

Trump-Era Job Gains Have Benefited Immigrants More Than Native-Born

EDWIN S. RUBENSTEIN

The Trump era has brought dramatic improvement in job growth, a declining unemployment rate, and a glimmer of hope that after decades of stagnation wages may finally be growing again. But the brutal reality remains: after 18 months in office, President Trump has done little to undo the damage Obama-era policies did to native-born workers. While a record number of people are working, a disproportionate number of jobs created since January 2017 have gone to foreign-born workers.

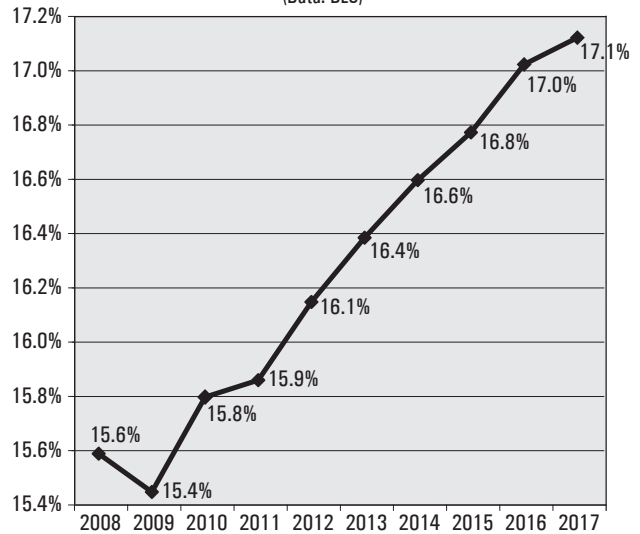
That said, there has been a marked diminution in the rate at which immigrants have displaced native-born workers in the job market since Trump took office. The immigrant share of employment continued to rise in 2017, but the increase was significantly smaller than in prior years (see graph to the right).

The immigrant share of employment rose by a mere 0.1 percentage point from 2016 to 2017. This comes after gains of 0.2 percentage points in the prior three years (2014, 2015, and 2016) and a 0.3 percentage point gain from 2012 to 2013.

During the Obama years (2009 to 2016) the foreign-born share of employment rose by 1.7 percentage points. Ironically, Obama’s first year (2009) is the last year in which the immigrant share of employment declined. This drop reflects the exodus of as many as 2 million illegal alien workers at the nadir of the Great Recession.

Edwin S. Rubenstein, a regular contributor to The Social Contract, is president of ESR Research, economic consultants. As a journalist, Mr. Rubenstein was a contributing editor at Forbes and economics editor at National Review, where his “Right Data” column was featured for more than a decade. He is the author of The Earned Income Tax Credit and Illegal Immigration: A Study in Fraud, Abuse, and Liberal Activism.

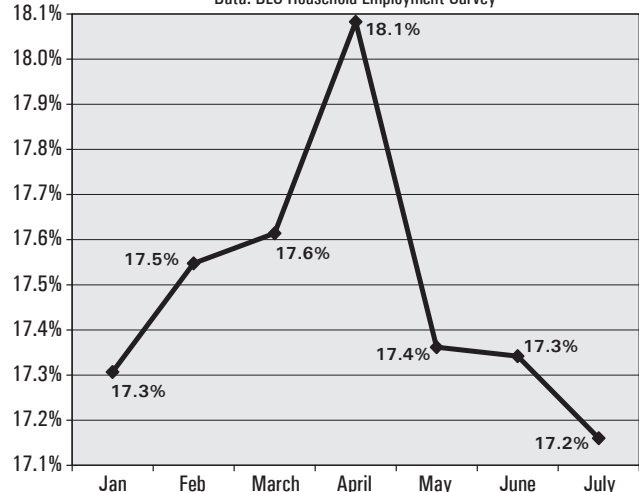
Foreign-born share of U.S. Unemployment, 2008-2017
(Data: BLS)



Monthly data for 2018 indicate that another decline is under way, albeit for a very different reason:

Is Trump Turning the Tide?: Immigrant Share of Unemployment Falls in Spring 2018

(Data: BLS Household Employment Survey)



After spiking at 18.1 percent in April 2018, the share of jobs held by immigrants fell in May, June, and July. The largest decline, a 0.7 percentage point drop in May, coincided with the crackdown on Central American asylum seekers and the decision to separate illegal alien parents from their children. While their numbers were fairly small (1,500 in the caravan itself), the government’s zero tolerance policy had a chilling effect on all types of immigration—legal and illegal. We call this the “Trump Effect.”

The Trump Effect was alive and well from May to July 2018: All job gains in those months went to native-born American workers. Their July gain— 606,000 jobs—was more than 5 times larger than June’s 114,000 gain, though less than half the 1.361 million gain recorded in May. Immigrants *lost* jobs in each of these months.

Trump supporters have reason to be restless, however: Since taking office in January 2017 President Trump has presided over a labor market in which immigrants have gained jobs at a faster pace than natives: 777,000 jobs for them, a 3.0 percent increase, while native-born gained about 3.1 million jobs—a rise of 2.5 percent.

As far as the labor market is concerned, “America First” has not yet translated into *Americans First*—but we’re getting there.

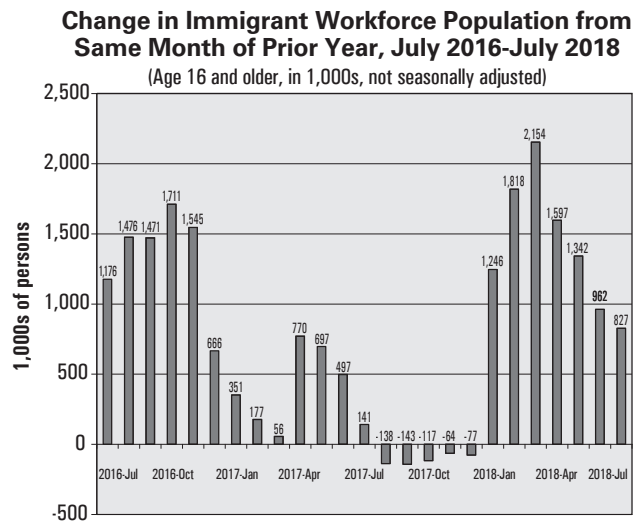
The Main Stream Media is too steeped in economic euphoria to notice—they almost never report the immigration dimension. But it is now absolutely clear that immigration, and immigrant displacement of American workers, does not respond to threats. And it cannot be addressed by threats.

July 2018 also brought (relatively) good news on the population front. For the second consecutive month, the year-over-year rise in foreign-born working age population (including illegals) was below 1 million. In July 2018 there were 827,000 more working-age immigrants than in July 2017. This comes on the heels of a 962,000 gain in June, and gains of 1.342 million and 1.597 million, year-over-year, in May and April, respectively.

In percentage terms, however, native-born Americans are still losing ground. In July 2018 the native-born working-age population rose by 0.9 percent, year-over-year, while the corresponding immigrant population rose by 2.0 percent. But as seen in the graphic, immigrant population growth in July was the smallest for any prior month this year, possibly signaling a longer-term “Trump Effect” trend.

These are net figures. Over a 12-month period an average of perhaps 300,000 immigrants die, and an equal number leave the U.S. voluntarily. So July’s 827,000 million net rise (year-over-year) in foreign-

born population implies that about 1.4 million foreign-born individuals may have actually settled in the country over those 12 months. (This excludes tourists and other short-term entrants.)



This immigrant workforce had been growing by over 1 million (year-over-year) since January, peaking at 2.2 million in April. While the current trend is favorable, immigrant workforce growth this year is high relative to last year. It actually shrank in the last five months of 2017.

This pattern of sudden deterioration in American worker protection followed by steady recovery was also seen in 2017. But whereas 2017’s overall improvement must mostly be attributed to the “jawboning” effect of Trump’s election, there are now numerous executive actions, including the sharp reduction in the refugee intake, to which Trump can point. However, these can only have marginal, and easily swamped, effect. Only legislation—a border wall to stop the illegal alien flow; a second Operation Wetback; mandatory E-Verify, with hefty fines for employers who still hire illegals to get the illegal alien stock self-deporting; and above all a moratorium on legal immigration—can secure the fruits of the current economic expansion for American workers.

OBAMA’S LEGACY VS. THE TRUMP FUTURE

Since the start of the Obama Administration, I have tracked immigrant and native-born employment growth reported in the government’s monthly Household Employment Survey. Native-born workers lost ground steadily to their foreign-born competitors during that period. See two graphs at bottom of page 49.

The black line represents native-born job growth; the gray line is immigrant job growth. Both lines start at 100.0 in January 2009, the first Obama month. By the end of the Obama years (January 2017) the black line

was at 104.6, signifying a 4.6 percent rise in native-born employment. The gray line stood at 120.0, signaling a 20.0 percent rise in immigrant employment. The monthly immigrant/native job growth gap moves erratically, but generally has widened throughout the Obama years.

Employment data for Obama’s first and last month in office:

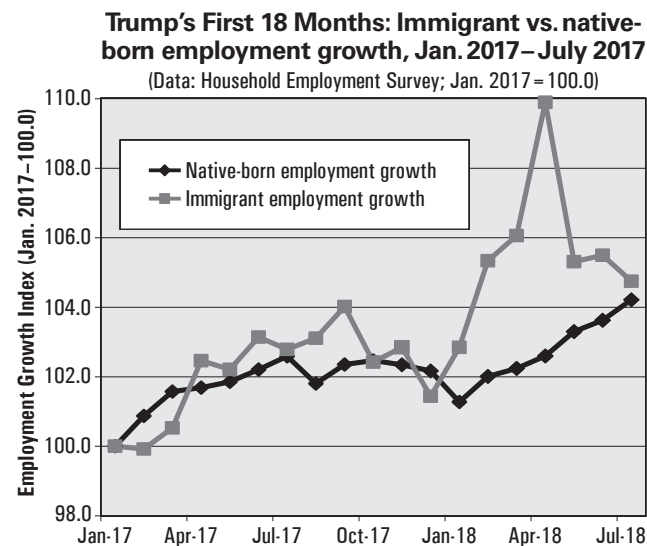
THE OBAMA YEARS Immigrants Gain Jobs 4-times Faster than Native-born (employment in 1,000s)				
			Increase, 2009-2017	
	Jan. 2009	Jan. 2017	Number	Percent
U.S.-born	120,574	126,094	5,520	4.6%
Foreign-born	21,647	25,987	4,340	20.0%
TOTAL	142,221	152,081	9,860	6.9%

Data: Bureau of Labor Statistics, Household Employment Survey.

Over the Obama years:

- Immigrant employment rose by 4.340 million, up by 20.0 percent.
- Native-born employment rose by 5.520 million, up by 4.6 percent.
- 44 percent of all new jobs went to immigrants, who comprised 16.5 percent of the U.S. workforce.

The corresponding Trump era graphic starts at 100.0 in January 2017.



In the first few months of Trump’s tenure immigrant job growth (gray line) trailed native-born growth (black line.) Immigrant job growth soared in early 2018, when enthusiasm for interior enforcement and a border wall seemed to dissipate. It plunged in May 2018, when the crackdown on caravan refugees, coupled with a zero

tolerance policy toward illegal alien families traveling with children, pushed immigrant employment down sharply.

As of July 2018, the Trump era has seen a 3.0 percent rise in immigrant employment versus a 2.5 percent gain in native-born:

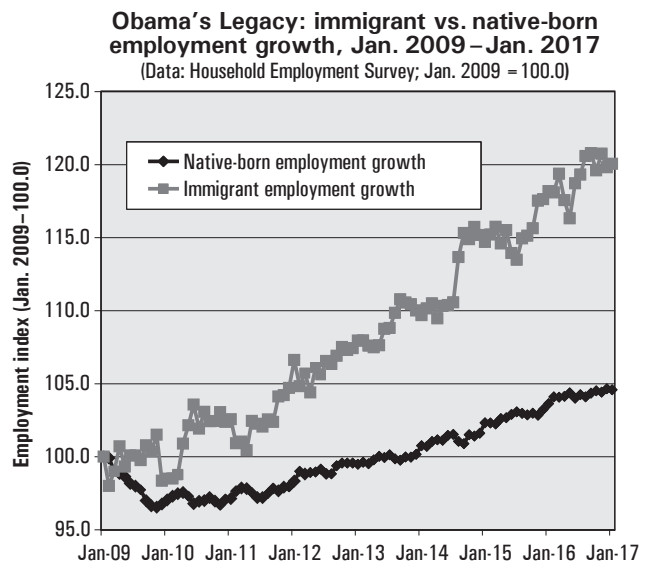
From January 2017 to July 2018:

TRUMP’S FIRST 18 MONTHS Job Gap Narrows between Immigrants and Natives (employment in 1,000s)				
			Increase, 2017-2018	
	Jan. 2017	July 2018	Number	Percent
U.S.-born	126,094	129,201	3,107	2.5%
Foreign-born	25,987	26,764	777	3.0%
TOTAL	152,081	155,965	3,884	2.6%

Data: Bureau of Labor Statistics, Household Employment Survey.

- Immigrant employment rose by 777,000, up by 3.0 percent
- Native-born employment rose by 3,107 million, up by 2.5 percent
- 20 percent of all new jobs went to immigrants, who comprised 17.5 percent of the U.S. workforce

The native/immigrant job growth gap remains, but as of July 2018 it was closing rapidly. Will this trend continue? The mid-term elections will be the decisive factor.



With unemployment rates at an 18-year low and the number of unfilled jobs at 6.7 million, many economists see the makings of an epic labor shortage that threatens economic growth. Factories can relocate operations offshore, but rapidly growing sectors such as personal services and health care do not have that option.

They are turning to foreign-labor to fill the gap.

What’s wrong with this picture? Plenty.

Start with that “low” unemployment rate. The official rate only includes individuals who have looked for a job in the last four weeks. It does not include people who have dropped out of the labor force entirely—neither working nor looking for work.

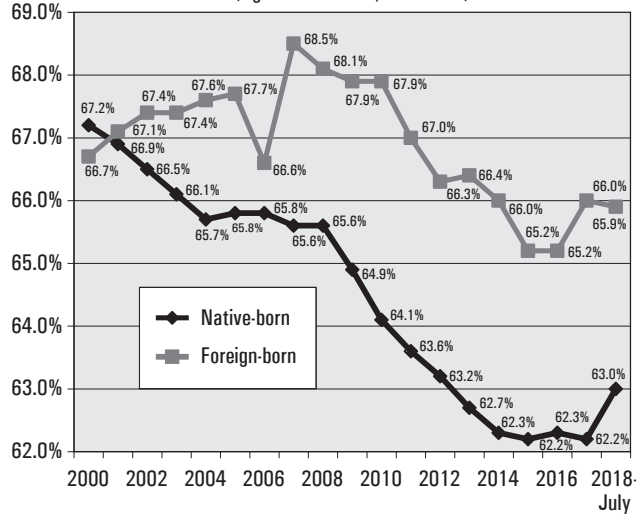
as being more abundant, and persons are more confident in their job search, LPR rises. When job opportunities are seen as scarce, or competitors—foreign immigrants, for example—are perceived as having unfair advantages in the job market, individuals will not even bother looking for jobs. They drop out of the labor force entirely; their LPRs fall.

The ability to move to areas where jobs are most plentiful also impacts labor force participation. Immigrant workers are younger, less likely to be married, and therefore more mobile than native-born. For these reasons immigrant LPRs are higher than those of natives. As seen in the graphic, the LPR gap between immigrants and native-born has widened for nearly two decades.

Only 63.0 percent of native-born adults were in the labor force in July 2018; a whopping 79.5 million were out of the labor force that month, neither working nor looking for work. Even if half are too old or too sick to work, employers are left with about 40 million native-born workers who, for the right wage, would be willing and able to work. Add to this the 5.9 million native-born adults who were officially unemployed, and another 4.6 million employed part-time involuntarily, and an army of over 50 million U.S.-born workers is available to help employers fill nearly 7 million job openings.

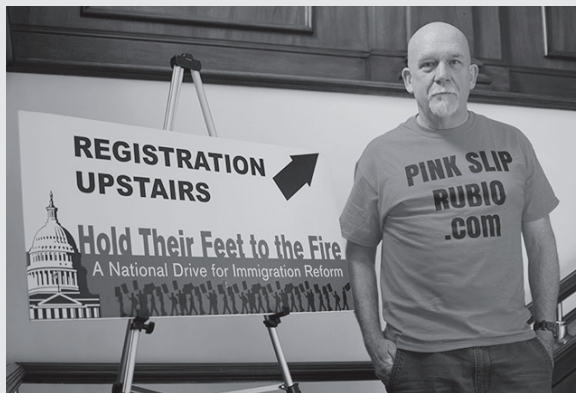
There is plenty of slack in this labor market. Our “labor shortage” is made in America by employers addicted to cheap immigrant labor and a government that, for far too long, has enabled their habit with H-1B visas and other temporary worker visas. Hopefully the Trump administration will end this. ■

Labor Force Participation Rates for Immigrants and Natives, 2000 to 2018
(Ages 16 and over; Data: BLS)



As of July 2018 (latest available data) labor force participation rates (LPRs) for immigrants and native born had not returned to their pre-2007 Great Recession levels. A group’s LPR is a sign of its economic confidence. When employment opportunities are perceived

John C. ‘Jack’ Oliver, an American Patriot, RIP



John C. ‘Jack’ Oliver passed away unexpectedly November 10, 2018. Friends, fans, and family in Florida and throughout the nation are mourning the sudden and great loss of a wonderful man, an incredible friend, and the truest of American Patriots.

When Jack spoke of his family, he spoke of them always with the deepest love, greatest affection, and tremendous pride. When Jack professed himself your friend, he did so with sincerity, and it was a source of pride that he had retained lifelong friendships.

When the effects of illegal immigration ravaged his state, Jack worked tirelessly for years, regardless of personal and financial hardship, to enact E-Verify for the state of Florida.

He ran Floridians for E-Verify Now. He was Legislative

Director for Floridians for Immigration Enforcement. He also was President of Floridians for Sustainable Population.

Jack will forever be missed by his family, friends, and fellow citizens, who recognized him as a wonderful family man, a great friend, and a true warrior in defense of the country he loved so much, the United States of America.

With your help we will complete Jack’s dream of E-Verify in the next Florida Legislative Session. In lieu of flowers, Jack Oliver Memorial Donations can be made at www.flimen.org/donations.htm. ■