

# Central Americans in the U.S. Labor Market: Recent Trends and Policy Impacts

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Disclaimer: These views do not represent the views of the Federal Reserve Bank of Dallas or the Federal Reserve System



# Overview



- Changes in
  - Volume, composition of Central American immigration
  - Environment into which they are migrating
- Two examples of effects of immigration policy on labor market outcomes
  - State-level mandatory E-Verify
  - Temporary Protected Status
- Conclusions and recommendations



# Central American Immigration Picks Up After 2000



# Major policy changes -1-



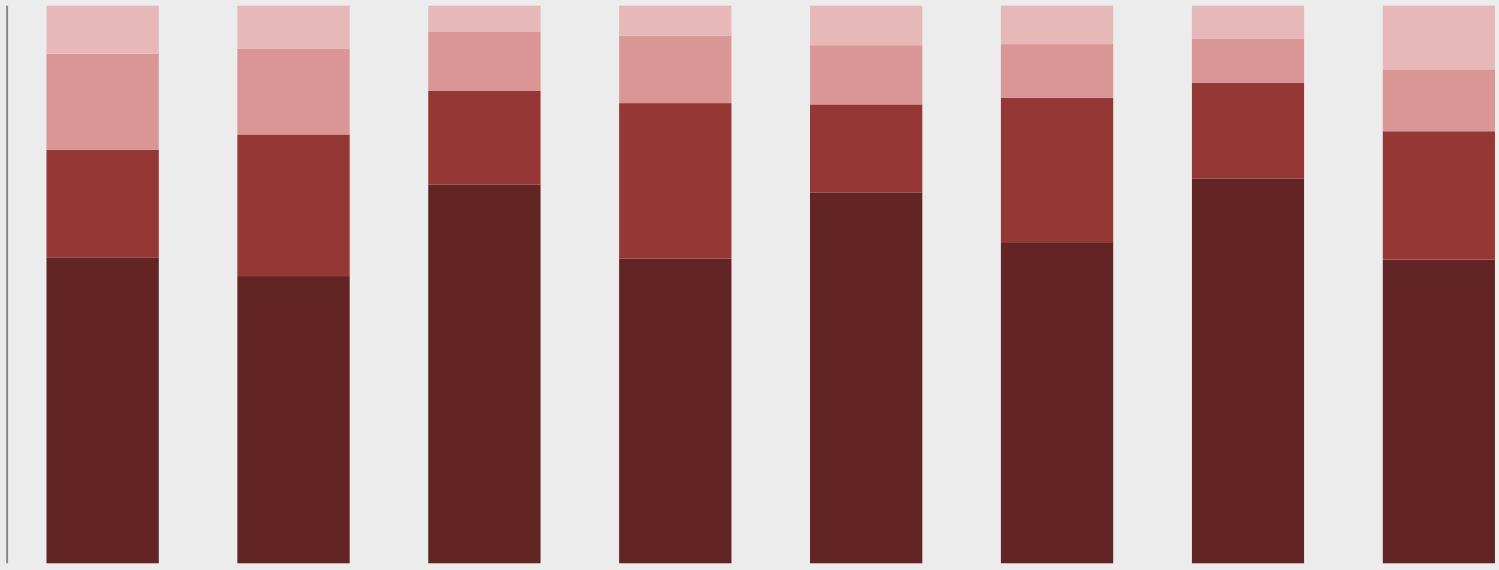
- IRCA 1986
  - Made hiring unauthorized workers illegal
- Border crackdowns 1993, 1994...
- IIRIRA 1996
  - Basic Pilot (E-Verify), expedited removal, re-entry bars, 287(g), and more
- Additional border strategies
  - Lateral, interior repatriation; zero tolerance; Secure Fence Act

# Major policy changes -2-

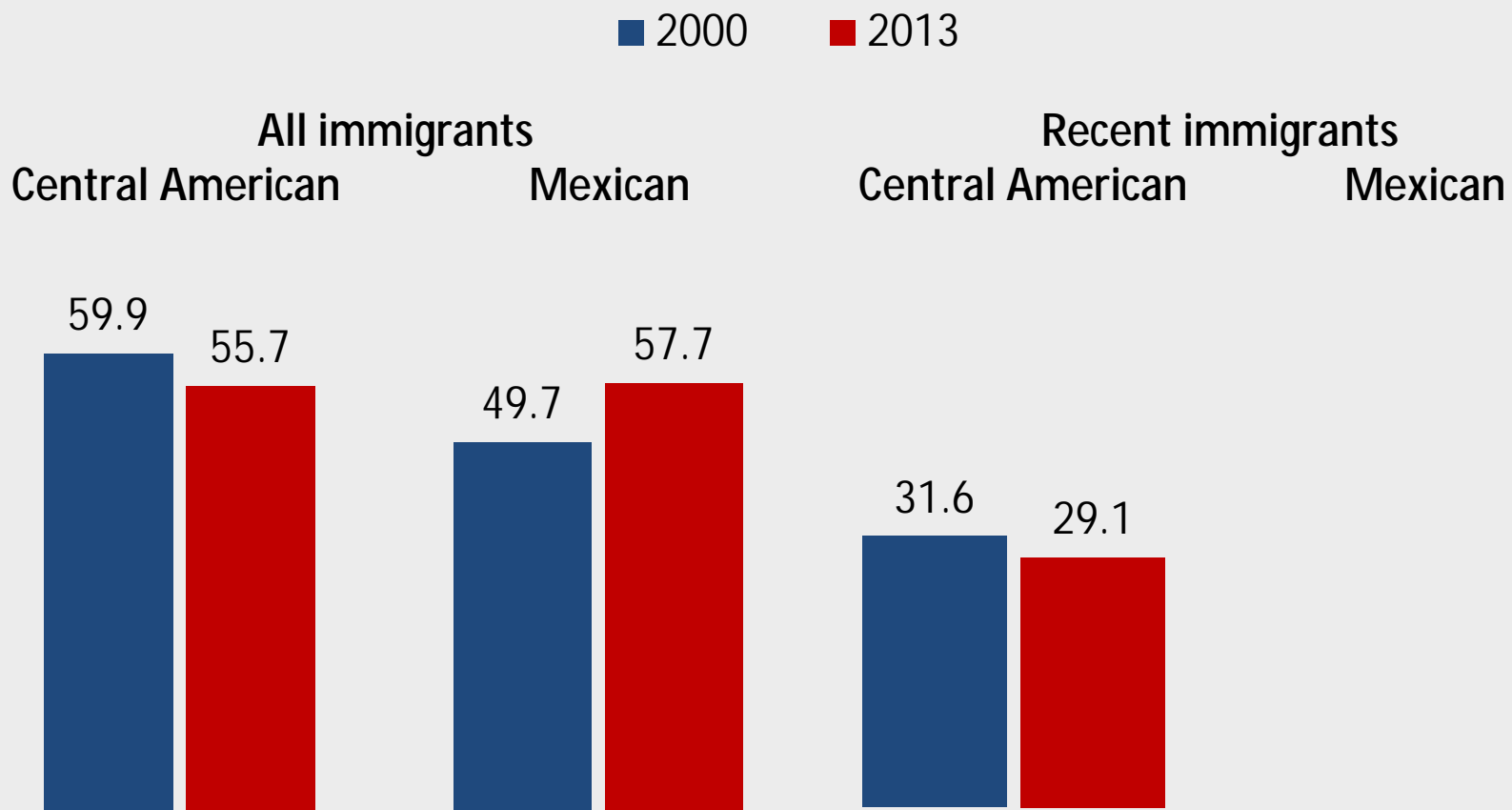


- State laws 2007-2011
  - Mandatory E-Verify (LAWA, others)
- Secure Communities 2008-2014
- E-Verify for federal contractors 2009
- Deferred Action for Childhood Arrivals (DACA)
  - Deferred Action for Parents of Americans (DAPA)

# Educational Characteristics of the Hispanic Immigrant Workforce

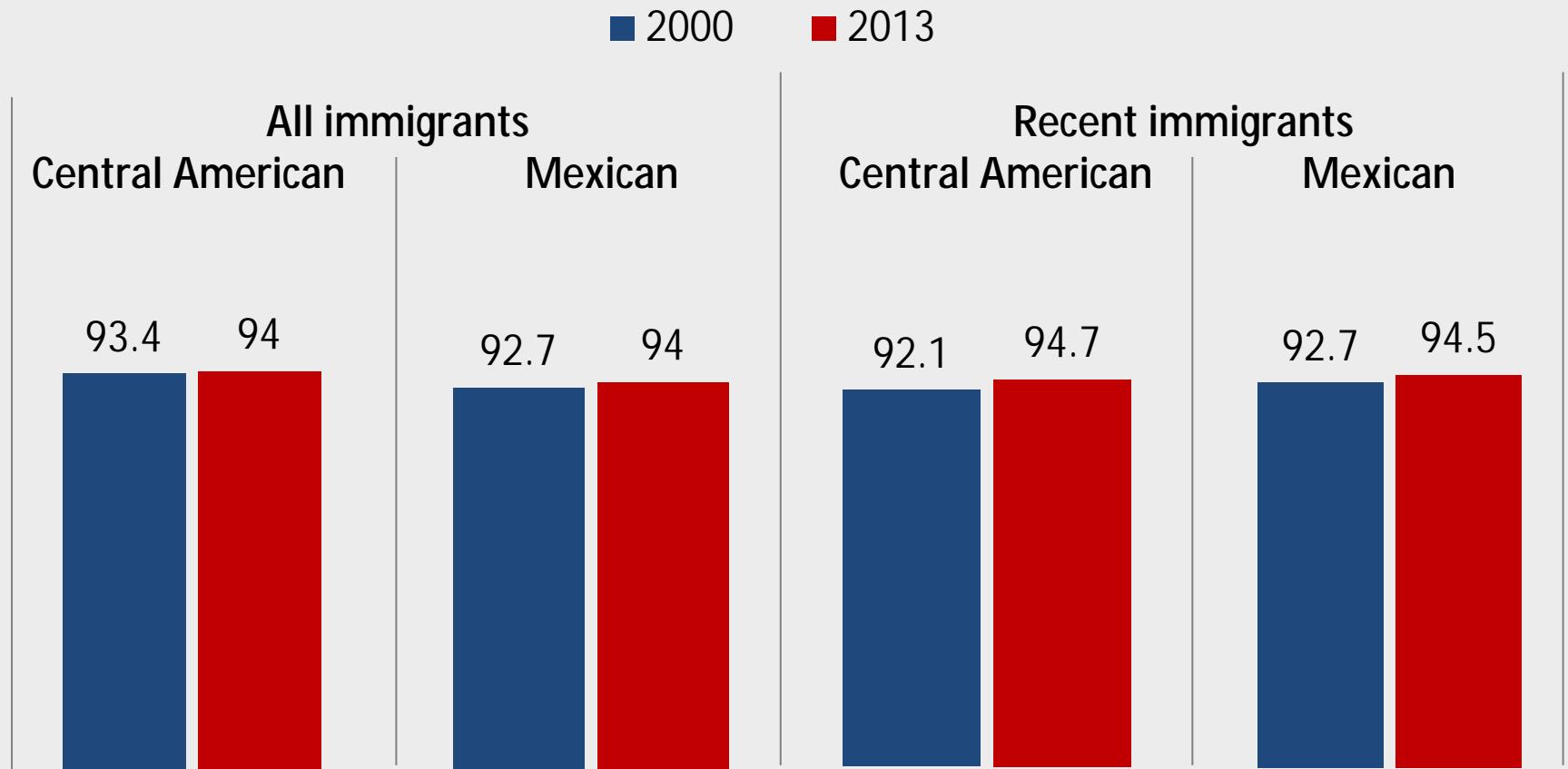


# Hispanic Immigrant Workforce: Speaks English Well (%)





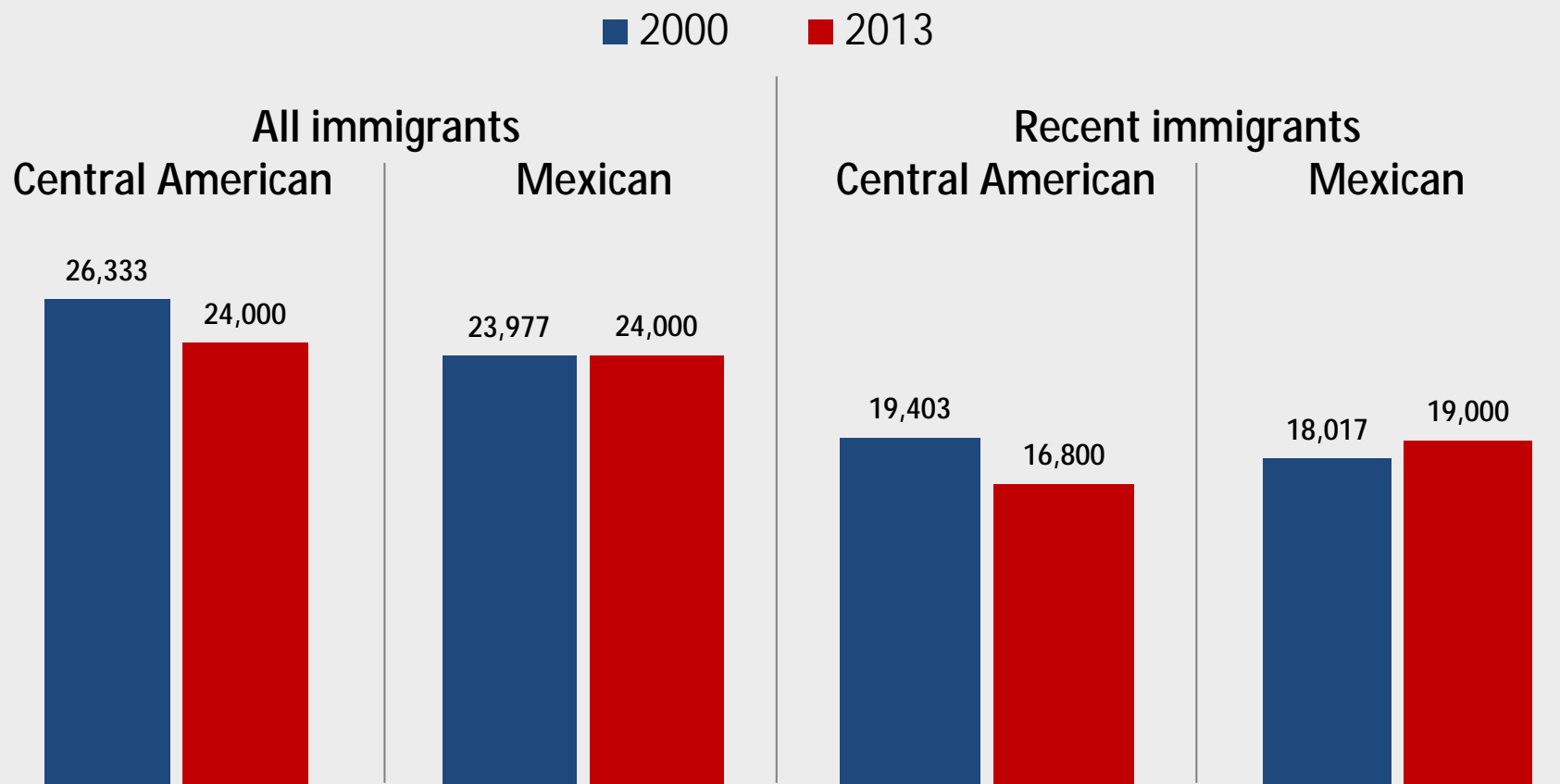
# Hispanic Immigrant Workforce: Employed (%)



Notes: Recent immigrants arrived in the U.S. in the prior five years. Data based on men ages 16-54.

Sources: 2000 Census; 2013 American Community Survey.

# Hispanic Immigrant Workforce: Median Wage (\$)



Notes: Recent immigrants arrived in the U.S. in the prior five years. Data based on men ages 16-ag1ag0





# Temporary Protected Status



- Established as part of 1990 Immigration Act
  - Granted to migrants from countries in turmoil; 340,000 currently from 11 countries
  - Beneficiaries often unauthorized, get work permit and temporary status
  - El Salvadorans given TPS in 2001, extended 10 times since
- Empirical work compares TPS-eligible cohort with non-TPS using ACS data
  - Mexican immigrants are control group

# Effect of TPS on Labor Market Outcomes of Immigrants from El Salvador



	LESS-EDUCATED		MORE-EDUCATED	
	Men	Women	Men	Women
Employed	-0.060*	0.173***	0.101	-0.046
Unemployed	0.060***	-0.024	0.029	0.055
In labor force	-0.0002	0.149***	0.131*	0.009
Usual weekly hours	0.346	5.564**	4.182	5.300
Annual weeks worked	0.905	7.485***	7.656*	-1.716
Real weekly Td( )3.MCID	121 BDC 0.001 Tc	-0.7(.0)0.7(0)0.7(9)	10 Tc 0 Tw 2.24w	-3ld2t5(4)0.7(.1)0.7(8)

# Conclusions



- Central American immigrants are both more plentiful and vulnerable
  - E-Verify has large adverse effects on immigrant employment, participation
  - TPS is helpful, boosting labor market outcomes
    - Implications for DACA, DAPA
- A comprehensive immigration reform could bring people in legally, regularize those already present

