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Immigrant Influx Spurs Some U.S. Workers to Look Elsewhere, New Research Suggests

An influx of immigrant workers in a metro area or state causes some native U.S. workers to look elsewhere for work and discourages others from moving in, a new study published in the *Journal of Human Resources* shows. Decreased wages resulting from the larger supply of immigrant workers are behind these native-worker migration patterns, the author suggests.

The study, by Harvard University economics and social policy professor George J. Borjas, Ph.D., offers useful insights as the immigration reform debate heats up in Washington. On May 15, President Bush presented his vision and objectives for comprehensive immigration reform.

“This study shows that when immigrants come to a city or state, fewer natives move there, and some natives who were living there actually move out because of the wage effect—immigrants come in and wages decrease, so people respond,” says Borjas, who is on the faculty of Harvard’s John F. Kennedy School of Government.

Analyzing data from the 1960 through 2000 decennial U.S. Censuses, Borjas found the net native migration response to larger numbers of immigrant workers to be “sizable,” especially in metropolitan areas. The immigrant labor supply increases are tied to lower net migration rates, lower in-migration rates, and higher out-migration rates among native workers, as well as to decreased growth in the size of the native workforce in affected labor markets.

The study showed that:

- For every 10 immigrants who choose to live in a particular metropolitan area, between three and six native workers choose not to live in that area.
- For every 10 immigrants who choose to live a particular state, two native workers choose to not to live in that state.
- Native-worker populations in specific skill groups, defined by educational attainment and work experience, grew slowest in parts of the country that experienced the largest influxes of immigrants.
- The impact of immigration on native workers’ migration rates is greater in smaller geographic labor markets.
- The wage impact of immigration increases as the size of the labor market expands—from the metropolitan area, to the state, to the Census division, and ultimately to the nation.

The research further suggests that the native-worker migration response to a larger number of immigrants accounts for between 40 and 60 percent of the difference in the wage impact of immigration between the national and local labor market levels, depending on whether the local labor market is a state or metropolitan area.

“There seems to be less of a wage impact of immigration at the local level, but maybe half of that difference is due to the fact that natives move out of those cities where immigrants come in or natives don’t move to those cities,” Borjas says.

In his paper, Borjas states that immigrants tend to cluster in a small number of geographic areas around the country. In 2000, just over two-thirds (69.2 percent) of working-age immigrants resided in six states (California, New York, Texas, Florida, Illinois, and New Jersey), but only one-third of natives (33.7 percent) lived in those states. Similarly, 38.4 percent of immigrants lived in four metropolitan areas (New York, Los Angeles, Chicago, and San Francisco), but only 12.2 percent of natives lived in the four metropolitan areas with the largest native-born populations (New York, Chicago, Los Angeles, and Philadelphia).

The study results can be found in the Spring 2006 issue of the *Journal of Human Resources*, published by the University of Wisconsin Press.

The Spring issue also includes a paper on the effect of literacy on immigrant earnings, co-authored by economists Ana Ferrer, Ph.D., of University of Calgary and David A. Green, Ph.D., and W. Craig Riddell, Ph.D., of the University of British Columbia.

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