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Foriegn Workers and the Mismatch Theory

By Stanley Renshon Created January, 2011

The idea that the United States needs a temporary worker program is fast becoming conventional wisdom. The logic underlying this supposed need is well captured in <u>an article</u> by Daniel Griswold of the Cato Institute. He writes, "The fact that 400,000 to 500,000 foreign born workers were joining the U.S. labor force illegally in years past indicates the general magnitude of the need for additional legal workers when the U.S. economy resumes normal growth. A temporary worker program should offer at least that number of visas to allow the revealed demand of American employers to be met legally."

That would be on top of the <u>1.1 million immigrants</u> that were granted Legal Permanent Resident status in 2009, the 1.1 million that were granted LPR status in 2008, the 1 million that were granted LPR status in 2007, and so on.

The basic problem here according to Griswold is a mismatch between the rising educational levels of Americans and the skill levels needed in the many new jobs that the American economy ordinary produces. In his words:

The economic and demographic realities that have fueled illegal immigration are still in place. In normal years, the U.S. economy produces hundreds of thousands of new jobs in retail, landscaping, food preparation and service, and home and commercial cleaning, all of which attract immigrants with limited job skills.

At the same time, the number of native-born Americans satisfied with such jobs continues to decline as the population becomes older and bettereducated. The number of adult Americans without a high school diploma is expected to drop by another two to three million over the next decade. Yet our immigration system offers no means for a sufficient number of foreign-born workers to enter the country legally and fill that gap. So they enter illegally.

There are however several problems with this "mismatch theory." Even with those "hundreds of thousands of new jobs" in normal years that don't require a college education and the correct fact that educational levels in the United States are rising, there seem to be a substantial number of Americans who might well fit that particular less-education/lowskill job match. So for example, the 2009 Census Bureau <u>compilation</u> of educational attainment finds among those 18 years or older: 903,000 with no recorded education, 1.9 million with a 4th grade education, 3.7 million with a 6th grade education or less, 4.7 million with an 8th grade education or less, 4.2 million who have only completed the 9th grade, 5.3 million who have only completed the 10th grade, 10.9 million have completed the 11th grade, and 10.9 million have a high-school education.

The same is true when we examine the latest published (March 2009) Current Population Survey <u>figures</u>. Here we find that 10.8 million have less than a 9th grade education, 15.5 million have some high school education but have not graduated, and 61.6 million have only a high school education.

Likewise, my colleague Steven Camarota has looked at 2010 CPS data and found very <u>high levels of unemployment and underemployment</u> among less-educated native-born workers.

There would seem to be enough persons available, then, to bridge the educational gap that Griswold hangs his theory and his policy prescriptions on.

Again, the claim of an educational mismatch – a claim that underlies the need for a temporary worker program for those "hundreds of thousands" of new jobs in low skill categories – is not immediately supported by these back-of-the-envelope figures. The real mismatch seems to be in the relationship of the theory to reality.

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