With Millions of Unfilled U.S. Jobs, What Role Is There for Immigration?

April 20, 2022
Today’s Event

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• Related report: Leveraging the Skills of Immigrant Health-Care Professionals in Illinois and Chicago
Speakers

Jeanne Batalova, Senior Policy Analyst, Migration Policy Institute (MPI)

Alexandra Manuel, Consultant, World Education Services and Washington State Professional Educator Standards Board

Muzaffar Chishti, Senior Fellow, MPI; Director, MPI office at New York University School of Law

Harry Holzer, John LaFarge Jr. S.J. Professor of Public Policy, McCourt School of Public Policy, Georgetown University; former Chief Economist, U.S. Labor Department

Jina Krause-Vilmar, President and CEO, Upwardly Global
Labor Shortages, Skills, and Immigrants: Some Thoughts

Harry J. Holzer
Georgetown University
April 2022
Is There Now a Labor Shortage in the US?

• Yes!
• Hi Job Vacancy Rate – 7% (Unemployment Rate is 3.8%)
• Hi Wage Growth – Over 5% Nominal; 8% over 2 years
• Due to: 1) Low Labor Force Participation
  2) Hi Quits
  3) Lo Acceptance of Potential Offers
Worse Shortage for Skilled Labor?

• Short- v. Long-Run Perspectives – Vacancy and Wage Data are Short-Run
• Definition of Skills: AA, BA, >BA; Specific Occupational
Skills and Shortages in the Short Run

• Highest Vacancy Rates and Wage Growth in Low-Skill Jobs:
  Leisure/Hospitality: VR 10%, Wage Growth 15% (2-year) –
  Retail: VR 6-7%, Wage Growth 10%
• But also in Professional Services and Health Care
  Health Care: VR - 9%   Wage Growth: 12%
  Professional Service: VR – 9%  Wage Growth: 10%
• Specific Occupational Skills: Long-Haul Trucking, Machinists and Welders, Nursing
Skills and Shortages in the Long Run

• College-Educated Workforce: Not a Shortage Overall, but Better Trends in Earnings, LFP than HS
• >BA: Strong Real Earnings Growth – Very Strong Demand
• Specific Occupations: Lasting Challenges for Employers in Skilled Technical Workforce (NAS Study)
• Specific Skill Shortages Will Likely be Exacerbated by Baby Boomer Retirements – Construction, Manufacturing, Health Care, IT, TDL
• Health/Elder Care Demand Will Rise with Baby Boomer Aging
Immigrants: Does the US Need More?

- Yes!
- Why?
  1) Declining Native Born Population – Aging and Birth Rates
  2) Declining Growth in Labor Force – Needed for Growth!
  3) Fiscal Effects, Price Inflation
  4) Supply of Immigrants has Fallen! Trump, Covid Effects
Skilled v. Unskilled Immigration (College)

• Skilled: More Positive Economic Effects – Create Jobs and Innovation: Patents, Start-Ups; STEM needs of Employers
• Less-Skilled: Competition with Native-Born; Raise Inequality (Small amount)
• But Other Positive Effects of Less-Skilled – e.g., less institutionalization of the elderly (Butcher and Watson)
• Composition of Immigrants Has Already Been Shifting – Fewer Mexicans, More Asians – Should Be Reinforced By Policy?
Possible Economic/Political Compromise

• Raise immigration overall
• More Tilt towards High-Demand Sectors and Skills
• Caveat: Fed Raising Interest Rates – Soft or Hard Landing? Recession in the Short or Medium Term – Dampen/Eliminate Shortages but Doesn’t Change Longer Term Picture
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- Reporters can contact Michelle Mittelstadt at +1-202-266-1910 or mmittelstadt@migrationpolicy.org

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- Related report: *Leveraging the Skills of Immigrant Health-Care Professionals in Illinois and Chicago*
  

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