

Data Interactives

Immigration in America, explained through data visualization

Amid Rising Inflation, Immigrant Workers Help Ease Labor Shortages

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The U.S. finds itself grappling with the highest levels of inflation since the 1980s, caused largely by an imbalance between the demand and supply of both labor and goods and services. As labor makes up around <u>two-thirds of the total production costs</u> of private businesses, economists now worry that with the U.S. economy <u>reaching full employment</u>, without more workers, wage increases could <u>push prices—and inflation—even higher</u>.

The U.S. labor force was already facing <u>an aging crisis before the pandemic</u>. Then COVID-19 discouraged even more people from working. On top of this, there has been record

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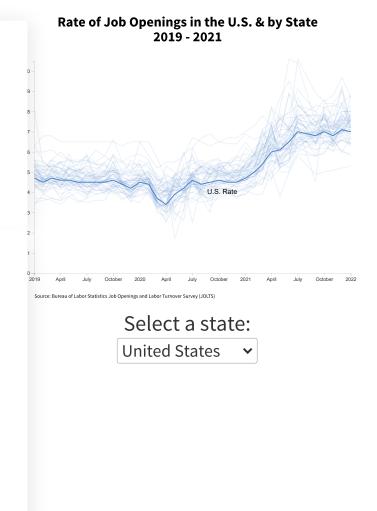
turnover among active workers, with many looking for better pay and working conditions in what is being called **the Great Resignation**.

This leaves no clear way of meeting current labor demands domestically or filling the millions of new jobs that will be created over the next decade. While many jobs will be taken on by young people entering the workforce, <u>demographic trends</u> suggest that the labor market will still need immigrant workers to make up the shortfall.

Using employment projections from the Bureau of Labor Statistics (BLS), data on job openings from <u>Burning Glass</u>, and data from the American Community Survey, we explore how immigration can help meet labor demands and steer the economy back to a sustainable growth path.

A tight labor market has left open jobs unfilled at an increasing rate.

The U.S. job openings rate, the share of all jobs in the United States that are unfilled, fell to almost 3 percent in April 2020 amid massive business closures and severe job cuts during



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the initial COVID-10

half of 2020, when some states and industries started to reopen, the job openings rate returned to around 6 percent, similar to prepandemic levels.

Since the beginning of 2021, with the advent of COVID-19 vaccines, the job openings rate has increased at a steady rate, reaching 7.1 percent by the end of 2021. This suggests that it has become increasingly difficult to find workers to fill the positions that are either entirely new or that reopened after being cut







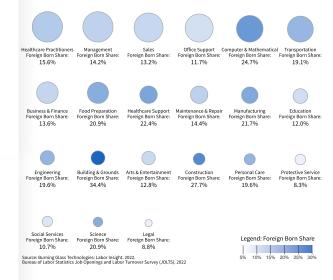


earlier during the pandemic.

Healthcare practitioners had the highest number of job postings in 2021.

Among the most indemand occupational groups in 2021, healthcare practitioners led with 4.9 million job postings for physicians, surgeons, nurses, and other practitioners in this field.

Online Job Postings in 2021



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Looking at the current workforce, a disproportionate number of healthcare practitioners are immigrants: while they make up 13.7 percent of the U.S. population, immigrants represent 15.6 percent of all healthcare practitioners.











Immigrants are even more important to several healthcare occupations. For example, almost one in three physicians and one in five lab technicians in the United States are foreign-born.











Occupations
that grew the
most between
2019 to 2021
were the ones
with large
shares of
immigrants.

While almost all occupational groups saw an increase in job postings, it's clear that the occupational groups that grew the fastest between 2019 and 2021 were those widely considered "essential" during the pandemic.

This included healthcare practitioners and healthcare support workers as well as other roles considered vital to the basic functioning of modern society, such as in transportation, food preparation,











manufacturing and production.

These are also some of the occupational groups that depend the most on immigrant workers, as seen by the darker shaded circles, which represent higher shares of immigrant workers.













However, job
growth patterns
over the next
decade are likely
to be quite
different from
those seen
during the
pandemic.

Although the growth of healthcare support jobs fell behind transportation and construction job growth during the pandemic recovery, BLS projects that healthcare support jobs will have the fastest growth rate between 2020 and 2030, of about 23 percent.











As baby boomers age, demand for healthcare support workers is expected to rise substantially. Jobs in occupations like home healthcare aide, personal care aide, and nursing assistant are estimated to increase by 1.4 million from 2020 to 2030.











The current labor shortage has already pushed up wages in this field. Data from Emsi & **Burning Glass** show that the median advertised salaries in healthcare support jobs have risen by 19.3 percent between 2019 and 2022. Immigrants, who make up more than one in five healthcare support workers, will play a critical role in helping meet the surging demand for care and make healthcare services more accessible to all Americans.











While transportation had the highest increase (83.3 percent) in job postings from 2019 to 2021, its total job growth over the next decade is expected to fall to 8.8 percent, close to the average growth rate of 9.1 percent for all occupation groups for the decade.











Immigrants make up almost one-fifth (19.1 percent) of all transportation workers in the country. The current high demand for transportation workers has led to a 23.9 percent increase in the median advertised salaries for these jobs between 2019 and 2022. This has contributed to rising transportation costs and surging consumer prices. However, with the implementation of policies that expand pathways to trucking careers, and with increased use of the current H-2B visa program, the current labor shortage in transportation is expected to ease in the near future.











Only one group saw relatively little increase in the number of job postings during the pandemic, but it is expected to grow significantly by 2030: computer and mathematical occupations. In 2019, immigrants made up 24.7 percent of the workers in this field.











Because many tech workers were able to do their jobs remotely during the pandemic, this field experienced fewer job losses than sectors that had to recover from steep cuts. The number of computer and mathematical jobs, including occupations like software developer, web designer, and computer support specialist, are projected to increase at the fourth











highest rate from 2020 to 2030.

While the COVID-19 pandemic brought massive disruptions to the U.S. labor market, immigrants have been a stabilizing force, filling openings in essential occupations and helping to meet the demand for the fastest-growing jobs over the next decade. The interactive tool below provides information for each occupational family, showing how the pandemic, the aging of the existing workforce, and other projected labor exits are expected to impact the U.S. labor force.

Hovering over the paths provides more detail on the workers exiting and entering the workforce, and on their foreign-born share.

Select an occupational family:

All Occupations

National

By 2030, the number of jobs in the United States is expected to reach 165.4 million, a net increase of more than 2.6 million jobs from 2019, before the pandemic. While 9.3 million jobs were lost during the pandemic, the recovery has been relatively robust and fast. In addition to positions added in the pandemic



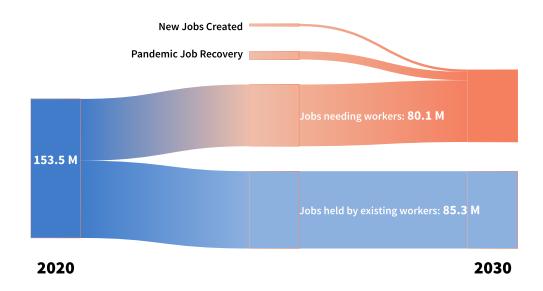








2.6 million jobs, including 1.4 million healthcare support jobs, by 2030.



While this is positive news, the challenge will be to fill these jobs. Of the 165.4 million jobs expected to exist in 2030, almost half, or 80.1 million, will be vacated by people retiring, changing careers, or leaving the labor market altogether. These 80.1 million jobs do not include workers who change positions within the same occupation.

U.S.-born workers are more likely than foreign-born workers to reach retirement age. In total, 23.6 percent of U.S.-born workers, or 31 million, will reach retirement age by 2030. Immigrant workers, on the other hand, are less likely to reach retirement age, with 21.9 percent, or 6.0 million, reaching age 65 by 2030.

Younger workers are more likely to be foreign-born. In 2019, 21.6 million of 121.4 million workers under age 55 were foreign born, a share of 17.8 percent. In comparison, 27.7 million workers out of all 160.2 million workers in the U.S. were foreign born, a share of 17.3 percent.

While many jobs will be filled by people aging into the











smaller generation than previous ones, Gen Z—comprised of those born after 1996—is likely to produce fewer U.S.-born workers than the baby boomers, who are leaving the workforce. The gap between this growing demand and diminishing supply of U.S.-born workers means that more workers will need to come from abroad or these positions will go unfilled.

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