

---

## US Immigration Policy and Recent Immigration Trends

Immigration to the United States has been on the rise since the late 1960s. After five decades of decline, the share of immigrants in the US population grew from 5 percent in 1970 to 12 percent in 2003 (see figure 2.1). The increasing presence of the foreign-born is attributable to high levels of legal and illegal immigration, both of which reflect recent changes in immigration policy. The influx of immigrants includes large numbers of Asians and Latin Americans, whose presence is altering the ethnic composition of the US population and the educational composition of the labor force.

### Overview of US Immigration Policy

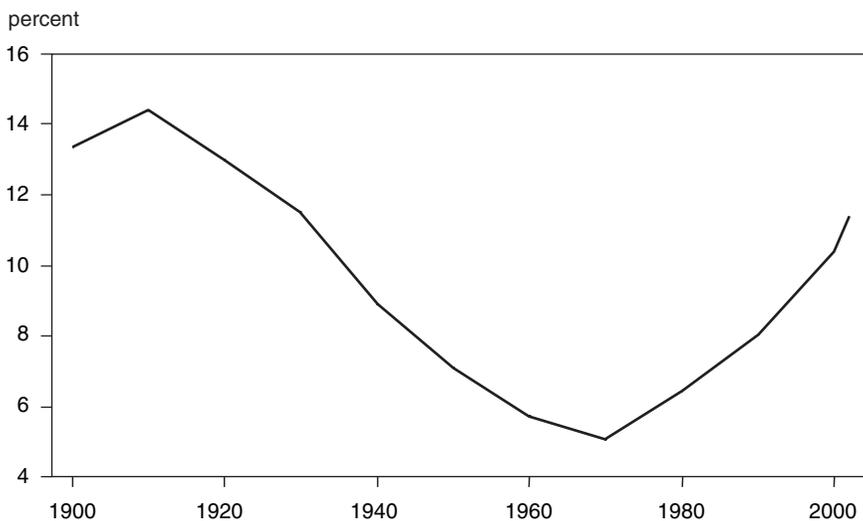
Immigration policy governs the admission of legal permanent and temporary immigrants and enforcement policies that affect the inflow of illegal immigrants. In addition to setting the level of immigration and criteria for admitting immigrants, US policy also determines the rights conferred on different classes of immigrants.

Current policy on permanent legal immigration is based on a quota system established by the Hart-Celler Immigration Bill of 1965.<sup>1</sup> Hart-Celler revised restrictive quotas based on national origin, which had originated with the Immigration Act of 1924, and made family reunification a central

---

1. For histories of US immigration policy, see Tichenor (2002) and Daniels (2003).

**Figure 2.1 Share of the foreign-born in the US population, 1900–2003**



Source: US Census of Population and Housing, various years.

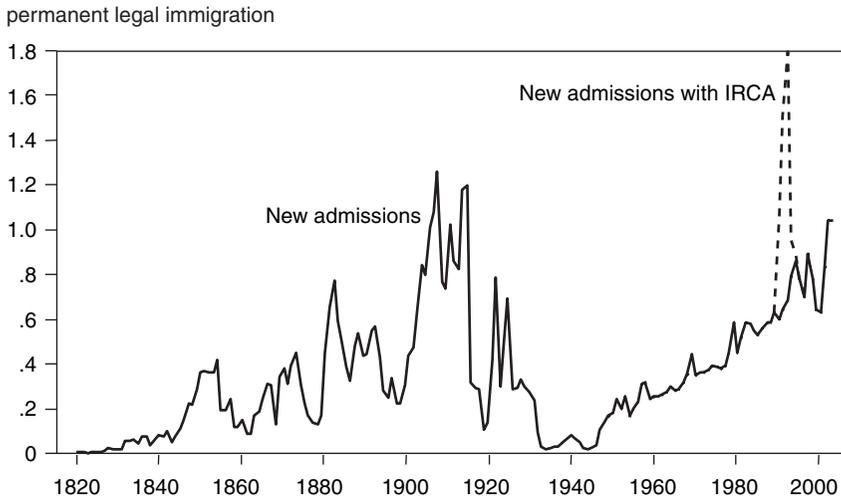
feature of admission decisions.<sup>2</sup> The result was an increase in permanent legal immigration (see figure 2.2) and a change in the relative contribution of origin countries to US immigrant inflows (see table 2.1). Later changes in policy granted special status to refugees and asylees.<sup>3</sup> Under the present system, US Citizenship and Immigration Services (within the Department of Homeland Security) assigns applicants for permanent legal residence to one of seven categories, each subject to its own quota level.<sup>4</sup> The law guarantees admission to immediate family members of US citizens,

2. The 1924 law represented the first comprehensive restrictions on immigration to the United States, previously largely open to immigration from the rest of the world. The 1965 law amended the Immigration and Nationality Act of 1952, which had created skill-based categories but left unchanged the 1924 restrictions on national origin (Smith and Edmonston 1997).

3. The Refugee Act of 1980 created procedures for admission of refugees “of humanitarian concern,” eliminating refugees and asylees as a category of the existing quota-preference system (DHS 2004).

4. In 2003, the Immigration and Naturalization Service (INS) was moved from the Department of Justice to the Department of Homeland Security (DHS). INS functions were distributed among three DHS agencies: Immigration-related services moved to US Citizenship and Immigration Services (USCIS), enforcement of immigration laws in the interior of the United States moved to US Immigration and Customs Enforcement (ICE), and enforcement of US borders, including the US Border Patrol, moved to the Bureau of Customs and Border Protection (CBP).

**Figure 2.2 Permanent legal immigration to the United States, 1820–2000 (millions of people)**



IRCA = Immigration Reform and Control Act (1986)

Source: US Department of Homeland Security, Office of Immigration Statistics, *2003 Yearbook of Immigration Statistics*.

who are exempt from entry quotas. Specific quotas apply to other family members of citizens, immediate family members of legal residents, individuals in special skill categories, and refugees and asylees facing persecution in their home countries.<sup>5</sup> Of the 705,827 permanent legal immigrants admitted in 2003, 70 percent gained entry as family members of US citizens or legal residents, 12 percent on the basis of employment preferences, 7 percent under the diversity program, 6 percent as refugees, and 5 percent in other categories (DHS 2004).

After five years as a permanent legal resident, an immigrant is eligible to apply for citizenship. Citizenship confers rights to vote and to draw on all government benefit programs for which an individual meets eligibility requirements. In 1996, as part of a comprehensive reform of federal welfare policies, Congress excluded noncitizen immigrants from many entitlement programs (Zimmerman and Tumlin 1999). A number of states have restored immigrants' access to certain programs, but the overall ef-

5. The Immigration Act of 1990 set a flexible cap for legal admissions at 675,000, of which 480,000 would be family-based, 140,000 would be employment-based, and 55,000 would be "diversity immigrants." The law also set temporary immigration at 65,000 in the H-1B program (high-skilled workers) and 66,000 in the H-2 program (short-term manual laborers), and created new categories for temporary admission of workers (O, P, Q, R). Subsequent legislation created categories for temporary immigration of professional workers from Canada and Mexico as part of the North American Free Trade Agreement (DHS 2004).

**Table 2.1 Source countries of US immigrants, 2003**

	Foreign-born population		Cohorts by arrival period			
	Level (thousands)	Percent of total	Pre- 1970	1970–79	1980–89	1990– 2003
<b>All countries</b>	34,612	100.0	4,759	4,983	8,213	16,657
			Number (thousands)			
			Percent of arrival-period cohort			
<b>Region of birth</b>						
Latin America	18,285	52.8	35.3	47.6	56.4	57.6
Asia	8,994	26.0	14.0	33.3	29.3	25.6
Europe	5,415	15.6	40.6	14.6	9.7	11.7
Other areas	1,918	5.5	10.1	4.5	4.6	5.0
<b>Country of birth</b>						
Mexico	10,237	29.6	16.0	26.4	30.1	34.1
Philippines	1,458	4.2	2.9	5.9	4.9	3.7
India	1,184	3.4	0.8	3.5	2.5	4.6
China	1,168	3.4	2.6	3.0	3.1	3.8
Germany	1,091	3.2	12.5	2.6	1.8	1.3
El Salvador	1,025	3.0	0.6	2.0	4.3	3.3
Cuba	1,005	2.9	7.9	2.9	2.2	1.9
Vietnam	947	2.7	0.5	4.5	3.4	2.5
South Korea	916	2.6	1.3	4.1	3.8	2.0
Canada	853	2.5	8.2	2.2	1.4	1.4
Dominican Republic	726	2.1	1.3	2.3	2.3	2.2

Source: March 2003 Current Population Survey.

fect of welfare reform was to impose a five-year waiting period before permanent immigrants have full access to public benefits (see table 2.2).

Additional legal immigrants are admitted on temporary work visas.<sup>6</sup> In 2003, the United States admitted 590,680 temporary workers and 135,933 immediate family members accompanying them (DHS 2004). The largest classes of immigrants on temporary work visas are high-skilled workers (H-1B), short-term manual laborers in agriculture (H-2A), and short-term manual laborers outside of agriculture (H-2B). To obtain a temporary work visa, an immigrant must be sponsored by a US employer. The H-1B visa was created in 1990 to permit foreigners with a college degree to work in the United States for a once-renewable three-year term. Most individuals on H-1B visas work in the electronics and software industries. Between 1998 and 2000, Congress raised the annual number of H-1B visas from 65,000 to 195,000; in 2003 it allowed the number of such visas to revert to 65,000. The H-2A visa, created by the Immigration Reform and Control Act of 1986, applies to seasonal laborers in agriculture. The H-2B visa applies

6. Large numbers of temporary entry visas are given to tourists, business travelers, and students, none of whom are eligible to work in the United States. The figures used here exclude these categories as well as temporary visas for foreign government officials (138,496 in 2003), and intracompany transferees, NAFTA workers, and their family members (168,580 in 2003) (DHS 2004).

**Table 2.2 Current immigrant eligibility for welfare benefits**

	SSI	Food stamps	Medicaid	TANF	Other federal means-tested benefits	State/local public benefits
<b>Qualified immigrants arriving before August 23, 1996</b>						
Legal permanent residents	Yes	No	State option	State option	State option	State option
Asylees, refugees <sup>a</sup>	Eligible for first 7 years	Eligible for first 5 years	Eligible for first 7 years	Eligible for first 5 years	Eligible for first 5 years	Eligible for first 5 years
<b>Qualified immigrants arriving after August 23, 1996</b>						
Legal permanent residents	No	No	Barred for first 5 years; then state option	Barred for first 5 years; then state option	Barred for first 5 years; then state option	State option
Asylees, refugees	Eligible for first 7 years	Eligible for first 5 years	Eligible for first 7 years	Eligible for first 5 years	Eligible for first 5 years	Eligible for first 5 years
<b>Unqualified immigrants</b>						
Illegal immigrants	No	No	Emergency services only	No	No <sup>b</sup>	No <sup>c</sup>
PRUCOL immigrants	No <sup>d</sup>	No	Emergency services only	No	No	No <sup>c</sup>

SSI = Supplemental Security Income

TANF = Temporary Assistance for Needy Families

PRUCOL = Persons residing under cover of law

a. This group includes Cuban and Haitian entrants, Amerasians, and aliens granted withholding of deportation.

b. States have the option to provide WIC to unqualified immigrants.

c. Selected programs are exempted, including short-term noncash relief, immunizations, testing and treatment for communicable diseases, and selected assistance from community programs.

d. Those immigrants already receiving SSI as of August 22, 1996, continued to be eligible until September 30, 1998.

Source: Boeri, Hanson, and McCormick (2002).

to hotel and restaurant workers, landscape workers, and other low-skilled workers in seasonal occupations. The bureaucratic procedure to obtain H-2A and H-2B visas is onerous, which appears to restrict their use. Between 2000 and 2003, the number of H-2A visas awarded annually ranged from 14,000 to 33,000; H-2B visas ranged from 51,000 to 103,000.

Though the United States does not explicitly set the level of illegal immigration, existing policy allows substantial numbers of illegal aliens to enter the country. In 2004, the illegal-immigrant population was estimated to be 10.3 million (Passel 2005).<sup>7</sup> During the 1990s, a net average of 300,000 to 500,000 new illegal immigrants entered the United States each year (Costanzo et al. 2001; INS 2003). Current policy on illegal immigration is based on the Immigration Reform and Control Act (IRCA) of 1986, which made it illegal to employ illegal aliens,<sup>8</sup> mandated monitoring of employers, and dramatically expanded border enforcement. Between 1980 and 2002, real expenditure on immigration enforcement increased 5.6-fold to \$1.8 billion. IRCA also offered amnesty to illegal aliens who had resided in the United States since before 1982. As a result of IRCA, between 1988 and 1994 the United States granted permanent legal residence to 2.7 million individuals, 2 million of whom were Mexican nationals (Bureau of International Labor Affairs 1996) (see figure 2.2).<sup>9</sup>

Most illegal immigrants enter the United States by crossing the US-Mexico border or by overstaying temporary entry visas. The Border Patrol enforces against illegal immigration by policing the border and other points of entry and by seeking to prevent the smuggling and employment of illegal workers. In 2003, the Border Patrol apprehended 931,557 illegal aliens (89 percent of total apprehensions of illegal aliens by US immigration authorities).<sup>10</sup> Of those apprehended, 95 percent were Mexican nationals (DHS 2004). Most of the Border Patrol's activities are concentrated

---

7. This estimate of the illegal-immigrant population is based on the *residual foreign-born* as calculated from official government survey data. The number of residual foreign-born is derived by taking the enumerated immigrant population in the US Current Population Survey (or the US Census of Population and Housing) and subtracting new legal-immigrant admissions (less estimated departures and deaths among legal immigrants). The residual foreign-born population thus represents immigrants left over after accounting for net legal immigration. Since the CPS and the census appear to undercount the illegal-immigrant population by as much as 15 percent, the residual foreign-born calculation may underestimate the illegal-immigration population. See Bean et al. (2001), Costanzo et al. (2001), and INS (2001).

8. It had previously been illegal to "harbor" illegal aliens but not to employ them (Calavita 1992).

9. As a result of IRCA, net illegal immigration slowed during the late 1980s and early 1990s (since large numbers of illegal immigrants were becoming legal immigrants) but gross inflows of illegal immigrants appeared to continue at high levels (INS 2001).

10. Other apprehensions are by non-Border Patrol immigration authorities in the US interior. Apprehensions of illegal aliens overstate attempted illegal immigration in that a given individual may be captured by the Border Patrol multiple times in a given year.

in cities that border Mexico, such as San Diego, El Paso, and El Centro. This pattern has encouraged those attempting illegal entry to cross in the less populated—and more treacherous—desert and mountain regions of Arizona and eastern California.<sup>11</sup> In 2003, immigration authorities apprehended another 114,865 individuals (11 percent of total apprehensions) through interior enforcement activities. Very little border or interior enforcement occurs at US worksites. Of Border Patrol apprehensions in 2003, only 5,800 (0.6 percent of the total) occurred at US farms or other places of employment; the rest occurred at or near the US-Mexico border. Few employers face penalties for hiring illegal workers: Only 72 employers were convicted for employing illegal immigrants in 2003. Since 1986, fewer than two dozen employers have paid fines in excess of \$75,000 for hiring illegal immigrants. These facts led the General Accounting Office to conclude in a recent report that, once in the United States, illegal immigrants appear to face little risk of apprehension or deportation (GAO 2002).

Illegal immigrants lack the rights granted to permanent and temporary legal immigrants, but they do enjoy some legal protections. The Supreme Court has ruled that the government may not deny public education or emergency medical services to foreign-born residents, even those in the country illegally. This ruling entitles illegal immigrants to send their children to public schools and to receive emergency medical care at hospitals. The US-born children of immigrants, whether their parents are legal or illegal, are eligible to receive welfare benefits designated for children, such as subsidized healthcare and school lunches. In practice, the Border Patrol rarely polices near schools, public-health facilities, churches, or other locales where apprehending illegal immigrants would be politically controversial. Combined with lack of enforcement at worksites, this pattern creates many public places where illegal immigrants may move about in relative freedom.

It is a common misperception that illegal immigrants do not contribute to tax revenues. Illegal immigrants pay sales taxes on their purchases and property taxes on dwellings they own or rent. Many also contribute to Social Security and to federal and state income taxes. Since passage of IRCA in 1986, employers are required to ask employees for proof of their employment eligibility. In response, many illegal immigrants present fake Social Security cards bearing invalid Social Security numbers. Most employers appear to treat illegal-immigrant employees as legal workers, withholding federal payroll taxes and income taxes from their paychecks. When paying payroll taxes on these workers, employers end up making contributions to invalid Social Security accounts.

The Social Security Administration holds contributions with invalid names or Social Security numbers in what is known as the Earnings Sus-

---

11. The end result of this policy has been an increase in deaths among illegal border crossers, from 50 a year in the early 1990s to 300–500 per year in the early 2000s (Cornelius 2001).

pense File. Since the late 1980s, when IRCA went into effect, inflows to the Earnings Suspense File have soared, from \$7 billion in 1986 to \$49 billion in 2000. As of 2003, the Earnings Suspense File contained \$463 billion (Council of Economic Advisers 2005). The earliest contributions to the file date back to 1937, but the vast majority have accumulated since 1985 (Social Security Administration 2003). It seems highly unlikely that illegal immigrants who have contributed to invalid accounts will be able to draw on Social Security benefits in the future.<sup>12</sup> The holdings in the Earnings Suspense File, which initially amount to an interest-free loan from the contributors to the federal government, are eventually rolled into the Social Security Administration's general funds.

Many employers also withhold federal income taxes from the paychecks of illegal immigrants; the value of these contributions is hard to gauge. As a means of establishing a credit history, some self-employed illegal immigrants appear to pay income taxes voluntarily. This phenomenon may partially account for the rapid increase in the number of tax identification numbers issued by the Internal Revenue Service to individuals who are unable to obtain Social Security numbers. Between 1996 and 2003, the IRS gave out 6.8 million such tax ID numbers. By no means all of these tax IDs go to illegal immigrants; they are also issued to foreign students and researchers on temporary visas ("Illegal Aliens Paying Taxes," CBSNews.com, April 14, 2003). By the same token, it appears unlikely that all of these tax IDs could have gone to students and researchers, suggesting that the IRS has awarded tax IDs to many illegal immigrants.

## **Recent Trends in US Immigration**

Immigration is making the US population larger and more ethnically diverse and the labor force more abundant in low-skilled labor. This section will use data from the Current Population Survey to review recent immigration trends (Current Population Survey, US Bureau of Labor Statistics, [www.bls.census.gov/cps/cpsmain.htm](http://www.bls.census.gov/cps/cpsmain.htm)). These data include both legal and illegal immigrants (see note 7), and among legal immigrants both permanent residents and those on longer-term temporary visas.

## **Predominance of Immigrants from Asia and Latin America**

Of immigrants entering the United States between 1990 and 2003, 53 percent came from Latin America and 26 percent from Asia (see table 2.1). Mexico is the principal source country, accounting for 34 percent of all im-

---

12. At several junctures, Congress has contemplated action that would explicitly prohibit illegal immigrants from drawing on their contributions to Social Security. See Mark Stevenson, "Ban Sought on Benefits for Illegal Immigrants," Associated Press, August 31, 2004.

migrants arriving since 1990 and 30 percent of the total foreign-born population. The shift toward Asia and Latin America has diminished Europe's role. In 2003, 41 percent of immigrants who had entered the United States before 1970 came from Europe, compared with only 12 percent of those entering the country since 1990.

Estimates by the Census Bureau and academic demographers indicate that Asia and Latin America are even more dominant as source regions for illegal immigration.<sup>13</sup> In 2000, Asia and Latin America appear to have accounted for 75 percent of the illegal-immigrant population, up from 69 percent in 1990. Mexico is far and away the largest source of illegal immigrants, accounting for 57 percent of the illegal population in 2004 (Passel 2005). In 2000, the illegal share of the foreign-born population was 31 percent for all immigrants, 19 percent for immigrants from Asia, 36 percent for immigrants from Latin America, and 49 percent for immigrants from Mexico (Costanzo et al. 2001). Unsurprisingly, illegal immigration is correlated with economic conditions in Mexico, Central America, and other source regions. Attempted illegal immigration from Mexico surges following contractions in the Mexican economy, which tend to be particularly severe in the aftermath of the country's periodic currency crises. Border Patrol apprehensions increase 6 percent for every 10 percent decline in real wages in Mexico (Hanson and Spilimbergo 1999). Mexico's real wages fall sharply whenever the peso collapses (or unexpected inflation occurs). Thus Mexican economic crises typically produce large increases in the inflow of illegal immigrants from Mexico.

## **Overrepresentation at the Extremes of Skill Distribution**

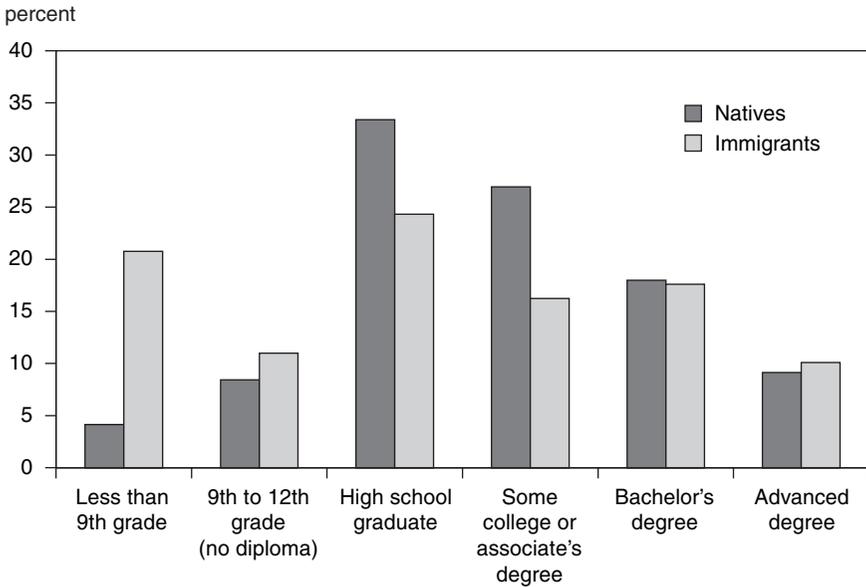
Immigrants are much more likely than US natives to have low levels of schooling. In 2003, 33 percent of immigrants 25 years and older had completed less than the equivalent of a high-school education, compared to only 13 percent of US natives (see figure 2.3). At the same time, immigrants are as likely as natives to be highly educated: 27 percent of each group had completed a bachelor's degree, and more immigrants than natives had completed an advanced degree. Where immigrants are strikingly underrepresented is among individuals with moderate schooling. Workers with a high-school diploma or some college account for 60 percent of native-born adults but only 41 percent of immigrants. The skill gap between natives and immigrants is one consequence of the shift in immigration away from Europe to Asia and Latin America, where prevailing levels of schooling are well below those in the United States (Borjas 1999a).

By increasing the supply of labor, immigration tends to drive down wages for US workers. Borjas (2003) estimates that between 1980 and 2000

---

13. See note 7 on methods used to estimate the illegal-immigrant population.

**Figure 2.3 Educational attainment of immigrants and natives, March 2003**



Note: Data are for immigrants and natives 25 and older.

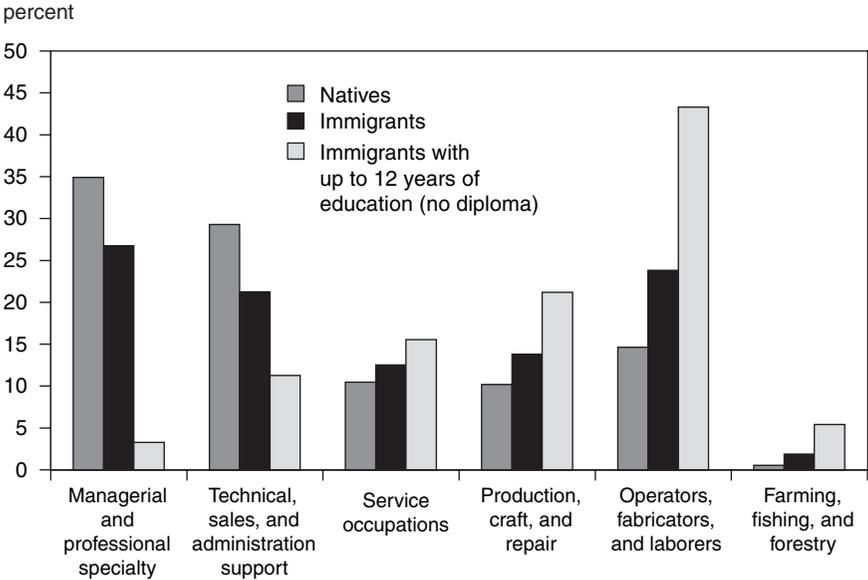
Source: March 2003 Current Population Survey.

immigration contributed to a decrease of 3 percent in the average wages of native workers. This estimate takes into account the total increase in the US labor force due to immigration, including both legal and illegal sources. Since immigration is concentrated among certain skill groups, its wage effects are most pronounced for low-skilled and high-skilled native workers; low-skilled workers suffered the largest wage declines. Borjas (2003) estimates that immigration lowered wages by 9 percent for native workers without a high-school degree, 3 percent for native high-school graduates, a negligible amount for natives with some college, and 5 percent for native college graduates.

### **Tendency Toward Low-Wage Occupations**

Limited schooling and lack of legal status confine many immigrants to low-wage jobs. In 2003, 62 percent of natives but only 48 percent of immigrants were managers, professionals, or technical or administrative staff (see figure 2.4). Meanwhile only 25 percent of natives but 40 percent of immigrants worked in low-paying manual labor or agricultural occupations. Low-skilled immigrants are even more highly concentrated in

**Figure 2.4 Occupational distribution of immigrants and natives, March 2003**



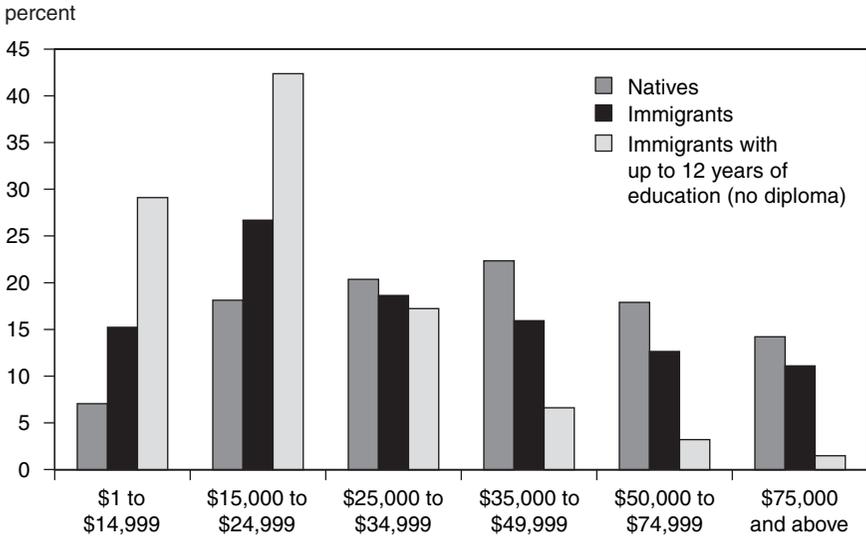
Source: March 2003 Current Population Survey.

low-paying occupations: 70 percent of immigrants with less than a high-school education work as manual laborers or in agriculture.

These differences in occupational outcomes are reflected in earnings. Among full-time year-round workers in 2003, 42 percent of all immigrants and 72 percent of those without a high-school diploma earned less than \$25,000 a year, compared to only 25 percent of natives (see figure 2.5). Given native-immigrant differences in educational attainment, it is not surprising that immigrants are underrepresented in the middle of the earnings distribution. Fully 40 percent of native-born workers but only 28 percent of immigrants earned between \$35,000 and \$75,000 a year. Overall, the median earnings of native workers were 30 percent higher than those of immigrants.<sup>14</sup> Like the native-immigrant skill gap, the gap between native and immigrant earnings has grown over time (Borjas 1999b).

14. These differences in earnings do not control for differences in annual hours worked or for differences in age, education, and other characteristics between immigrants and natives. Using data from 1990 and controlling for differences in hours worked, Borjas (1999b) finds that natives earned 16 percent more than immigrants; controlling for age, education, and other observable characteristics as well, natives earned 10 percent more than immigrants. This pattern has changed markedly over time. In 1960, natives earned 4 percent less than immigrants (controlling for hours worked) and 1 percent less than immigrants (controlling for hours worked and other observable characteristics).

**Figure 2.5** Yearly earnings distribution of immigrants and natives, March 2002



Source: March 2003 Current Population Survey.

Illegality depresses the low earning potential of some immigrants. In an examination of illegal immigrants who attained legal status in the IRCA amnesty in the late 1980s and early 1990s, Sherrie Kossoudji and Deborah Cobb-Clark (2002) estimate that the penalty for illegal status in the 1980s was a wage 14 to 22 percent lower than that of legal workers. Much of this wage penalty appears to be due to the limited ability of illegal immigrants to move between jobs, which may suppress their bargaining power vis-à-vis employers. The low wages of illegal immigrants may be one reason that employers oppose increased enforcement against illegal immigration (Hanson and Spilimbergo 2001; Boeri, Hanson, and McCormick 2002).

### Tendency to Settle in Specific Regions

On arrival in the United States, immigrants have tended in the past several decades to settle in the gateway states of California, Florida, Illinois, New Jersey, New York, and Texas. In 2003, these six states were home to 67 percent of immigrants but only 40 percent of the total population (see table 2.3). California alone is home to 28 percent of all immigrants but only 12 percent of all US residents. Within the gateway states, most immigrants live in a few large cities. In 2003, 46 percent of immigrants but only 17 percent of the native-born lived in just five metropolitan areas: Los Angeles, New York, San Francisco, Miami, and Chicago. Illegal im-

**Table 2.3 Concentration of immigrants in six gateway US states**

State	State share of total US population		State share of total US foreign-born population		Foreign-born share of total population	
	1994	2003	1994	2003	1994	2003
California	12.3	12.3	34.0	27.5	22.5	27.8
New York	7.0	6.7	11.7	11.7	13.6	21.0
Florida	5.4	5.7	9.3	8.8	13.9	18.6
Texas	7.0	7.5	9.0	10.4	10.4	16.8
New Jersey	3.1	3.0	4.5	4.4	12.0	17.6
Illinois	4.5	4.4	4.7	4.4	8.6	12.1
<b>United States</b>	—	—	—	—	8.2	12.1

Source: March 1994 and 2003 Current Population Surveys.

migrants are also concentrated regionally. In 2000, 68 percent of illegal immigrants lived in the six gateway states, 32 percent of them in California alone (INS 2001).

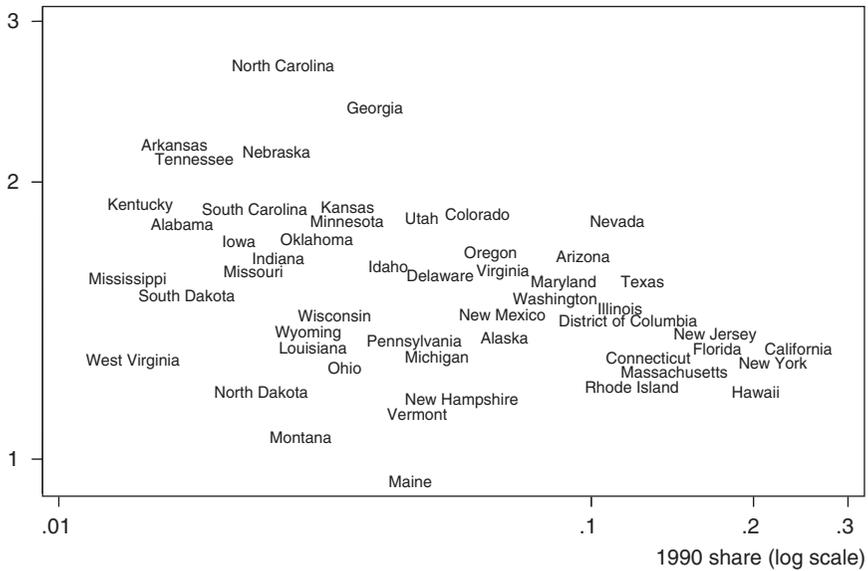
Immigrant settlement patterns have recently begun to change. The states with the fastest-growing immigrant populations in the 1990s were located in the Southeast (Georgia, North Carolina), Mountain West (Arizona, Colorado, Nevada), and Great Plains (Nebraska, Kansas) (see figure 2.6). These states also experienced high growth in native employment (see figure 2.7), which suggests that immigrants tend to move to regions where job growth is strong.<sup>15</sup> As chapter 3 will show, these states are not known for the generosity of their welfare benefits, further suggesting that their attractiveness to immigrants is driven by jobs and not by a desire for access to entitlement programs. The shift in population away from gateway states is even more noteworthy among the illegal foreign-born population. Between 1990 and 2000, the share of illegal immigrants residing outside the six gateway states increased from 20 to 32 percent (INS 2001).

The influx of low-skilled immigrants from Asia and Latin America is changing the US economy. Increasing the supply of low-skilled labor tends to drive down wages for low-skilled native workers, but also helps resuscitate industries that rely on manual labor. The arrival of immigrant workers appears to have helped meatpacking plants in the Great Plains, poultry-processing facilities in the South, and textile factories in the Southeast. Without immigrant labor, these industries might have shut down, with grave consequences for their regional economies. Immigrant

15. The correlation between the log change in the foreign-born share of the state population and the log change in state native employment from 1990 to 2000 is highly statistically significant, 0.53.

**Figure 2.6 Immigrant share of state population, 1990 and 2000**

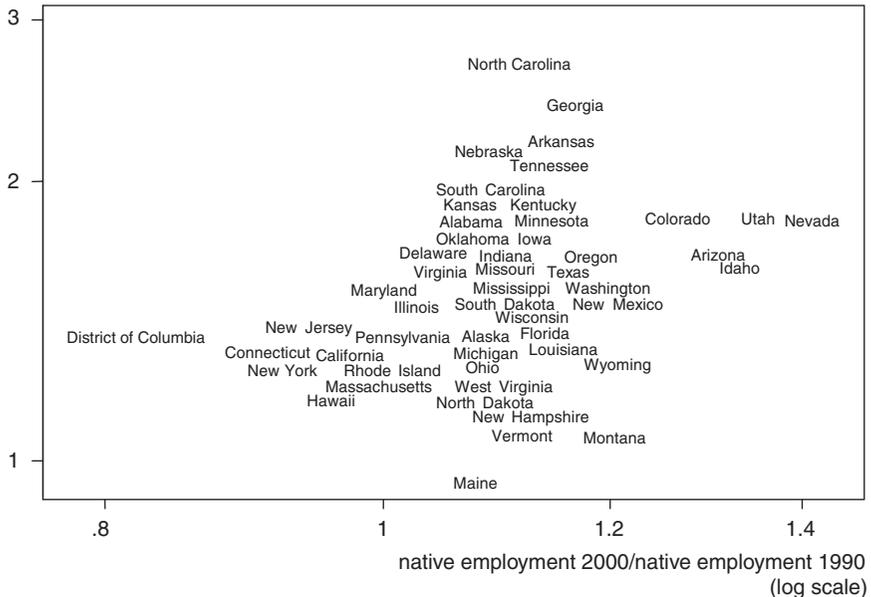
2000 share/1990 share (log scale)



**Figure 2.7 Growth in immigrant population and native employment rate, 1990 and 2000**

immigrant share 2000/immigrant share 1990

(log scale)



labor has also helped sustain the construction boom in the Southwest and Southeast that began in the 1990s. Economic theory suggests that the wage losses associated with immigration are more than offset by income gains to employers of immigrant labor. However, there is no reason to expect these offsetting gains to make immigration popular politically. By redistributing income away from manual labor and toward factory and farm owners, immigration creates winners and losers. Both groups are likely to appeal to their political representatives, either to reverse their losses or to secure their gains.