

Monthly Latino Employment Report

Issued December 5, 2014

Administrative Relief for Immigrants Benefits All Workers

President's plan will boost wages, productivity, and defense of workers' rights as workers come out of the shadows

On November 20, President Obama announced his administration's plan to allow undocumented immigrants who meet certain criteria to come forward and apply for protection from deportation. In addition to providing temporary work permits for up to five million undocumented immigrants, most of whom are parents of U.S. citizen children and legal permanent residents, this executive action will benefit U.S.-born workers. This *Monthly Latino Employment Report* describes how all workers will benefit from the president's action.

Latino Employment Statistics for November 2014

The U.S. Department of Labor [reported today](#) that U.S. employers added 321,000 jobs in November, very strong growth compared to the monthly average. The national unemployment rate of 5.8% did not change from October, while the Latino unemployment rate dropped slightly from 6.8% to 6.6% (see Table 1). Net job gains in retail (+50,200 in November), administrative and waste services (+41,700), accommodation and food services (+27,300), and construction (+20,000) likely contributed to more employment for Latinos.

Table 1. The Employment Situation for Latino Workers in November 2014

Indicators	Latinos, November 2014
Employed —Working people over the age of 16, including those temporarily absent from their jobs	24 million
Unemployed —Those who are available to work, make an effort to find a job, or expect to be called back from a layoff but are not working	1.7 million
Civilian Labor Force —The sum of employed and unemployed people	25.8 million
Not in the Labor Force —People over the age of 16 classified as neither employed nor unemployed	13 million
Unemployment Rate —Share of the labor force that is unemployed	6.6%
Labor Force Participation Rate —Share of the population over the age of 16 that is in the labor force	66.5%
Employment-Population Ratio —Share of the population over the age of 16 that is working	62.1%

Source: U.S. Bureau of Labor Statistics, "Employment Status of the Hispanic or Latino Population by Sex and Age," Current Population Survey, <http://www.bls.gov/news.release/empsit.t03.htm> (accessed December 5, 2014), Table A-3.

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Changes to Work Authorization for Eligible Immigrants

In the wake of the House of Representatives' failure to reform the nation's broken immigration system, President Obama used his executive authority to put forth a series of bold measures to address some major problems with the system.* Estimates indicate that up to five million undocumented immigrants could receive temporary protection from deportation and work permits under administrative relief. Administrative relief is not expected to substantially increase the number of immigrants working in the U.S.; in fact, approximately 8.1 million undocumented immigrants are already in the U.S. labor force.† The more important change is that undocumented immigrants who meet the criteria for administrative relief would be granted work permits. Administrative relief will also allow another 147,000 or so legal immigrants, including spouses of visa holders and certain foreign students, to work legally.

U.S.-Born Workers Benefit from the President's Action on Immigration

Temporary work permits issued under executive action will not only benefit immigrants who receive them. Administrative relief on immigration will also help U.S.-born workers in a number of tangible ways, listed below. These projected effects are based on what happened at other points in American history when immigrants were granted work authorization, including through the 1986 Immigration Reform and Control Act (IRCA). The precise benefits of administrative relief will be based on how many eligible immigrants actually apply for the program.

Nevertheless, it is clear that administrative relief will benefit U.S.-born workers through:

- **Higher productivity.** Today, most undocumented immigrants are crowded into low-wage industries, regardless of their education and skill level. With permission to work legally in the U.S., immigrants will be able to find jobs that better match their skills and qualifications. Economists call this "specialization." Greater specialization raises the productivity of all workers.
- **Higher wages.** Productivity gains from administrative relief are expected to raise the wages of U.S.-born workers by \$170 per year. Undocumented immigrants who qualify for administrative relief are expected to see a 8.5% increase in their wages. A wage boost for immigrant families will undoubtedly increase their ability to patronize local businesses, spurring consumer demand, job creation, and higher wages in the American economy.
- **Stronger voice on the job.** U.S.-born workers will likely see additional wage gains and better working conditions due to a greater willingness of immigrant workers to stand up for their rights on the job without fear of retaliation. Administrative relief will bring millions of workers out of the shadows of the labor market, weakening the ability of unscrupulous employers to exploit undocumented workers at the expense of U.S.-born workers. For instance, administrative relief could result in a decline in the practice of wage theft, which cheats workers out of millions of dollars in minimum wage and overtime pay. In addition, under administrative relief, undocumented victims of labor law violations will have expanded protections from deportation.

* As of this report's publication, the deferred action and work permit program has not yet begun. For a detailed guide on executive action, see www.immigrationpolicy.org/special-reports/guide-immigration-accountability-executive-action. Resources for individuals interested in applying for administrative relief can be found at www.adminrelief.org.

† The U.S. labor force is expected to grow by only 0.1% due to administrative relief.

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- **Lighter tax burden.** Undocumented immigrants already pay taxes in many forms, including sales tax, excise tax, and property tax. Their contributions amount to [\\$10.6 billion](#) in state and local taxes, about 6.4% of their income. An estimated 50–75% of undocumented immigrants also pay personal income taxes. Administrative relief will facilitate the collection of income taxes from previously unauthorized immigrants. Experts anticipate that as a result of administrative relief, [tax contributions](#) will grow by \$2.87 billion in the first year and \$21.24 billion in five years. Administrative relief is projected to contribute [\\$90 billion](#) (0.4%) in growth to the U.S. economy over ten years, which will benefit all Americans.

Conclusion

When the president's announced changes on immigration take effect, U.S.-born workers will undoubtedly benefit, as outlined above. However, the positive effects of administrative relief are just a small fraction of the economic benefits to be gained from comprehensive immigration reform. Administrative relief is only temporary and does not confer the additional economic benefits that would result from a [pathway to citizenship](#) for undocumented immigrants. It is incumbent on Congress to pass permanent legislation that brings all undocumented workers out of the shadows of the labor market, bolsters funding for [labor law enforcement](#), and opens a pathway for immigrants to earn the rights and responsibilities of citizenship.

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