insurance and real estate, average educational levels among new Mexican arrivals has decreased. Coming as it does among overall increases in the numbers of total new arrivals working in these industries, it may be an indication that new immigrants are filling increasing numbers of low-skilled service jobs within the industries that had previously been done by the native-born, such as custodial jobs within schools or office buildings. As many jobs have been outsourced, their pay levels have fallen and they have become less attractive to the native-born.

Table 33: Recent Immigrant Workers with High School Education or Higher

	Born Mexico, 1990	Born Mexico, 2000	Born other, 1990	Born other, 2000
Public admin	70.4%	74.8%	85.8%	95.4%
Educ svcs	79.1%	68.0%	97.8%	97.5%
FIRE	67.7%	58.1%	92.7%	95.3%
Transp/Wareh	26.3%	54.9%	80.2%	90.6%
Prof/Sci/Tech	55.1%	50.7%	97.7%	98.1%
Health	63.1%	49.2%	87.2%	93.8%
Retail trade	34.4%	47.4%	78.4%	82.9%
Accom and Food	29.4%	39.2%	66.9%	70.0%
Wholesale trade	41.3%	33.1%	85.0%	81.4%
Manufacturing	28.4%	32.1%	71.2%	80.8%
Adm/Spt/WMgmt	n/a	32.1%	n/a	72.1%
Construction	27.7%	31.9%	75.5%	76.3%
Ag/For/Fish/Mine	19.8%	21.2%	54.7%	82.9%
All Industries	31.0%	37.3%	79.2%	85.9%

Levels of English speaking, on the other hand, have remained the same for newly arriving Mexicans from the 1980s and the 1990s, and decreased somewhat for non-Mexicans, from around 25 percent for 1980s to around 22 percent for 1990s arrivals. Work in hotels, food services, construction and manufacturing continue to provide havens for new Mexican arrivals who speak little or no English. In these industries, the work place has changed little with respect to technological applications and in many workplaces receiving communities of Mexican workers assist new arrivals who do not speak English. As with levels of education, new Mexican arrivals are penetrating fast-growing industrial sectors such as FIRE in increasing numbers, but not in occupations that will lead to much, if any, upward mobility. Continued low levels of English will limit the ability of the new arrivals to compete with the native-born, even while the immigrants' educational levels have risen.

Among the non-Mexicans, there was a fairly consistent pattern of improved English speaking in most industrial sectors. The lone exception was in construction, where

increases in poor English speakers likely reflect greater penetration of the industry by new immigrant populations.

Table 34: Percent of Recent Immigrants Able to Speak English Not Well or Not At All

	Born Mexico, 1990	Born Mexico, 2000	Born other, 1990	Born other, 2000
Ag/For/Fish/Mine	30.7%	31.9%	84.3%	63.4%
Educ svcs	41.9%	38.1%	9.4%	7.3%
FIRE	37.4%	45.3%	9.0%	8.9%
Prof/Sci/Tech	59.8%	52.9%	9.5%	6.4%
Health	46.0%	53.0%	11.4%	10.0%
Transp/Wareh	52.9%	53.7%	18.0%	16.5%
Retail trade	55.5%	54.4%	21.4%	18.5%
Wholesale trade	64.3%	61.3%	27.7%	28.3%
Accom & food	64.9%	62.1%	31.8%	29.7%
Construction	58.5%	62.3%	33.3%	42.0%
Manufacturing	63.2%	64.8%	33.9%	29.7%
Public admin	42.7%	72.9%	16.6%	11.5%
Adm/Spt/WMgmt	n/a	72.6%	n/a	44.1%
All Industries	62.2%	62.4%	25.0%	21.8%

Age

In most occupations, age plays a part in the effectiveness of workers. Jobs that require physical labor tend to favor the young. So, too, for jobs that may require particularly long or irregular hours, or a high degree of intensity. On the other hand, companies often want a more seasoned person making difficult managerial decisions and so may tend to favor people who are likely to be older for those roles. Again, immigration policies influence the types of workers likely to be available who have different levels of age or experience.

As a whole the U.S. labor market tends to favor younger immigrants in that the jobs in which employers seek to hire the most newly arrived immigrants are low-skilled jobs requiring physical endurance – work in factories, construction and material handling. While American companies do seek immigrants for jobs in data processing and information technologies, these jobs for which companies effectively hire from overseas are few compared to the large number of unskilled jobs filled by Mexicans.

As the table below indicates, for virtually every industry area, newly arriving Mexican immigrants are younger than immigrants from other parts of the world. The lone exception to that pattern is in information, where Mexicans and others are roughly equal as the industry offers few opportunities for the young who are unskilled. While in most industries the average age of Mexican workers is declining, in finance, insurance and real estate (FIRE) it is increasing, indicative again of the emphasis on skills needed to be

hired in those fields. Overall, however, the low age of Mexican arrivals matches the need for young workers in industries.

Table 35: Average of Age of Immigrants by Industry and Nativity

	All recent immigrants 2000	All recent immigrants 1990	All recent Mexican immigrants 2000	All recent Mexican immigrants 1990	Other recent immigrants 2000	Other recent immigrants 1990
Ag/For/Fish/Mine	29.8	30.4	28.9	29.3	34.3	34.8
Construction	30.9	30.9	28.1	26.9	33.6	33.9
Manufacturing	32.8	32.1	29.4	28.2	36.8	35.9
Wholesale Trade	32.1	33.2	28.2	27.3	36.4	36.1
Retail trade	30.8	31.3	26.7	26.6	32.8	33
Transp/Wareh	33	33.3	29.6	29.1	33.9	34.4
Information	30.4	33	31.1	31.7	30.3	33.3
FIRE	32.3	33.4	27.7	31.4	33.4	33.6
Prof, scientific	32.3	32.6	28.2	28.1	34.9	35
Educ svcs	32.2	31.4	30.6	33.1	32.4	31.2
Health	35.0	35.5	33.0	28.5	35.3	36.4
Accom & food	28.6	29.3	26.7	26.0	32.3	32.9
Prof/Sci/Tech	32.3	32.6	28.2	28.1	35.0	35.0
Adm/Spt/WMgmt	32.1	n/a	28.0	n/a	38.2	n/a
Public admin	34.8	37.5	27.2	33.2	36.4	38.1
Total	32.1	32.2	28.4	27.6	34.7	34.8

Across Illinois industries, the foreign-born are becoming an increasingly large percentage of companies' younger workers. From 1990 to 2000 the percent of young workers (16 to 34) who were foreign-born increased from almost 10 percent to over 15 percent. This pattern is a result both of immigration patterns and the types of jobs for which newly arriving foreign-born are best suited. Illegal immigration from Mexico tends to require the strength and risk-taking associated with youth and so that cohort of workers entering any industry will tend on average to be younger. In general and historically, persons from any country seeking a new start in a new country have tended to be younger people burdened with fewer obligations in their nation of origin, or young enough to survive a refugee experience.

Table 36: Age of Immigrants by Nativity

Age	Percent of workers foreign-born, 1990	Percent of workers foreign-born, 2000	Foreign-born as a percent of all workers, 1990	Foreign-born as a percent of all workers, 2000
16 to 34	9.6%	15.6%	4.3%	6.1%
35 to 54	11.2%	13.7%	4.7%	6.5%
55 and Over	9.6%	12.2%	1.3%	1.7%

Three industries in particular, manufacturing (26.1%), construction (20.6%), and wholesale trade (19.2%), have high proportions of their young employees who are foreign-born. The proportion of young employees who were foreign-born doubled in these industries over the 1990s. Young, foreign-born workers comprise almost 9 percent of all employees in manufacturing and almost 8 percent of all employees in construction.

The exceptions to this pattern were accommodations and food service, and public administration, where the foreign-born made up a greater percentage of older than younger workers.

Table 37: Ranking by Industry of Percent of Young Workers Foreign-born in 2000

	Percent of young workers foreign-born, 1990	Percent of young workers foreign-born, 2000	Young foreign-born as a percent of all workers, 1990	Young foreign-born as a percent of all workers, 2000
Manufacturing	16.2%	26.1%	6.6%	8.6%
Adm/Spt/WMgmt	n/a	25.4%	n/a	11.7%
Construction	10.7%	20.6%	5.0%	7.8%
Wholesale trade	10.1%	19.2%	4.6%	6.8%
Transp/Wareh	6.2%	14.1%	2.4%	4.5%
Prof/Sci/Tech	6.8%	13.7%	3.3%	5.6%
Health	7.2%	12.2%	3.0%	4.2%
Retail trade	6.3%	11.1%	3.6%	5.5%
Educ svcs	8.7%	10.1%	2.9%	3.3%
FIRE	5.7%	9.4%	2.7%	3.6%
Accom & food	5.1%	8.8%	2.6%	4.5%
Ag/For/Fish/Mine	4.0%	7.6%	1.4%	1.9%
Public admin	2.7%	5.5%	0.9%	1.5%

Immigrants make up a smaller proportion of most industries' middle-aged workers than they do their younger workers. Only in manufacturing do foreign-born workers between the ages of 35 and 54 make up as many as 10 percent of all workers in the industry. In all other industries, they make up 7 percent or fewer of workers in the industry. Like with

the younger workers, in all industries the foreign-born are an increasing percentage of middle aged workers.

Table 38: Ranking by Industry of Percent of Middle-Age Workers Foreign-born in 2000

	Percent of middle aged workers foreign-born, 1990	Percent of middle aged workers foreign-born, 2000	Middle aged foreign-born as a percent of all workers, 1990	Middle aged foreign-born as a percent of all workers, 2000
Manufacturing	17.2%	21.4%	7.9%	11.4%
Adm/Spt/WMgmt	n/a	21.4%	n/a	9.0%
Wholesale trade	11.4%	14.1%	4.8%	7.1%
Construction	11.2%	13.7%	4.6%	7.0%
Retail trade	9.5%	12.6%	3.0%	4.7%
Health	12.6%	12.2%	5.6%	6.2%
Transp/Wareh	7.6%	11.7%	3.7%	6.5%
Accom & food	9.2%	10.4%	3.1%	3.7%
Prof/Sci/Tech	8.2%	10.0%	3.3%	4.7%
FIRE	7.8%	9.3%	3.1%	4.5%
Educ svcs	5.1%	7.5%	2.6%	3.8%
Public admin	3.1%	4.4%	1.6%	2.5%
Ag/For/Fish/Mine	2.2%	4.4%	0.9%	2.1%

VI. Regions

Immigrants have not spread evenly over the state and so changes in immigration policy would have different impacts on different regions. Business location and immigrant choices of residency are symbiotic in that operational costs (cost of labor) and labor skills are the primary drivers of business location. That is to say that businesses locate where workers live who can perform well for them, and who are economical to hire. Likewise, workers gravitate toward locations that offer the best prospects for jobs that they can do. This pattern has contributed to both the expansion of business in Chicago's northwest suburbs over the past twenty years, and the huge increases in immigrants making residing there. Changes in immigration policy, therefore, have the potential to affect business location decisions, housing markets, and consumer markets.

Census data on workers tell us where the workers live, although they do not inform us of where these workers are actually employed. The census data do, however, allow us to understand the nature of the workforce in the city, the suburbs and downstate. As described below, the workforce in Chicago, the suburbs and downstate is increasingly foreign-born and increasingly reliant on recent immigrant arrivals.

Different regions within Illinois depend on immigrants to widely varying degrees. For each industry, the greatest proportion of workers who were immigrants was found in Chicago (26% overall), followed by the suburbs (17% overall), and then downstate. Among Chicago workers, the foreign-born were represented in greatest proportion among manufacturing (48%) and construction (43%). In all industries the percentage of Chicago workers who were immigrants increased substantially, the greatest increases coming in construction (14%) and manufacturing (12%).

Chicago

Chicago is known as a center of manufacturing and the classic image of factory workers in Chicago consists of white ethnics. Today half of the manufacturing workers in the city are foreign-born. The high number of immigrant workers is striking: one in five Chicago workers came to the U.S. in the last ten years. As will be discussed later, given the high proportion of recent immigrants who are undocumented, legalization/regularization programs are of critical importance to the manufacturing industry. These programs would likely bring stability to the labor force and might create incentives for manufacturers to invest in their employees knowing they could remain with them for a long period.

About one-third of the foreign-born workers in Chicago arrived within the past 10 years. As with the foreign-born in general, the construction and manufacturing industries are highly dependent on recent arrivals (24% and 18% respectively). The service industries were unique in that the recent arrivals comprised a far higher percentage of the foreign-born than was the case in other industries, increasing from 9 percent in 1990 to 22 percent in 2000. Across all industries, about 40 percent of the new arrivals were Mexican in 2000, about the same as in 1990. Mexicans were a declining percentage of recent arrivals among workers in the service industries who lived in Chicago. But recent Mexican arrivals now comprise over 10 percent of employees in manufacturing, construction and accommodations and food services in Chicago. Changes in immigration policy affecting the flow of low-skilled workers to Chicago would require most firms to seek substitute labor, probably largely from other city residents.

Table 39: Immigrants Living in Chicago by Industry and Nativity

	Percent foreign-born, 1990	Percent foreign-born, 2000	Percent recent immigrants, 1990	Percent recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Manufacturing	36.9%	48.7%	14.2%	18.0%	7.5%	10.2%
Construction	30.7%	43.6%	15.8%	24.0%	5.7%	10.5%
Accom & food	33.3%	40.2%	17.4%	19.9%	8.1%	11.4%
Ag/For/Fish/Mine	25.1%	38.3%	13.1%	9.8%	8.8%	5.8%
Adm/Spt/WMgmt	n/a	33.6%	n/a	17.2%	n/a	8.6%
Wholesale trade	26.0%	33.2%	10.9%	13.5%	4.1%	7.8%
Retail trade	17.5%	23.3%	8.0%	11.0%	2.4%	4.0%
Transp/Wareh	12.6%	20.7%	4.5%	7.8%	0.7%	1.6%
Health	17.6%	19.9%	6.1%	7.3%	0.7%	1.0%
Educ svcs	12.6%	15.8%	5.0%	6.6%	0.6%	0.8%
FIRE	12.1%	14.8%	3.8%	5.1%	0.5%	1.1%
Prof/Sci/Tech	10.8%	13.1%	4.2%	5.4%	0.3%	0.8%
Public admin	4.8%	8.8%	1.5%	2.8%	0.3%	0.4%
All industries	21.4%	26.1%	9.0%	11.0%	3.3%	4.4%

Suburbs

While the foreign-born have always been a large percentage of workers in Chicago, that has not always been the case in the suburbs. However, from 1990 to 2000, the percentage of suburban workers who were foreign-born nearly doubled, from around 10 percent to over 17 percent. About one third of these persons were immigrants who had entered the United States within the previous decade. These patterns of increase were common across the major industrial categories. Manufacturers appeared to be the industry most dependent on the suburban foreign-born. Unlike Chicago, in the suburbs the foreign-born have been slower to penetrate the construction industry. The share of new arrivals who were Mexican increased substantially among suburban wholesale trade workers, nearly doubling, but as in Chicago, they were a less significant share of the new service workers. Recent Mexican arrivals now comprise over 10 percent of all workers in business support services and accommodations and food services.

Changes in immigration policy would tend to have the greatest impact on suburban employers among the three regions as recruitment of substitute labor could necessitate substantial increase in wages because large groups of unemployed or underemployed workers do not live in proximity to areas in the northwest suburbs where job growth has been greatest.

Table 40: Immigrants Living in Suburbs by Industry and Nativity

	Percent foreign-born, 1990	Percent foreign-born, 2000	Percent recent immigrants, 1990	Percent recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Accom & Food	19.7%	31.3%	10.4%	17.0%	6.8%	12.7%
Adm/Spt/WMgmt	n/a	27.7%	n/a	14.9%	n/a	10.0%
Manufacturing	16.6%	26.8%	5.2%	10.3%	2.4%	5.2%
Ag/For/Fish/Mine	12.5%	20.7%	7.0%	8.8%	5.9%	8.1%
Health	13.6%	18.3%	3.7%	6.7%	0.4%	0.8%
Construction	10.7%	17.6%	3.1%	6.9%	1.7%	3.8%
Wholesale trade	8.6%	17.0%	2.8%	6.0%	0.6%	2.9%
Retail trade	7.7%	14.3%	2.4%	5.8%	0.6%	1.8%
Transp/wareh	7.1%	14.4%	1.5%	5.0%	0.4%	1.0%
Prof/Sci/Tech	7.6%	13.0%	2.0%	5.7%	0.1%	0.5%
FIRE	6.8%	10.4%	1.3%	3.1%	0.1%	0.5%
Educ svcs	5.7%	8.4%	1.5%	2.5%	0.2%	0.6%
Public Admin	4.5%	6.6%	0.9%	1.6%	0.1%	0.4%
All industries	10.9%	17.4%	3.5%	6.9%	1.3%	3.0%

Downstate Illinois

Compared to the Chicago region, immigrant workers make up only a small portion of the workers in downstate industries, the largest being manufacturing, where the foreign-born increased from 2.7 percent of workers in 1990 to 4.4 percent in 2000. All industrial sectors registered increases in their dependence on the foreign-born but most increases were around 1 percent. Mexicans had a strong presence among those immigrants arriving within the past decade, increasing from 19 percent of those who arrived during the 1980s, to 37 percent of those arriving during the 1990s. Mexicans were most prevalent among new arrivals among farm workers and wholesalers, where they made up over three-quarters of the new arrivals. That said, recent Mexican arrivals only make up about half of one percent of all workers downstate.

Table 41: Immigrants Living in Downstate Illinois by Industry and Nativity

	Percent foreign-born, 1990	Percent foreign-born, 2000	Percent recent immigrants, 1990	Percent recent immigrants, 2000	Percent of workers who were recent Mexican, 1990	Percent of workers who were recent Mexican, 2000
Manufacturing	2.7%	4.4%	0.8%	1.9%	0.3%	1.1%
Adm/Spt/WMgmt	n/a	4.2%	n/a	1.7%	n/a	1.1%
Educ svcs	4.0%	4.2%	2.3%	2.3%	0.1%	0.1%
Accom & Food	3.2%	4.1%	1.4%	1.8%	0.3%	1.1%
Prof/Sci/Tech	2.1%	3.8%	0.8%	2.4%	0.1%	0.1%
Health	2.1%	2.4%	0.4%	0.6%	0.1%	0.1%
Wholesale trade	1.8%	2.0%	0.7%	0.8%	0.3%	0.6%
Retail trade	1.2%	1.9%	0.3%	0.8%	0.1%	0.3%
Ag/For/Fish/Mine	0.8%	1.7%	0.3%	0.7%	0.2%	0.6%
Construction	1.1%	1.7%	0.3%	0.8%	0.1%	0.5%
FIRE	1.0%	1.6%	0.1%	0.5%	0.0%	0.1%
Transp/Wareh	0.9%	1.2%	0.1%	0.4%	0.1%	0.1%
Public admin	1.0%	1.2%	0.2%	0.3%	0.1%	0.1%
All industries	2.0%	2.8%	0.7%	1.2%	0.1%	0.4%

VII. Conclusion: Designing Immigration Policy

The large presence of undocumented immigrants in Illinois means that federal policy changes involving guest workers or legalization of the undocumented are likely to have a significant impact on the state. There is general consensus among economists that immigration is good for the economy and, within limits, should, at least from an economic perspective, therefore be encouraged. The discussion of immigration policy is generally segmented into policy for skilled immigrants, where experts tend to recommend "point" systems that would favor the most skilled and educated, and would continue to require employer sponsorship of immigrants (Borjas 1990; Papademetriou and Yale-Loehr 1996; Chicago Council on Foreign Relations 2004), and the unskilled and undocumented. While discussion of policy surrounding skilled immigrants tends to be very industry-specific, that has been less the case with the undocumented, where even economists have made little effort to distinguish the impact of different policy options on individual industries beyond agriculture.

We believe that from an economic perspective, reforms of American immigration policy necessitate consideration of the likely impact of change on particular industries, taking into account why employers hire unskilled immigrants in particular, and how changes in their flows would affect employer competitiveness and U.S. labor markets. Considerations in creating immigration policy include humanitarian interests, national security, and foreign policy but here we consider some of the economic issues. Designing immigration policy pertaining to low-skilled workers and the undocumented means constructing the best trade-off between competing economic interests: the interests of domestic workers with whom low-skilled immigrants might compete, the interests of consumers who prefer the lowest price, and businesses that believe they must produce product at the lowest possible cost.

It would seem that from an economic point of view, the best immigration policy for the nation would, therefore:

- Regularize immigration so as to remove worker exploitation based primarily on lack of recourse of the undocumented to legal rights and protections in the workplace.

- Provide sufficient labor for employers to fill jobs for which either

    1) an inadequate supply of qualified Americans currently exists to do the work, or

    2) the reserve wage of Americans who might do work is too high for the jobs reasonably to remain in the United States where the resulting product must compete for price on a world market.

- Create disincentives for immigrants to compete with Americans for jobs that cannot be transferred overseas, or where foreign competition does not exist – such as hotels or restaurants.

Impact of reform on employers and workforce

The data in this report indicates that Illinois employers in the manufacturing, accommodations, food services, construction, business support services and wholesaling industries, and particularly those in Chicago, would be directly affected by significant decreases in the number of new immigrants arriving from Mexico. This decrease would occur if legalization of the undocumented were temporary; the Bush proposal would provide legal status for only three, or at most six, years. Employers in these industries would be faced with the choice of 1) raising wages so as to attract new workers who they consider qualified, 2) hiring workers they consider less qualified or 3) restructuring their workplaces either managerially or technologically so as to sustain production with fewer workers. The precise effect of immigration reform on particular industries would depend on segmentation of labor in those industries, how workers outside the industry responded to new low-wage opportunities, and whether the industry was amendable to greater relative reliance on capital compared to labor.

In the short run, the Bush proposal would likely have minimal effect on wages, as it would tend to legalize current workers for a three-year period. Over the long run, reducing the quantity of low-skilled immigrant labor would probably tend to have a slight upward impact on wages and prices of agricultural produce, basic manufactures, hotels and restaurants as the supply of labor began to contract when workers used up their three-year work allowances and were forced out of the labor force. It has been estimated that across the U.S. economy, a 10 percent shift in the number of workers results in roughly a 3 percent shift in average wages (Borjas, 1990). A simple calculation based on data in this report and the wage impacts cited above suggests that wages could increase by approximately 2 percent on average across the economy if the supply of new low-skilled immigrants were eliminated completely, which would be an unlikely and extreme policy result. But actual effects would clearly vary by industry and place. To some extent, the supply of low-skilled labor in the United States is likely to be replenished as the children of recent immigrants, who are U.S. citizens, begin to enter the labor force and offset decreases in new immigrant labor. Particularly in cities like Chicago, with their huge African American populations that continue to suffer from high unemployment, black workers are likely to be lured back into the workforce as wages, and perhaps working conditions, improved. Suburban employers in northwest Cook and DuPage Counties, in particular, would feel upward pressure on wages as few low-skilled African Americans live in those regions who would be available to supplant a decreasing low-skilled Mexican labor supply. A more industry-specific immigration policy is needed for low-skilled immigrants that calibrates labor supply and demand as specifically as immigration policy attempts to do for highly skilled labor.

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