



Immigrant employment through the Great Recession: Individual characteristics and metropolitan contexts



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ABSTRACT

Immigrants continue to settle in metropolitan areas across the United States and bring significant changes to various urban labor markets. Using American Community Survey (ACS) data for 2007 and 2011, we trace the employment outcomes of immigrants compared to native-born workers before and after the recent Great Recession across the 100 largest metropolitan areas and examine individual-level and metropolitan-level factors that shape their employment outcomes. We find that low-skilled workers in general and immigrants without English proficiency and those who are new entrants or earliest arrivals are harder hit in the recession. Latino immigrants and black workers fare worse in areas with high immigrant concentration. Latino immigrants experience employment gains, however, in the South, large urban economies, as well as new immigrant gateways. Asian immigrants see declines in employment likelihood in areas with a large construction sector, while areas with a large trade sector hurt native-born white workers.

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1. Introduction

Immigrants continue to settle in metropolitan areas across the United States and bring significant changes to various urban labor markets. The current Great Recession which started in December 2007 and ended in June 2009 (National Bureau of Economic Research, 2010) intensified the debate on immigration and the relative outcomes of immigrants (Kochhar, Espinoza, & Hinze-Pifer, 2010). Much of the public discourse centers on the rise in the national unemployment rate from 4.6% in 2007 to 8.9% in 2011, slightly less than its peak in 2010 at 9.6%. (U.S. Department of Labor, 2012) However, little is revealed about the employment prospects of

immigrants during this rough economic period. It is important to understand immigrant outcomes as a result of this economic downturn and their evolving employment patterns in diverse metropolitan areas.

Economic recessions harm employment prospects and raise unemployment in general, but the effects are not even across different racial and ethnic groups and across various metropolitan areas. Existing theoretical perspectives and evidence on immigrant employment offer mixed insights into the economic trajectories of immigrants in an economic recession. On one hand, minorities and immigrants are more likely than the native-born workers to engage in various forms of contingent and flexible employment, such as independent contractors, temporary help workers, day laborers, on-call workers, and contract firm employees (Liu & Kolenda, 2012). If it is true that contingent workers are more vulnerable to economic shocks than traditional workers (Peck & Theodore, 2007), it might be the case that immigrants experience greater job

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losses during the recession. On the other hand, immigrants are geographically and occupationally mobile (Borjas, 2001). Immigrants' loose spatial attachment to the host country allows them to follow economic opportunities in their residential choices. They are also more likely than natives to accept jobs with sub-standard remuneration and conditions (Catanzarite, 2002; Liu, 2011).

An emerging body of research examines the changing settlement patterns of immigrants from established gateway metropolitan areas to new and emerging gateways (Lichter & Johnson, 2009; Painter & Yu, 2010; Singer, 2004). Given the different sizes and compositions of the urban economies, as well as the strength of ethnic networks among immigrant populations, we expect that how economic shocks are absorbed by immigrant workers also varies in these labor markets. Some areas are able to weather the recession while others experience growth reversal (Singer & Wilson, 2010). Recent evidence suggests that immigrants in small metropolitan areas fare better than their counterparts in larger, gateway metropolitan areas (Gurak & Kritz, 2000; Hall, 2009), possibly due to less intense competition within the immigrant labor force in those cities. But research on the housing market does not identify any advantage in achieving homeownership for immigrants living in mid-size metropolitan areas as compared to those living in larger established gateways (Painter & Yu, 2010). It is not clear whether the within-group competition effect will outweigh the positive network effect of immigrant concentration and how different types of immigrant gateways would shape immigrants' employment during the recession. This research addresses this question by placing special emphasis on how the metropolitan economic and social contexts play a role in shaping immigrants' outcomes.

We use American Community Survey (ACS) microdata for the years of 2007 and 2011 in order to capture the before- and after-periods of the recession and restrict our analysis to the largest 100 Metropolitan Statistical Areas (MSAs) by population size. First, we document the general trends for immigrant presence and immigrant growth between 2005 and 2011 in each MSA. Second, we conduct empirical analysis to gauge the individual and metropolitan characteristics that might play a role in immigrants' employment outcomes through the recession. We focus our analyses on Asian and Latino immigrants as they comprise the largest immigrant groups in the U.S. with results compared to native-born white and black workers.

2. Literature review

2.1. Immigrant employment and recession effect

Studies on immigrants' employment status and earnings are prolific and generally find that immigrants feature relatively high employment rates and mobility compared to native-born workers (Aponte, 1996; Borjas, 2001). Immigrants' economic fortunes are tied to their skill set, including education, English proficiency, and work-related experiences (Chiswick & Miller, 2008; Chiswick, 1999; Sanders & Nee, 1996). As immigrants stay in the host country for a longer period of time and assimilate

economically and culturally, their employment trajectories improve (Myers, 1999). Immigrants tend to cluster on both ends of the skill spectrum and generate distinctive ethnic niches with considerable immigrant concentration (Liu, 2011; Waldinger & Der-Martirosian, 2001; Waldinger, 1994). Yet, immigrants' skill levels are not even across metropolitan areas, in large part due to their migration history, industry structure, proximity to their home countries, and social networks (Hall, Singer, De Jong, & Graefe, 2011).

The Great Recession brought the country to an economic halt. It slowed immigration inflow (Passel & Cohn, 2010) and pushed immigrant and native-born workers into joblessness and poverty. It is an open question, however, as to how the economic downturn hit immigrants differently from their native-born counterparts. Some find that immigrants' employment patterns are more susceptible to business cycles due to their relative youth, low skill level, and concentration in cyclically sensitive industries and occupations as evidenced during the 2001 recession and recovery (Orrenius & Zavodny, 2009). According to their study, immigrant unemployment rates exhibit greater cyclicity than the native-born with the same skill levels, particularly for the low-skilled segment of the workforce and those in construction, services, and hospitality sectors. The early period of the economic recovery in 2010 saw immigrant workers gain jobs while the native-born lost jobs (Kochhar et al., 2010).

However, immigrants may be more flexible and able to move across regions, industries, and occupations in search of jobs (Borjas, 2001). Given their relatively loose spatial attachment to the host country, they tend to follow economic opportunities more easily than native-born workers. Immigrants are also more likely to accept jobs with sub-standard conditions that result in pay penalties (Catanzarite, 2002; Liu, 2011). Lower immigrant inflow during the recession reduces competition for jobs traditionally held by immigrants. If these conditions hold, we can expect unemployment to remain low for immigrants through the recession. Regardless, we expect those with low skills, limited English proficiency, and few job channels and social connections are at greater risk of unemployment between 2007 and 2011.

2.2. Immigrant settlement pattern and metropolitan context

An increasing body of research examines the changing settlement patterns of immigrants away from established gateway metropolitan areas to new gateways (Lichter & Johnson, 2009; Massey, 2008; Singer, 2004). Metropolitan characteristics play an important role in immigrants' migration patterns (Baird, Adelman, Reid, & Jaret, 2008; Singer & Wilson, 2010), housing markets (Painter & Yu, 2010), and self-employment (Wang, 2010). We expect that how immigrants respond to economic shocks varies with the size and composition of urban economies, barriers to entry into the labor market, and the strengths of ethnic networks.

Contexts of reception refer to the economic, social, and institutional framework of the areas in which immigrants settle (Portes & Rumbaut, 1996). Immigrants enter

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