Immigration's Impacts on the Long Island Economy

by David Dyssegaard Kallick

Over the past two decades, immigration has grown rapidly on Long Island. As immigrants have become an increasingly visible presence in the labor force, frequently heated questions have been raised about where these immigrants fit in to the Long Island economy, and what have been their effects on U.S.-born workers.

National research leaves little doubt that, overall, immigration is strongly connected with economic growth. Immigrants are drawn to areas where there are jobs, and fuel further growth as they fill labor market demand, shop at local stores, and send their kids to school. Immigrants are entrepreneurs in disproportionate numbers, opening restaurants, starting small stores, providing services – often in areas with previously empty storefronts. On Long Island, immigrants have brought vitality back to commercial strips in a range of communities across Nassau and Suffolk counties: Indians in Hicksville, Latinos in Patchogue, Iranians in Great Neck.

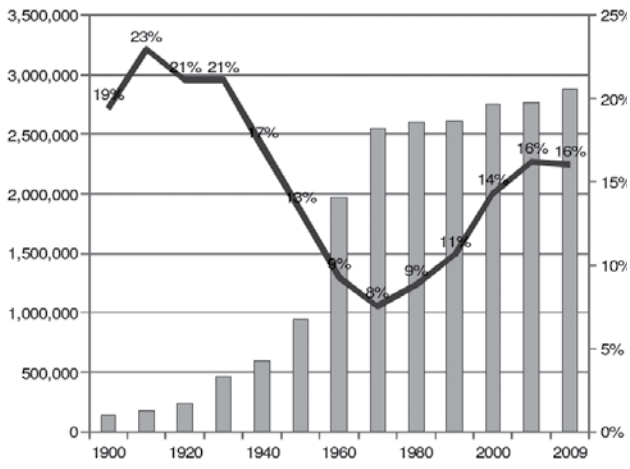
But, even if immigrants are connected with local economic growth, the question remains: What happens to U.S.-born workers as immigrants enter the economy? Do they share in a growing economic pie, or do they lose jobs as immigrants gain them? Do wages for U.S.-born workers go up or down? And, when wages change, is it because of immigration or is it due to other factors?

In this report, we take a clear-eyed look at the effects of immigration on Long Island, both positive and negative. We look at immigration at three economic peaks: 1990, 2000 and 2007. The decennial census data for 1990 and 2000 correspond almost exactly to the economic peaks, giving us a rich data source. For the 2007 peak, we use data from the American Community Survey (ACS) that combines 2005, 2006, and 2007 (referred to in the text as 2005/07). Although the recession hit Long Island later than the rest of the United States, we can see Long Island unemployment dipping in the 2008 ACS, so 2005/07 gives a better picture of the peak than would be the case for the combined years 2006/08, while giving a bigger sample size than would be available from the single year of 2007.

These three data points allow us to make comparisons of how workers fared at comparable points in the economic cycle. A business cycle peak is when unemployment rates are expected to be at their lowest and employment at its highest. The 1990 to 2005/07 time frame shows a time when immigrant share of the labor force increased from 12 to 21 percent. It also shows a period in which the number of undocumented immigrants was growing significantly – more than doubling in number statewide, according to estimates by the Pew Hispanic Center. By looking at how U.S.-born workers are faring, we would be able to see whether immigration, either documented or undocumented, was having a substantial negative impact. It is in particular worth noting that we do not need to determine the detailed characteristics of undocumented immigrants to see whether illegal immigration is having a negative impact, since that impact would be measured in the outcomes for U.S.-born workers at the most recent peak compared to the same group (say, U.S.-born white men with a high school degree) at the previous economic peak.

Our conclusion is that, while there are some problems that deserve consideration, the Long Island economy has generally absorbed immigrants at the levels at which they have come in recent years with positive benefits to the overall economy and with few negative effects on U.S.-born workers. The areas of concern center on the shrinking number of U.S.-born men who did not attend college.

Figure 1
Long Island population & Immigrants' Share (%),1900-2009



Black men with high school or less saw higher unemployment at a time when immigration increased, and both black and white men at the bottom of the economic ladder saw stagnating or eroding wages. Many factors are at play in creating these changes, but immigration is likely at least a part of the story.

Keeping negative impacts in perspective, addressing the real concerns, and bearing in mind the overall benefits and reality of immigration would seem like solid cornerstones of future policy for Long Island and for the country.

A BRIEF HISTORY

Long Island has a long history of immigration, though the recent increase may make it feel like a new issue to the current generation of Long Island residents. In the early part of the 20th century, the population of Long Island was far smaller than it is today, but the share of the population that was born in another country was considerably higher. Through the first four decades of the century, roughly one in five Long Island residents was an immigrant

In the U.S. as a whole, immigrants' share of the population was about 14 percent in the early part of the 20th century. Immigration dropped steeply due to restrictionist laws in the 1920s and was held down by the Depression and World War II in the 1930s and '40s. Consequently, the immigrant share of the U.S. population reached a low of five percent in 1970. In 2005/07, immigrants made up 12 percent of total U.S. population.

The shape of the curve of immigrant share of population on Long Island is similar to that of the country as a whole. The picture on Long Island, however, is shaded by the tremendous growth in the overall population. The total number of residents on Long Island grew at a rapid clip from 1910 to about 1950, then increased explosively during the 1950s and '60s. This was a time of suburbanization and "white flight" from the cities around the country, with Long Island at the forefront and Levittown an often-invoked symbol of the trend.

Although it was not very visible at the time, the number of immigrants on Long Island continued to grow throughout the '50s and '60s. What made this trend hard to see was that at the same time the immigrant share of the population dropped rapidly. A small increase in the number of immigrants was swamped by an extraordinary increase in the U.S.-born population. From 1950 to 1970, the immigrant population grew by about 70,000 – from 126,000 to 193,000 – while the U.S.-born population grew by one and a half million. The immigrant population of Long Island at that point included many Italian, Irish, and Jewish immigrants who had settled first in New York City and then followed U.S.-born residents to suburbs that were overwhelmingly white. Blacks and Puerto Ricans mostly remained in New York City, or in racially and ethnically separated communities on Long Island.

Since 1970, the U.S.-born population has remained at about the same level, between 2.3 and 2.4 million. During the period of our study, from 1990 to 2005/07, we can see that the total population increased slightly, by 158,000. The U.S.-born population didn't change much, but the foreign-born population increased significantly. Although the overall U.S.-born population holds relatively flat, declining by just 13,000 from 1990 to 2005/07, the number of working-age U.S.-born adults has decreased by 94,000, driven by an even greater drop in the number of young adults 20-34 years old. This declining number of U.S.-born working-age adults was offset by a gain of 139,000 working-age immigrants, resulting in a modest net growth of 44,000 in the overall working age population over nearly two decades.

Table 1
Top Counties of Birth for Immigrants on Long Island, 2005-2007

Country of birth	Frequency	Share of all immigrants
El Salvador	56,761	13%
India	29,746	7%
Italy	24,597	5%
Dominican Republic	21,540	5%
Jamaica	20,965	5%
Haiti	18,002	4%
Ecuador	13,721	3%
Philippines	13,410	3%
Colombia	12,920	3%
Korea	12,200	3%
Honduras	10,632	2%
Poland	10,480	2%
China	10,414	2%
Guatemala	10,289	2%
Pakistan	9,712	2%
Peru	9,098	2%
Germany	9,091	2%
Mexico	8,502	2%
Trinidad and Tobago	7,599	2%
Iran	7,294	2%
Other	132,039	29%
All immigrants	449,012	100%

Source: FPI analysis of 2005-07 ACS.

The overall level of the Long Island labor force remained relatively flat between 1990 and 2005/07 at about 1.4 million. But the composition changed, with a reduction in the number of U.S.-born workers of 110,000 offset by an increase in foreign-born workers of 123,000. In 2005/07, the 449,000 immigrants on Long Island made up 16 percent of the overall population, a bigger number of immigrants than ever before on the island, and an immigrant share of total population about halfway between the high level of 21 to 23 percent in 1910 to 1930 and the low level of eight to nine percent in 1960 and 1970.

Changing racial and ethnic mix

As immigrants have come to Long Island over the past two decades, they have increased the racial and ethnic diversity of the area. But, immigration was hardly the only factor in the changing ethnic mix on Long Island: the recent period of immigration has coincided with a broader diversification. The share of the Long Island population that is white decreased from 84 percent in 1990 to 72 percent in 2005/07. About half of the growth in non-white population has been due to immigration, and about half to people who were born in he United States. The U.S.-born share includes people who move to Long Island from New York City, people who come from other states, people who come from Puerto Rico and other U.S. territories, and children born in this country to immigrant parents. In 2005/07, whites comprised about three quarters of Long Island residents, Latinos 13 percent, blacks nine percent, and Asians five percent. Most Long Island residents in all racial/ethnic categories were born in the United States. Even among Long Island Latinos, slightly more than half (54 percent) were born in the United States.

In addition, immigrants on Long Island are themselves strikingly diverse. No single country of origin predominates. The largest share, 13 percent, come from El Salvador, followed by 7 percent from India, and 5 percent each from Italy (probably mostly an earlier generation of immigrants), the Dominican Republic, and Jamaica (Table 1). Mexicans, such a big part of immigration to the United States as a whole and an even bigger part of the national media coverage, make up just 2 percent of immigrants on Long Island.

Undocumented immigrants as part of recent immigration

There was a substantial increase in the number of undocumented immigrants on Long Island between 1990 and 2005/07, although it is of course difficult to get an exact count. According to the best available estimate, from the Pew Hispanic Center, the total number of undocumented immigrants in New York State grew from about 350,000 in 1990 to about 925,000 in 2008. In an estimate made for the Fiscal Policy Institute's Working for a Better Life, the Pew Hispanic Center concluded that as of the mid 2000s, roughly one in six immigrants in New York's major downstate suburbs (Nassau, Suffolk, and Westchester) is undocumented – about the same share as in the state as a whole. It is worth noting that the share of immigrants that are undocumented in New York is well below the national average of about one in three.

Economists generally believe that the most important effect of immigration on U.S.-born workers is how many people enter the labor market and what skills they have. But legal status also matters: undocumented workers are more likely to be particularly taken advantage of by employers since it is more difficult for them to stand up for their rights. The findings noted in this report are the net effect of both documented and undocumented immigration. Where possible we consider the potentially different impacts of legal and illegal immigrants.

The current economic downturn

This report focuses on the long-term effects of immigration, and looks at unemployment rates and other factors at the same point of the business cycle. This allows us to factor out recession and expansion periods. Comparing at different points of the business cycle, we would expect unemployment rates for all workers would be lower in good economic times and higher in bad times. Comparing at the high point in the cycle allows us to see whether rates for particular groups have changed relative to where they were at the previous peak.

As Long Island, like the country as a whole, struggles to make its way out of the current economic downturn, a natural question is: what has happened since the 2005/07 peak? As of this writing, job loss on Long Island seems to have bottomed out, and is starting to slowly recover. Unemployment has indeed increased significantly on Long Island, though the overall 2009 unemployment rate of 7.1 percent was well below the national average of 9.3 percent. (2009 is the most recent year for which data is available at this level of detail, and it seems to be the low-point for unemployment on Long Island.). Throughout this period, unemployment rates for immigrants were similar to those of U.S.-born workers – slightly lower in 2006 and 2007, slightly higher in 2008 and 2009, with the overall change driven by high unemployment rates for foreign-born women.

In the analysis that follows, we will see that unemployment rates for U.S.-born workers generally return at each economic peak to the same level as the previous peak. The exception, as we will see, is for U.S.-born black men with lower educational levels. In looking at Long Island unemployment rates in the recession, U.S.-born black men also stand out as having consistently high unemployment rates. The unemployment rate for black men is double the rate for white men in 2009—though it was also double in the near-peak year of 2006.

One reason immigration does not have a more pronounced effect on U.S.-born workers is that immigration is highly responsive to economic conditions. Immigration tends to increase when there are jobs available and to slow down when there are not. This seems to be happening on Long Island in the current recession. Immigration had been growing for years, but by 2009 immigrants still accounted for the same 16 percent of the population as in 2006.

Table 2
Immigrant Share of Long Island GDP, 1990-2007

	1990	2005/07	Change, 1990 to 2005/07 absolute	%
Immigrant Share of Long Island Population	11.0%	16.0%	—	—
Immigrant Share of Long Island Labor Force	12.0%	21.0%	—	—
Long Island's Total Economic Output (in billions of 2000 dollars)	$110.8	$150.9	$40.1	36.0%
Long Island Immigrants' Economic Output (in billions of 2000 dollars)	$12.9	$26.6	$13.7	107.0%
Immigrant Share of LI Economic Output,	12.0%	18.0%	—	—

Table 2 sources: FPI analysis of U.S. Census, ACS and BEA data. Note: LI resident economic output is estimated by applying LI residents share of total NY State employment income to GDP. Immigrant share of output estimated similarly. Above results are inflation-adjusted to $2000. *In $2007, LI total output is $171 b., of which the immigrant share is $30 b*

Immigrants' broad contributions

Immigrants are making an important contribution to Long Island, and are clearly "pulling their weight" in the economy. Between 1990 and 2005/07, estimated gross domestic product (GDP) of Long Island residents grew by 36 percent. During that time, the immigrant share of GDP increased from 12 to 18 percent – meaning that immigrants accounted for about $27 billion of the $151 billion economic output of Long Island (in year 2000 dollars). Largely due to their rising share of the labor force, immigrants' growing output represents just over one-third of total GDP growth in this period (Table 2).

The economic contribution of immigrants throughout the United States is generally proportionate to their share of the population. In a 2009 report, "Immigrants on Long Island," the Fiscal Policy Institute used the total of wage and salary earnings plus proprietor's earnings as a gauge of total economic output (as the U.S. Bureau of Economic Analysis does when it measures metro area Gross Domestic Product), and developed an "Immigrant Economic Contribution Ratio." An Immigrant Economic Contribution Ratio of 1.00 means immigrants' economic output is exactly in line with their share of the population, and a ratio above 1.00 means immigrant share of economic output is greater than immigrant share of population.

In 2005-07, immigrants made up 16 percent of Long Island residents, and accounted for 18 percent of local economic output. This gave Long Island an Immigrant Economic Contribution Ratio of 1.10—greater than the majority of the 25 largest metropolitan areas around the country, including the New York metro are of which it is a part, and almost exactly the same as the ratio (1.12) of the country as a whole (Table 3).

Immigrants generally have lower earnings than U.S.-born workers, and the same is true on Long Island. There are three basic reasons immigrant economic output is higher than might be expected.

Immigrants are more likely to be in the prime working age (16- to 64-years old), so their share of the labor force is larger than their share of population. Immigrants on Long Island make up 20 percent of the working age population, and 21 percent of the labor force.

Immigrants are entrepreneurs: their share of proprietors' earnings (20 percent) is about the same as their share of the labor force, even though their share of wage and salary earnings is slightly lower (18 percent). And, contrary to common misperception, immigrants are by no means all low-wage workers. On Long Island, the majority (53 percent) of immigrants work in white-collar jobs, either in managerial and professional specialty jobs; or in technical, sales,

Table 3
Immigrant Economic Contribution Ratio on Long Island is Stronger than in Most Big Metro Areas

	Foreignborn share of population	Foreign-born share of economic output	Immigrant Economic Contribution Ratio
New York City metro area and Long Island			
New York City metro area	28%	28%	1.00
Long Island	16%	18%	1.10
The 24 next largest metro areas, after New York City			
Los Angeles 35% 34%	21,540	5%	1.00
Chicago	18%	18%	1.02
Dallas	18%	16%	0.91
Philadelphia	9%	10%	1.11
Houston	21%	21%	0.99
Miami	37%	38%	1.03
Washington	20%	20%	0.98
Atlanta	13%	13%	1.03
Detroit	9%	11%	1.30
Boston	16%	16%	0.99
San Francisco	30%	29%	0.98
Phoenix	17%	15%	0.89
Riverside	22%	25%	1.15
Seattle	15%	16%	1.02
Minneapolis	9%	8%	0.88
San Diego	23%	23%	0.98
St. Louis	4%	5%	1.22
Tampa	12%	13%	1.08
Baltimore	8%	9%	1.24
Denver	13%	10%	0.82
Pittsburgh	3%	4%	1.47
Portland	12%	12%	0.98
Cincinnati	3%	5%	1.39
Cleveland	6%	7%	1.26
25 metro areas combined	20%	20%	1.02
United States	12%	14%	1.12

Table 3 source: FPI analys is of 2005-07 ACS. Note: New York City metro area includes Long Is land.

and administrative support jobs. By contrast, 44 percent work in either service or blue-collar jobs. Three percent in farming, fishing, and forestry on Long Island, these are significantly landscaping as well as farm-labor jobs (Figure 2).

Contrary to the common media portrayal of Latinos as working nearly exclusively in day labor and other low-wage jobs, our research has shown that day laborers make up less than one percent of all immigrant workers in New York's downstate suburbs, and are a small share even of undocumented workers. While Latino immigrants on Long Island are less likely than other immigrants to hold high-wage occupations, a substantial number, 30 percent, do work in white-collar jobs (Figure 3).

There is undoubtedly some undercount of undocumented immigrants, who are concentrated in service, blue-collar, landscaping, and farming jobs. Jeff Passel of the Pew Hispanic Center estimates the undercount to be generally on the order of 10 to 15 percent, so even factoring in an undercount these ratios would not change substantially.

Immigrant share of detailed occupations

Immigrants make up 21 percent of the labor force (the grey shaded area in Figure 4). The colored bars show the immigrant share of a series of detailed occupational categories. Bars that go beyond the grey area represent occupations where immigrants are overrepresented, and those that are within the grey are those where immigrants are underrepresented. All jobs are included in the occupations here, so if all bars came to exactly 21 percent, it would mean immigrants were perfectly evenly spread among the full range of occupations on Long Island.

Scanning the chart, we see that immigrants are overrepresented in many blue-collar and service jobs (except among firefighters, police, and supervisors of protective services), but they are not far from parity in most white-collar occupations, and they are in fact overrepresented among professionals.

In white-collar jobs (the first group of bars on the chart), immigrants make up 16 percent of executive, administrative and managerial workers, 22 percent of people in professional specialties, and 26 percent of registered nurses, pharmacists, and health therapists. In technical, sales, and administrative support (the second group of bars), immigrants make up 20 percent of Long Island technicians, 19 percent of people in higher-paid sales jobs, 17 percent of those in lower-paid sales jobs, and 14 percent of those in administrative support jobs, including as secretaries.

In blue-collar and lower-wage service jobs (the third and fourth group of bars), immigrants play a disproportionately big role in nearly every occupation with the exception of uniformed officers,

Figure 2
Most LI Immigrants Work in White-collar Jobs

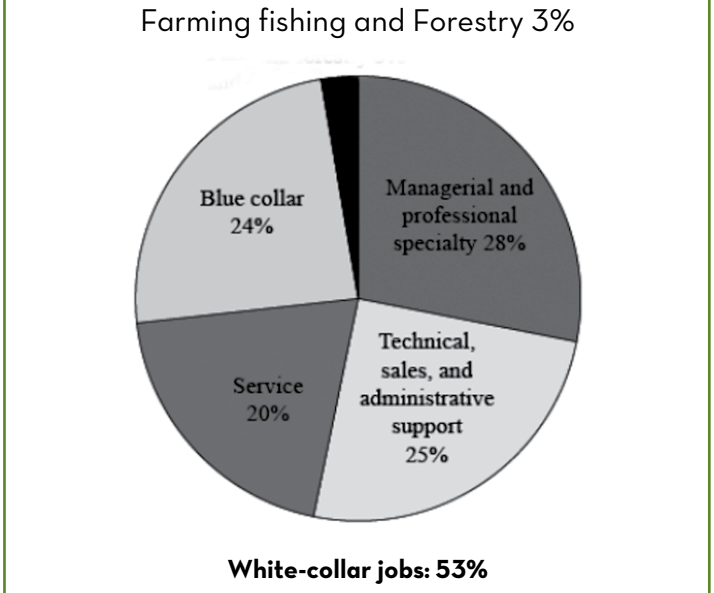


Figure 2 source: FPI analysis of ACS.

Figure 3
30% of Latino Immigrants on LI Work in White-collar Jobs

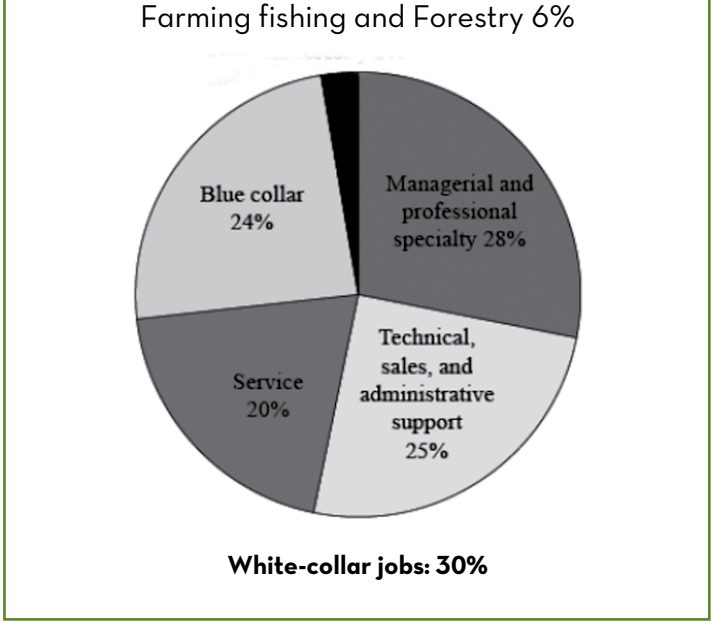


Figure 3 source: FPI analysis of ACS.

where they are significantly underrepresented. A few occupations are particularly striking. Immigrants make up 58 percent of all machine operators living on Long Island, 38 percent private households and personal service workers. Immigrants make up 25 percent of people working in the higher-paid construction trades, just slightly above their 21 percent share of the overall labor force, but 37 percent of the lower-paid occupation that includes construction laborers and other materials handlers. Immigrants make up 41 percent of farming, fishing, and forestry jobs (the single black bar at bottom). On Long Island, a significant portion of these jobs are in landscaping and gardening.

Table 4
Unemployment Rates of U.S.-born Labor Force on Long Island, by Sex, Race, Spanish Origin, 1990-2007

Long Island	1990	2000	2005-07	percentage point change
U.S.-born women	4.2%	3.3%	4.0%	-0.2%
White	3.8%	2.9%	3.7%	-0.1%
Black	7.3%	6.6%	5.5%	-1.8%
Hispanic/Latina	7.0%	5.1%	4.2%	-2.8%
U.S.-born men	3.9%	3.4%	4.2%	0.3%
White	3.5%	3.0%	3.6%	0.1%
Black	8.5%	8.2%	8.3%	-0.2%
Hispanic/Latina	6.7%	3.9%	7.4%	0.7%

Source: FPI analysis, using ACS and Census demographic data and adjusting to LAUS baseline unemployment figures.
Note: Sample of persons, 16 years and older. US-born Asian subsample too small to report rate. Business Cycle peaks (national): July 1990, March 2001, December 2007 (http://www.nber.org/cycles.html)

Table 5
Unemployment Rates of US-born Long Island Men, Ages 25-64, by Race and Educational Attainment

	1990	2000	2005-07	percentage point change
White men, US-born				
Less than high school	7.6%	8.1%	6.0%	-1.6%
High school	3.7%	3.2%	3.3%	-0.3%
Some college	2.7%	2.0%	3.1%	0.5%
College degree or more	1.5%	1.4%	1.5%	0.1%
TOTAL, all educ. levels	2.7%	2.3%	2.5%	-0.2%
Black men, US-born				
High school or less	6,2%	8.2%	7.8%	1.6%
TOTAL, all educ. levels	5.5%	5.6%	4.5%	-1.0%

Table 5ource: FPI analysis of U.S. Census and ACS, adjusted to LAUS.
Note: High school and less than high school are combined for African Americans to give a statistically significant sample; sample is too small to break out other education levels for black men individually. Among whites, rate decline for non-HS grads is statistically insignificant.

Immigrants seldom displace native workers

Immigrants are playing an important role in occupations across the economic spectrum. But, as immigrants have entered the Long Island economy, are U.S.-born workers still able to find jobs?

By the most obvious measure, the unemployment rate, it would seem that U.S.-born residents of Long Island had about the same chance of finding a job at the economic peak of 2005/07 as they did when immigration was at a much lower level at the economic peak of 1990 (Table 4). For U.S.-born women, unemployment rates were not only stable during a period of significant immigration, but in fact they declined for some groups. At the top of the business cycle – in 1990, 2000, and 2005/07—unemployment rates for U.S.-born white women consistently returned to very low figures, from 3.8 percent in 1990 to an extraordinarily low 2.9 percent in 2000 and in 2005/07 back to 3.7 percent, almost the same as in 1990. White women are also the large majority of the female labor force. In 2005/07, there were a total of 358,000 U.S.-born white women in the civilian labor force, making up 85 percent of all U.S.-born women workers.

More impressively, the unemployment rates for U.S.-born black and Latina women shrank from one economic peak to the next, at a time when substantial numbers of immigrant were entering the economy. The rate for black women declined from 7.3 percent in 1990 to 5.5 percent in 2005/07. And for U.S.-born Latinas, the rate dropped from 7.0 percent to 4.2 percent, so that by 2005/07 the unemployment rate for U.S.-born Latinas is nearly the same as for U.S.-born white women. (Black and Latina women make up 7 and 5 percent, respectively, of U.S.-born women workers on Long Island.) For women, breaking this down by education level tells the same story: women (25 to 64 years old) have about the same or lower unemployment levels in 2005/07 than they did in 1990 at all education levels, and in all race/ethnic categories.

These results do not prove that the unemployment rates for U.S.-born Latinas and African American women came down because of immigration; there are numerous other factors in the Long Island economy. But, we can conclude that immigration did not stop these positive changes from taking place. It is also possible to envision some ways that immigration might help reduce unemployment for women: providing affordable child care, for example, serving as home health-care workers, or creating opportunities for women as supervisors of immigrant workers. It is worth noting that in-home child-care workers are particularly likely not only to be immigrants but also undocumented.

There are other questions that could raise concerns about the economic status of women. Are women closing the wage gap, for example, or are they being pushed to work more hours by deteriorating family earnings? The labor force participation rates were also changing somewhat during this time, increasing for U.S.-born Latinas (from 60 to 63 percent), decreasing for African American women (from 65 to 61 percent), and staying about flat for U.S.-born white women (edging from 58 to 57 percent)—in all cases, for women 16 years and older. But, unemployment during this time was staying steady or declining for U.S.-born women suggest that immigration is compatible with U.S.-born women finding jobs.

For U.S.-born men, as the number of immigrants increased significantly, the overall unemployment levels generally stayed about the same. At the economic peak of 1990, the unemployment rate for U.S.-born men was not much different than at the peak in 2000 and the peak just before the current recession. This is true for U.S.-born white men, whose unemployment rates stayed between 3 and 4 percent in all three periods, and for U.S.-born black men, whose unemployment rates were about 8.5 percent at all three peaks, declining slightly over time. The U.S.-born labor force, like the U.S.-born population, continues to be predominantly white. In 2005/07, white men made up 87 percent of all U.S.-born men in the labor force on Long Island, black men 6 percent, and Latino men 5 percent.

Mirroring a national trend, as the labor force participation rate of U.S.-born women was going up, the rate for U.S.-born men was declining, from 77 percent in 1990 to 70 percent in 2005/07.

While the unemployment rates for black and white men are basically steady in all three economic peaks, it is certainly important to note that the unemployment rate for black men is consistently troublingly high. The fact that the unemployment rate for black men – on Long Island, as in other areas – is as high as 8.5 percent in economic peak years is a reason for serious concern.

Looking even further into the unemployment rates for U.S.-born black men, we can see that there are in fact gains by those with higher levels of formal education, but these gains are being offset by losses among those with lower levels of educational attainment. To examine what is happening with men at different educational levels, we narrow the age range to 25-64, workers in prime working age at a time when most people have finished their formal schooling.

The unemployment rate for U.S.-born black men in this age group overall shows some improvement, dropping from 5.5 percent at the 1990 peak to 4.5 percent in 2005/07 (Figure 5). But, for black men with high school or less, the unemployment rate increases from 6.2 percent to 8.2 percent in 2000 and then seems to level off and even decline a bit to 7.8 percent in 2005/07. The precise increase in the unemployment rate should be viewed with some caution. The sample size here is small—on Long Island, there were a total of 14,000 black men with high school or less in the labor force in 1990, and 11,000 in 2005/07 (out of a total labor force of 1.2 million in 2005/07). Although the findings are at the margin of

statistical significance, they are worth noting in particular since they are in line with national research on the topic.

What seems to be an increase in the unemployment rate for black men with lower levels of educational attainment is taking place at the same time as the number of immigrants is increasing significantly, and the number of undocumented immigrants is growing from very few in 1990 (because of the 1986 amnesty) to a substantial number in 2005/07. Other factors may also have an effect on the unemployment rates of black men during this time – such as the loss of manufacturing jobs and the high incarceration rates (and subsequent difficulty finding a job) for black men. But immigration does seem to be part of the story.

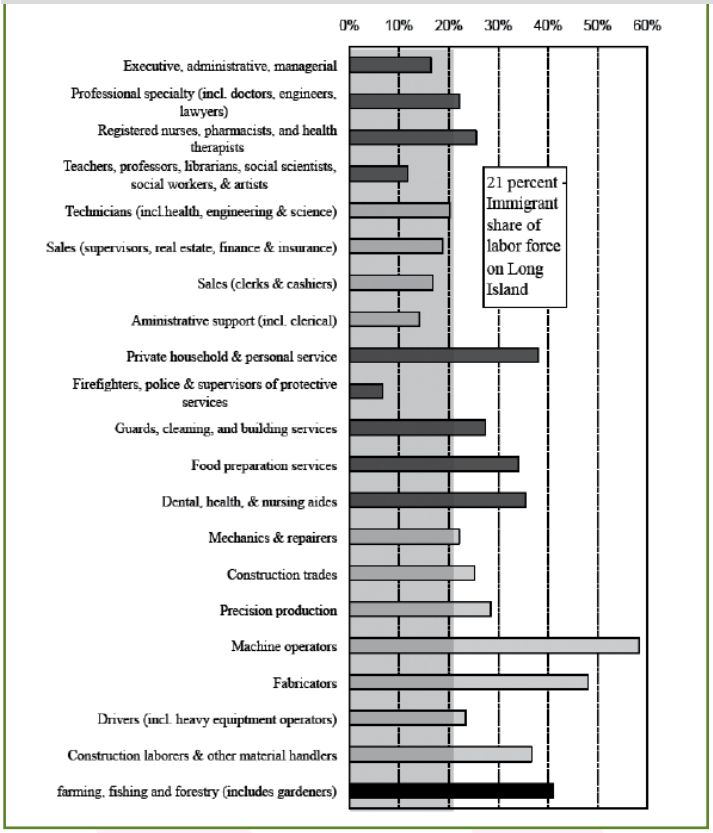
For U.S.-born white men, it is interesting to note that on Long Island the unemployment picture is positive at all educational levels. Although there would be reason to suspect that white men with less than high school would be in more direct competition with a bigger share of the immigrant population, and thus might be more likely to face unemployment, this does not seem to be the case on Long Island. Indeed, the only group of U.S.-born white men to see their unemployment levels actually go down over the course of the three peaks is those with less than high school. Although this decline may not be statistically significant, it is in any case not an increase. For U.S.-born white men with less than high school, the unemployment rate first rose between 1990 and 2000, from 7.6 to 8.1 percent, and then dropped to 6.0 percent by 2005/07 (Figure 6).

Immigration is a factor throughout both periods, so this outcome is not likely due to changes in immigration. More likely it is a result of the quickly shrinking number of white men with less than high school education—indeed, the 2005/07 number lacks strong statistical significance because the by that time there were a very small number of U.S.-born white men with less than a high school diploma on Long Island.

The unemployment rate for U.S-born Latino men dropped from 6.7 to 3.9 and then increased to 7.4. This may be in part a result of statistical variation because of modest sample size. But U.S.-born Latinos may also find themselves most directly affected by immigration, so it is perhaps not surprising that their unemployment rate is more volatile during a period of immigration.

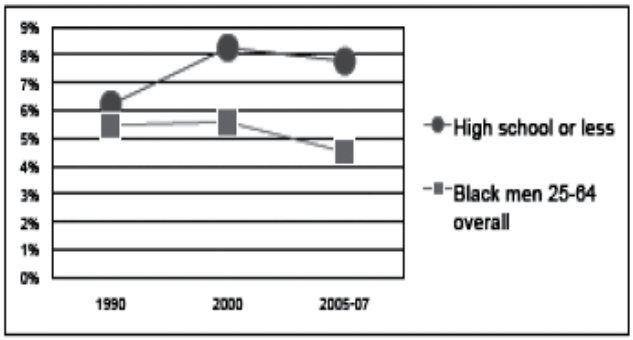
While this report focuses on what happens to U.S.-born workers, it is interesting to note that the unemployment rates for foreign-born workers is also steady or declining over these three economic peaks, for both men and women and at virtually all educational levels and race/ethnic categories. This would suggest that the level of immigration has not been exceeding the Long Island economy's capacity to absorb new workers. (See appendix in my full report for data.)

Figure 4
Immigrant Shares of Detailed Occupations on Long Island



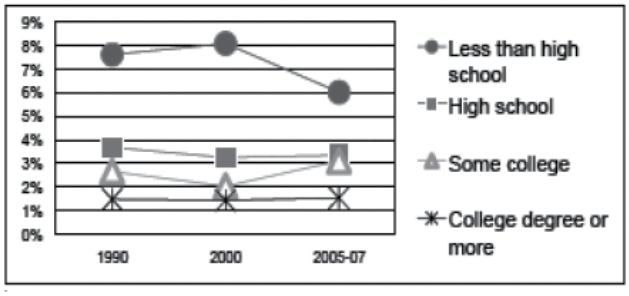
Source: FPI analysis of 2005-07 ACS.

Figure 5
Unemployment Trends of Black US-born Non-college Men Deteriorate Relative to Comparable US-born White Men on Long Island



Source: FPI analysis of Census and ACS, adjusted to LAUS.

Figure 6
Unemployment Trends of White US-born Men on Long Island Show No Negative Impacts at Any Education Level, 1990 - 2007



Source: FPI analysis of Census and ACS, adjusted to LAUS.

Education Gains

Overall, the Long Island labor force is growing increasingly well educated, making significant gains since 1990. The above section concluded that African American men with lower levels of formal education are the one group that seems to be seeing increasing unemployment rates in the same period as immigration has been increasing.

At the same time, African American men on Long Island have been making significant educational strides. So, while African American men with lower levels of formal education had a harder time getting a job in 2005/07 than they did in 1990, the number of men in this group was also steadily shrinking. In 1990, the share of African American men in the labor force with less than a high school degree was 14 percent in 1990, double the rate for Long Island workers overall, and nearly triple the level for white men. In 2005/07 it was 6 percent, the same as the overall rate for workers on Long Island, although still triple the level for white men. Over this same period, the share of African American men in the labor force with at least some college increased from 45 percent in 1990 to 60 percent in 2005/07 (Table 6).

The trends for U.S.-born black men look considerably more positive on Long Island than in the country as a whole. Nationally, the share of U.S.-born black men in the labor force with less than high school dropped from 20 percent in 1990 to 10 percent in 2005/07. And the share with at least some college increased from 41 percent to 49 percent. Black men have increased their educational attainment in both the U.S. and on Long Island, but those on Long Island have made considerably bigger strides.

Clearly, improving the educational outcomes for African American men is an important way to help improve their employment outcomes. And, on Long Island in particular, there is improvement already underway that can be expanded. Addressing this issue is important for social, political and economic reasons, whether the apparently rising unemployment rate for African American men with lower educational levels is due to immigration or if it is simply taking place at that same time as the immigrant labor force is increasing.

Table 6
African American Men Making Significant Educational Progress

US-Born black men living on Long Island	1990	2000	2005-07	percentage point change, 1990 to 2005-07
Less than high school	14%	8%	6%	-7%
High school	41%	39%	34%	-11%
Some college	31%	34%	34%	4%
College degree or more	14%	19%	26%	14%

Source: FPI analysis of Census and ACS. Universe: Persons 25 to 65 years old in the civilian labor force.

Immigrants and gender employment trends

The *unemployment rate* measures people who are actively looking for work and cannot find it. Looking at *the employment ratio* gives an indication of whether U.S.-born workers might be getting "pushed out" of the labor market altogether. Where the unemployment rate shows the number of people who are actively looking for work but cannot find it, the employment ratio shows jobholders as a share of the total working-age population.

But, while the employment ratio shows how many people are jobholders, the balance – those not employed – make up a rather mixed group. In addition to people who are officially unemployed, this group includes people who have given up looking for a job, perhaps because they are crowded out of the labor market. But, the group also includes people with disabilities, early retirees, stay-at-home parents, full-time students, and others who are neither employed nor looking for a job. The employment ratio examined here is for men and women ages 25 to 64 – the age range, again, chosen because people have completed their education by age 25, and people 65 and older who are not working are likely to be retired.

The employment ratio for U.S.-born women 25-64 on Long Island went up for all race/ethnic groups between 1990 and 2005/07, as more women entered the labor force. Among U.S.-born white women – the large majority of the female labor force – the employment rate increased from 65 to 69 percent. For U.S.-born Latinas it increased most sharply, from 61 to 71 percent. And, for African American women it increased from 70 to 74 percent, dipping slightly along the way to 69 percent in 2000. U.S.-born Asian women saw an increase between 1990 and 2005/07 from 61 to 66 percent though their employment ratio was lower in 2005/07 than the high of 70 percent reached in 2000. Looking just at the level and not at the trend, it is interesting to see that African American women have the highest employment ratio, although U.S.-born white and Asian women match the level of African American women in 2000 (Table 7).

U.S.-born men ages 25-64 started with a considerably higher employment ratio than U.S.-born women, but the gap is narrowing, and in fact U.S.-born black men and women are now effectively at parity. The ratio for white men declined somewhat, from 88 to 84 percent, between 1990 and 2005/07, very much in line with the decline nationally of 3 percentage points. The employment ratio remained flat at 76 percent at for African American men, compared to a 4 percent decline for U.S-born black men nationally. The rate for U.S.-born Latino men dropped more than the national average, from 86 to 82 percent on Long Island, compared to a 1 percentage point drop nationally. For U.S.-born Asian men on Long Island the rate has increased, from 79 to 85 percent, while nationally there was a 4 percentage point drop.

These changes in the employment ratio for men have been noticed by researchers for decades, and do not seem to bear a relationship to immigration, but seem more closely related to the increasing labor force participation of women.

Breaking the employment ratio down by educational level, U.S.-born white men see some declines in all educational groups. African American men see a decline in the employment ratio of those with high school degrees, and a modest increase in all other groups, including those with less than high school. U.S.-born Latino men see declines in the lower levels of educational attainment, and a small increase in the already-high ratio for those with a college degree or higher.

What about young people?

For younger adults, there is even less evidence of a displacement effect. As immigrants increased their presence in the Long Island economy from 1990 to 2005/07, with undocumented immigrants making up a growing share of all immigrants, the share of U.S.-born women 16 to 24 who are neither in school nor in a job – sometimes called "disconnected youth" – has declined across the board in peak economic years. For U.S.-born white women, the rate dropped from an already low 8 percent in 1990 to just 6 percent in 2005/07. For U.S.-born Latinas the rate dropped from 16 percent in 1990 to 8 percent in 2005/07, and for African-American women the rate rose slightly between 1990 and 2000, from 14 to 16 percent, then dropped in 2005/07 to 13 percent (Table 8).

The share of U.S.-born young men who are out-of-school and out-of-work is generally flat or even declining a little (measuring peak-to-peak) during this period of strong immigration. For U.S.-born white men, the rate is 7 percent in all three peak years. For Latino men the rate fell from 11 to 8 percent, and African American men see a slight decline, from 19 percent in 1990 to 18 percent in 2005/07.

Eighteen or 19 percent is an alarmingly high share of young African American men to be out of school and out of work. Immigration does not make the high number rise, but it is possible that, without immigration, this rate would have come down. Of course, it is also possible that the in the absence of immigration lower immigration the disconnected rate for young black men would have remained where it is. Unfortunately, the sample size is too small to include Asians in these charts.

Table 7
LI Employment Ratios Similar to National Trends

Long Island	1990	2000	2005-07	percent-age point change,
U.S.-born women	65%	68%	70%	4.2%
White	65%	68%	69%	3.8%
Black	70%	69%	74%	4.3%
Hispanic/Latina	61%	65%	71%	10.3%
Asian	61%	70%	66%	5.0%
U.S.-born men	88%	84%	83%	-4.2%
White	88%	85%	84%	-4.3%
Black	76%	72%	76%	-0.2%
Hispanic/Latina	86%	79%	82%	-3.8%
Asian	79%	85%	85%	5.6%

Table 7 source: 1990 Census, 2000 Census and 2005-07 ACS. Employment ratio is total employed 25- to 64-year-olds over total population in that gender age group.

Table 8
US-born LI Youth Less Likely to Be Non-working Non-students by 2007

US-born Women on Long Island	1990	2000	2005-07	percent-age point change,
White	8.3%	7.0%	5.9%	-2.3%
Black	14.5%	15.7%	13.0%	-1.4%
Hispanic/Latina	16.3%	12.4%	8.2%	-8.2%
US-born Men on Long Island				
White	7.1%	7.4%	7.1%	0.0%
Black	18.6%	17.8%	18.1%	-0.5%
Hispanic/Latino	11.4%	11.8%	8.3%	-3.1%

Table 8 source: FPI analysis of 1990 Census, 2000 Census and 2005-07 ACS.
Note: Youth ages 16-24 years old, who are not in school, and do not have a job (but may be seeking work), as a ratio of all in same age/gender group. U.S.-born Asian male subsample is too small to report rate.

Immigrants in a polarized economy

Long Island is a generally fairly affluent area, despite pockets of poverty. The median annual wage for full-time workers on Long Island was $52,000 in 2005/07, compared to $41,000 for New York State and $38,000 for the U.S. as a whole.

And, Long Island median annual wages increased by 13 percent overall between 1990 and 2005/07, considerably higher than New York State (6 percent) or the United States as a whole (9 percent). Long Island saw growth between the 2000 and 2005/07 peaks, at a time when New York State saw an overall decline of 2 percent in the median annual wage.

Yet, on Long Island as in the rest of the country, those at the very top captured the lion's share of economic gains, while those at the bottom gained very little. For the bottom ten percent of workers, the picture has been rather grim. Annual wages at the 10th percentile have declined by 3 percent between 1990 and 2005-07 (with a small gain by the bottom ten percent of U.S.-born workers, and a loss by the bottom ten percent of foreign-born workers).

Meanwhile, workers at the top decile of Long Island workers – the 90th percentile – saw 20 percent higher annual wages in 2005-07 than in 1990, in inflation-adjusted terms. And the biggest gains were at the very top. The 97th percentile – only 3 percent of workers are above that level – showed an increase in wages of two-and-a-half times the rate of the median. As a result, while those at the 10th percentile earned $700 less in 2005/07 than they did in 1990, in inflation-corrected dollars, and those at the median earned just $5,800 more, those at the 97th percentile earned $50,000 more than they did in 1990 (Figure 7).

It is important to note, too, that these basic numbers show only the tip of the iceberg of income polarization. The American Community Survey does not allow us to look with much precision at the top 1 percent. And, the gains of top earners reported here reflect only wage and salary earnings; the gains would be even more pronounced if the data included dividends and capital gains. Worth noting, too, is that while the median annual wage and salary earnings on Long Island increased at a moderate rate, the average annual hours worked increased by 41 hours, or the equivalent of one week of extra work every year, so that the added earnings were in part due to people working longer hours.

The fact that the top one percent of workers took so much of the economy's overall gains sets the context for any discussion of wages. This economic concentration is closely connected to the extraordinary returns in the finance industry, growing executive pay, and other factors that seem generally unrelated to immigration.

At the lower wage levels, however, immigration may be a relevant part of the story. U.S.-born workers show at least some modest gains at all wage levels. Although overall wages at the 10th percentile overall actually decreased, the decrease reflects a drop in wages of immigrant workers. Wages for U.S.-born workers at the 10th percentile increased by 4 percent – not very impressive gains for nearly two decades of growth, to be sure, but still movement in a positive direction.

Although we do not have detailed statistics for undocumented workers, the low end of the labor market is of course where undocumented workers are concentrated, often subject to wage theft, being paid off the books, and other employer violations.

There are significant differences for U.S.-born workers when we break median wage trends down by gender. Annual wages for U.S.-born women started well below those of U.S.-born men; the overall median for U.S.-born women was $35,000/year in 1990, compared to an overall median of $60,000/year for U.S.-born men (in inflation-adjusted dollars). By 2005/07, U.S.-born women saw a considerable increase in median annual wage and salary earnings of 29 percent overall, in inflation-adjusted dollars, with U.S.-born white, black, and Latina women each rising by at least 20 percent. Overall, wages for women on Long Island were rising fairly steadily over the three economic peaks, although there is still a long distance between women's pay and the pay of men (Figure 8).

Wages for U.S.-born men start at a higher level, but have generally shown less growth. African American men started in 1990 with the lowest wages of any racial/ethnic group, and gained just 4 percent from 1990 to 2005/07. U.S.-born Latinos and Asians also gained very modestly, just 8 percent after adjusting for inflation. Only white men made significant gains in wages, and even they gained just 14 percent in peak-to-peak comparisons over the past two business cycles, including a period with very fast growth in the overall economy, the late 1990s.

The overall stagnation of wages for U.S.-born men and polarization of the economy in this period are reflected even more clearly when looking at wages by level of education. The median wages of the shrinking number of white U.S.-born men with less than a high school degree declined by 12 percent. Wages stagnated for U.S.-born white men with high school or some college, while those with a college degree or more saw a gain of 19 percent.

For U.S.-born black men, all of the gains come from their increasing levels of education. African American men lost earning power at each educational level; they gained overall only because the share of those with at least some college increased. In other words, the number of African American men making college-level wages increased, but the earnings commanded by a college education did not (Figure 9).

At the same time, it is important to note that there seem to be two distinct periods here for U.S.-born black men. Between 1990 and 2000, they made at least modest gains at nearly all education levels. The losses over the full period are the result of a steep loss of wages at all levels between 2000 and 2005/07. There is real reason for concern here, but it is important to note that immigration – both legal and illegal – was strong in both periods. Although it is possible and even likely that immigrants have some impact on black men in the labor force, it is clearly not the only or even the dominant factor affecting earnings.

Figure 7
Wages Up Sharply for Top Earners, but Far Less for Others on LI

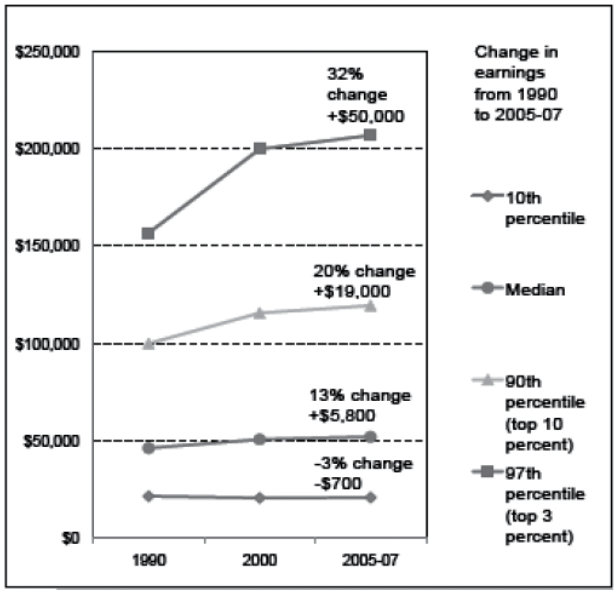
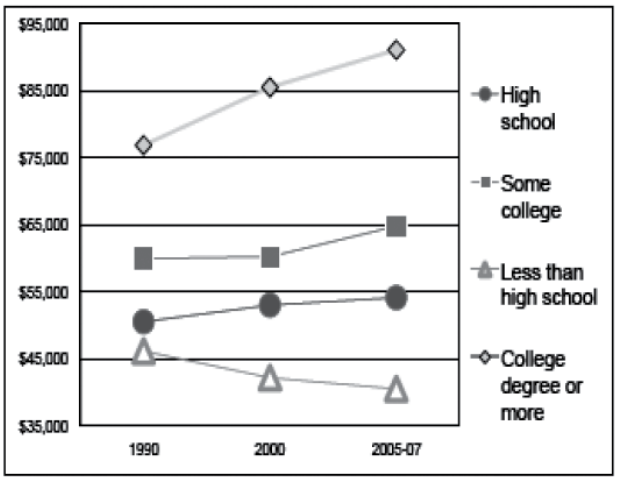


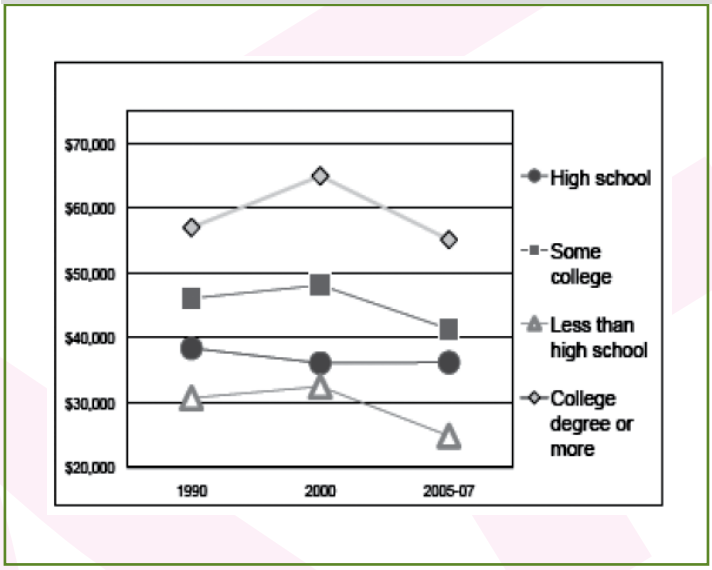
Fig. 7 source: FPI analysis of 1990 and 2000 Census, 2005-07 ACS.
Note: Universe: 16 years and older, employed full-time in the civilian labor force. Earnings in 2007 CPI-U dollars. 99th percentile (top 1 percent) is only a broad indication of earnings polarization; top-coding of the data makes an accurate estimate difficult to get from the American Community Survey data.

Figure 8
US-born White Men Post Wage Gains, Except HS Dropouts



Source: FPI analysis of Census and ACS.
Note: Universe: 16 years and older, employed full-time in the civilian labor force. Earnings in 2007 CPI-U dollars.

Figure 9
Black Male Wage Declines at Each Educational Level, But Their Education Gains Result in Overall Pay Rise



Source: FPI analysis of Census and ACS.
Note: Universe: 16 years and older, employed full-time in the civilian labor force. Earnings in 2007 CPI-U dollars.

Occupation and industry shifts

The increasing immigrant share of the economy has been one major shift in the Long Island economy over the past two decades, but it is hardly the only one. A much bigger factor in the economy, and a bigger reason for wage stagnation among lower-skilled workers, is the changing industrial structure of the jobs available on Long Island. The data above all refer to employment of Long Island residents, whether or not they work on Long Island. A quarter of jobholders living on Long Island commute to work, mostly to New York City, 23 percent of U.S.-born workers and 30 percent of foreign-born. Overall commuter rates have changed surprisingly little in the 20 years since 1990.

A big part of the story of middle-wage jobs, however, is the shift in the type of jobs located on Long Island. As in so many other parts of the country, Long Island was losing manufacturing jobs that paid a solid middle-class wage, while it was gaining jobs in less well-paying industries.

Looking at the jobs located on Long Island using the Quarterly Census of Employment and Wages, we see big losses in manufacturing jobs in both between the 1990 peak and the 2000 peak, as well as from the 2000 peak to the period just before the peak in 2005/07. (The QCEW's industry classification system changed along the way.) In both periods, there were substantial peak-to-peak losses in manufacturing jobs: manufacturing lost 38,000 jobs between 1990 and 2000, and 18,000 between 2000 and 2005-07. In both cases it was the industry with the largest job loss. These were jobs that on average paid about $55,000 almost $10,000 above the overall average (Table 9).

The industries showing substantial job gains were mostly at or below the average wage: services and retail trade making up the biggest number in the 1990 to 2000 period, and health care and social assistance, accommodations and food services in the 2000 to 2005-07 period. In both cases there was also growth in generally well-paying construction jobs, but not nearly at the level of job loss in manufacturing.

Looking at *occupations* rather than industry (and using Census and ACS data rather than QCEW, so we can distinguish U.S.- and foreign-born workers, and thereby seeing all workers living on Long Island rather than those working on Long Island), we can see the same broad growth in service jobs and decline in blue-collar jobs, as well as a growth in managerial and professional and decline in technical, sales and administrative support jobs, as well as an increase in the small number of farming, fishing and forestry occupations (driven mostly by gardening and landscaping jobs).

In the highest-wage jobs, managerial and professional specialties, U.S.-born workers are shifting slightly into the highest-wage jobs, managerial and professional specialties, where they increased by five percent the number of jobs they held despite the overall decline of 8 percent in the U.S.-born working-age population. In these jobs, U.S.-born workers saw an average increase in peak-to-peak median wages of 20 percent over the past two business cycles, while foreign-born workers saw an increase of 9 percent (Table 10).

Technical, sales and administrative support saw an overall decline in the number of jobs, driven by a loss of 32,000 jobs in administrative support (42,000 for U.S.-born, as immigrants gained 10,000 administrative support jobs). The loss of so many administrative support jobs is likely due to an increasing use of computer technology and a decreasing number of receptionists, secretarial, and related positions. The number of U.S.-born sales clerks and cashiers also declined significantly, by 16,000, as the number of immigrant sales clerks and cashiers increased by 7,000. Median wages for U.S.-born technical, sales and administrative support workers increased by 19 percent, while foreign-born workers in the same occupations saw an increase of 5 percent.

U.S.-born workers held about the same number of service jobs in service occupations in 2005/07 as they did in 1990, despite an 8 percent decline in the U.S.-born working age population (16- to 24-years old). These are jobs that paid relatively low wages in 1990 and remained basically flat for both U.S.- and foreign-born workers since then. The median for U.S.-born workers was $40,000 in both

1990 and 2005/07, in inflation-adjusted terms. (Growth in wages in specific service occupations between 1990 and 2005/07 ranged from -2 percent for dental health and nursing aids to 13 percent for private household and personal service. (See appendix in my full report for data.)

The increasing number of farming, fishing and forestry jobs is driven by an increasing number of gardeners and groundskeepers. There are some 4,000 more people hired as gardeners and groundskeepers today than in 1990. Perhaps surprisingly, the number of U.S.-born workers in farming, fishing and forestry has remained almost exactly the same, while the number of immigrants has nearly doubled. Median wages for U.S.-born workers have increased by 12 percent, to $36,000 per year.

Blue-collar jobs saw an overall decline, with the number of immigrants increasing and U.S.-born workers declining. But the trends were very different in the manufacturing and construction. Looking at those blue-collar occupations in the manufacturing industry, we can see that there are about 3,000 more immigrants working in blue-collar jobs in manufacturing – not nearly enough to account for the 31,000 blue-collar jobs lost in manufacturing by U.S.-born workers between 1990 and 2005/07 (Table 11).

By contrast, there are 11,000 more immigrants working in blue-collar construction jobs in 2005/07 than there were in 1990, and 1,000 fewer U.S.-born workers, a decline of 2 percent. Over the same period, there is an overall decline in the U.S.-born working-age (16-64) population of 8 percent. In other words, while there is a decreasing number of U.S.-born workers in blue-collar construction jobs, the decrease is not as great as the overall lower number of U.S.-born workers on Long Island overall. The increasing share of immigrants in construction is due primarily to a growing construction sector in which immigrants are taking newly created jobs.

This is an area where undocumented immigrants are playing a particularly large role—The Pew Hispanic Center estimates that about one in ten construction workers in New York's downstate suburbs is undocumented, and roughly one in five undocumented immigrant workers is in construction (see Fiscal Policy Institute, *Working for a Better Life*.) There is little doubt that undocumented immigrants are paid lower wages, bringing down the average wages for immigrants and are perhaps also restraining gains for U.S.-born workers.

Between 1990 and 2005/07, U.S.-born workers lost a significant number of blue-collar manufacturing jobs, but very few of these jobs have gone to immigrants–for the most part, they are jobs that were lost due to the downsizing or moving away of aerospace and other manufacturing firms. In construction, a modest number of blue-collar jobs have shifted from U.S.-born workers to immigrants – roughly 1,000 overall on Long Island. A far more noticeable effect is that as the construction industry has grown, the new jobs created have gone in large part to immigrants. In both industries, the wages of U.S.-born worker have increased modestly, 13 percent in construction and 9 percent in manufacturing, in inflation-adjusted terms. Wages for immigrants in both cases started lower and declined.

U.S.-born men without college degrees have seen stagnating wages over this period, but immigrants seem not to have played more than a minor role in that change. Economic polarization, manufacturing job loss, and low wages in the service occupations are due to factors independent of immigration. In construction, while it's possible that U.S.-born workers might have had more blue-collar construction jobs if it weren't for immigration, it does not look like immigrants have displaced many of the U.S.-born workers already in construction or brought down wages for U.S.-born workers.

Table 9
LI Shifts from Manf. to Lower-Wage Service Jobs

Industry Change 1990 to 2000	Change in number of jobs 1990 to 2000	Average wage in 2000
Services	82,625	$44,505
Retail Trade	11,948	$26,983
Construction	8,617	$51,188
Transporatation and Public Utilities	6,095	$55,387
Wholesale Trade	3,898	$63,683
Agriculture, Mining & Unclassified	3,383	$30,928
Finance, Insurance, Real Estate	1,395	$71,541
Public Administration	-3,564	$57,101
Manufacturing	-38,328	$55,513
All Industries	$55,513	$46,912

Table 9 source: FPI analysis of QCEW 1990 and 2000. Wages in 2007 dollars.

Table 10
US-born Wage Gains in Broad Occupations, but Pay Drop or Stagnation in Services and Blue-collar Jobs

Median annual wages by broad occupation	1990	2000	2005-07	change 1990 to 2005-07
Managerial and professional specialty occupations	61,480	66,220	72,432	18%
US-Born	61,480	67,424	73,570	20%
Foreign-Born	61,480	66,220	67,258	9%
Technical, sales, and administrative support occupations	38,425	42,381	45,440	18%
US-Born	38,425	43,344	45,536	19%
Foreign-Born	38,425	39,250	40,355	5%
Service occupations	36,888	38,528	33,732	-9%
US-Born	39,962	44,548	40,476	1%
Foreign-Born	26,129	26,488	26,903	3%
Blue Collar	46,110	48,160	46,548	1%
US-Born	46,550	51,772	52,619	13%
Foreign-Born	36,888	31,304	32,457	-12%
Farming, forestry, and fishing occupations	31,509	28,174	25,868	-18%
US-Born	32,277	38,528	36,216	12%
Foreign-Born	23,055	19,264	21,250	-8%

Table 10 source: FPI analysis of Census and ACS data. Note: Universe is persons 16 years and older, employed full-time in the civiian labor force with earnings of over $100.

Table 11
Big US-born Manf. Job Losses Not Matched by Immigrant Gains.
Net Construction Job Gains by Immigrants

Change, 1990 to 2005-07	Mechanics and repairers	Construction trades	Precision production	Machine operators	Fabricators	Drivers including heavy equipment operators	Laborers and other material handers	Total	Percent change
Construction Industry									
Foreign-Born	1,153	6,251	-110	-53	138	203	3,200	10,782	136%
US-Born	1,628	-2,649	-854	-211	-253	-528	1,881	-986	-2%
Manufacturing Industry									
Foreign-Born	-114	-286	-527	2,187	224	201	1,159	2,844	17%
US-Born	-3,087	-1,306	-7,038	-9,091	-8,082	-1,032	-1,351	-30,987	-60%

Source: FPI analysis of 1990 and 2000 Census, and 2005-07 ACS.

Concluding remarks

This analysis indicates that as immigrants have come to play an increasingly important role in the Long Island economy, they have for the most part been readily absorbed into the labor market. Only a relatively small portion of Long Islanders seem to be negatively affected by immigration, while most U.S.-born workers have done fairly well. The consistent area of concern is the effect on jobs and wages for the shrinking number of men without much formal education, especially for African American men.

The analysis finds very little basis for the frequently voiced concern that immigrants may be displacing U.S.-born workers. Indeed, women of all racial and ethnic groups and at all educational levels are making long-term employment gains. The vast majority of U.S.-born men see no "pushing out" effect, even at a time of significant increase in immigration and a growing share of undocumented immigrants. The one group of U.S.-born men for whom there does seem to be some job loss related to immigration is the shrinking but still significant number of black men with high school degrees or less.

Looking at wages, the report finds that U.S.-born women of all race/ethnic groups have generally made increases – starting at a fairly low level but rising significantly. U.S.-born men have done less well, but still saw overall gains. The small and shrinking number of U.S.-born white men with less than high school, however, have seen real losses in wages. And, African American men have seen wage losses at all educational levels, posting an overall gain only because of a significant increase in the share of African American men with at least some college experience.

Areas where we see negative outcomes for U.S.-born workers – men with lower levels of education – are among the areas where undocumented workers are most concentrated in the workforce. These are not the only areas where undocumented workers are concentrated. Immigrant women without legal work status, for example, are also working in jobs such as child-care providers that may in fact be helping the labor force outcomes of U.S.-born women. But, federal immigration reform is clearly needed as part of an effort to improve outcomes for all workers.

Given the importance of immigrants to the Long Island economy, as well as the social reality of immigrants' presence, it would seem more productive to focus on how to improve outcomes for those who may see negative impacts than to forgo the overall contribution of immigration – or worse still, to stifle the overall economy by creating a climate that is hostile to immigrants, or to Latinos. The possibility of an anti-immigrant environment is a clear concern to business leaders on Long Island, who fear that it could make the area less attractive to U.S. and foreign-born workers alike, as has been frequently expressed by the Long Island Association.

Addressing the ways in which immigrants may be having a negative impact should be a clear priority for Long Island policymakers. Attention to further improvements in the high school graduation rates, establishing a stronger floor in the low-wage labor market, and a focus on job training and career advancement might be considered not only good policy in general but also critical components of a sound approach to immigration.

In a volatile political context, Long Island business, political, and nonprofit leaders should be clearly aware of the overall positive role immigration has played in the local economy, and the fact that for most workers immigration – even including illegal immigration – has been compatible with wage growth and steady employment outcomes. Advocating for federal immigration reform while making sure that Long Island develops and maintains a climate that embraces this growing multicultural reality will be important components of sustainable economic growth for the region.

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NOTES

1. See, for example, the Fiscal Policy Institute's 2009 report I*mmigrants and the Economy* <www.fiscalpolicy.org
2. Passel, Jeffrey S. and D'Vera Cohn, "A Portrait of Unauthorized Immigrants in the United States," Pew Hispanic Center, April 14, 2009, Table B1.
3. Throughout this period, labor unions may play a stabilizing or positive role on wages for many workers, helping equalize the wages of men and women, and helping improve wages for at least some workers at the middle and bottom of the wage ladder. For a discussion of immigrants and labor unions, see Gregory DeFreitas and Bhaswati Sengupta, "The State of New York Unions 2007," Regional Labor Review (Fall 2007). On Long Island, labor union density is comparatively high, at 27 percent of the labor force—well more than double the U.S. average of 12 percent and about the same as the rate in nearby New York City. On Long Island, labor union density has also held about steady throughout the period of this study, even as the rates have declined in the U.S. as a whole and in New York City, according to Unions are playing a significant role for immigrants as well, that report finds, particularly for those who have become naturalized citizens. On Long Island, 19 percent of all immigrant workers are covered by a union contract (for naturalized citizens the rate is 25 percent and for non-citizens it is 11 percent, compared to 28 percent for U.S.-born workers).