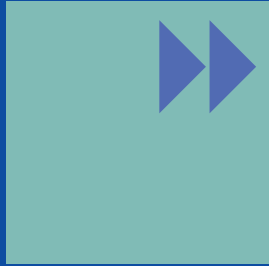
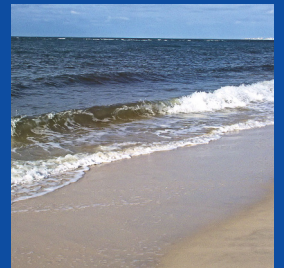


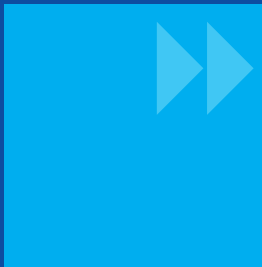
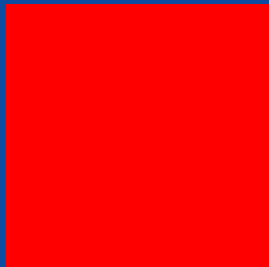
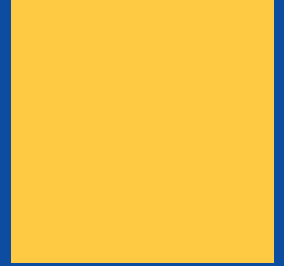
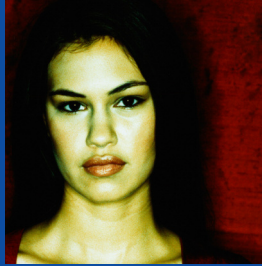
THE CHANGING PROFILE OF LONG ISLAND'S ECONOMY



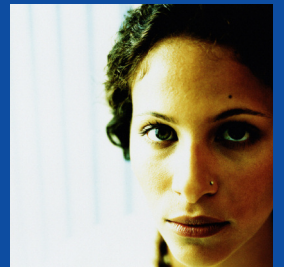
Long Island immigrants work in a wide range of jobs



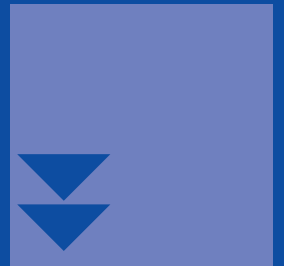
Immigrants are part of Long Island economic growth



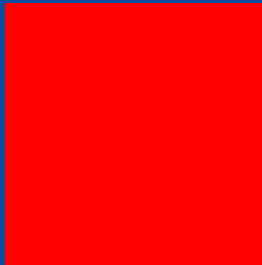
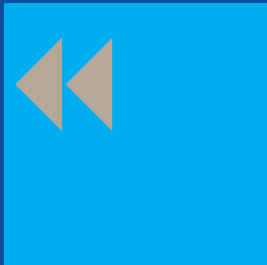
Are U.S.-born workers displaced by immigrants?



Education levels are up for all Long Island workers



What causes wage stagnation, and what is the role of immigrants?



A balanced look at the benefits and problems associated with immigration

How U.S.-born Workers Have Fared as Immigration Has Grown



The Changing Profile of Long Island's Economy

How U.S.-born workers have fared as immigration has grown

November 2010

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Acknowledgments

The Changing Profile of Long Island's Economy is the most recent addition to a growing body of work of the Fiscal Policy Institute's Immigration Research Initiative. This report provides an in-depth look at immigration in a suburban area at a time when suburbs are an increasingly important part of the story of immigration in America.

The principal author of *The Changing Profile of Long Island's Economy* is David Dyssegaard Kallick, senior fellow of the Fiscal Policy Institute and director of the Immigration Research Initiative. James Parrott, chief economist and deputy director of the Fiscal Policy Institute, provided constant support and research guidance, and the report was prepared under the oversight of Frank Mauro, Fiscal Policy Institute's executive director. Research assistant Jonathan DeBusk conducted extensive data analysis—far more than made it into the final report—and gave input on the findings. FPI research associate Michele Mattingly helped with frequent questions about data and interpretation. Jo Brill, FPI's communications director, helped improve presentation of the material.

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In addition to our advisory panel special thanks go to Chris Jones of the Regional Plan Association, who enhanced our understanding of the economic dynamics of Long Island, Lawrence Levy of the National Center for Suburban Studies at Hofstra, who gave valuable feedback on the Long Island context, and Vicky Virgin, New York city Department of City Planning, who helped refine our approach to the data analysis.

The cover of the report was designed by Debbie Glasserman.

Cover photos: top left and bottom right, Ted Hesson; soccer player, www.bearsports.com.

Executive Summary

The past two decades were a period when immigration grew rapidly on Long Island. As immigrants became 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 has been the effect on U.S.-born workers.

The Changing Profile of the Long Island Economy provides an in-depth analysis of these questions. Our conclusion is that, while there are immigration-related labor market problems that deserve consideration, the Long Island economy has generally absorbed immigrants—even undocumented immigrants—at the levels at which they have come in recent years with many positive benefits to the overall economy and with few negative effects on U.S.-born workers.

1. Immigrants contribute broadly to the Long Island economy

There have been three peak years of the business cycle in the past two decades: 1990, 2000, and 2007 (for which we use data from 2005/07 to get a substantial sample size).

Making peak-to-peak comparisons to examine outcomes at the same point in the business cycle, we find that between 1990 and 2005/07, the estimated gross product of the overall Long Island economy grew by 36 percent, an average of 2 percent a year, and the labor force grew by 1 percent.

During that time, immigrants—documented and undocumented combined—came to play an increasingly important economic role. The total number of U.S.-born residents in prime working age shrank, with a resulting decline of 110,000 native-born Long Island residents in the workforce. That decrease was offset by an increase of 123,000 immigrants in the Long Island labor force, leading to very modest net labor force growth of 13,000 out of a total 2005/07 labor force of 1.4 million.

The immigrant share of estimated gross product of Long Island grew over this period from 12 percent to 18 percent, so that in 2005/07 immigrants accounted for an estimated \$30 billion of the \$171 billion economic output of Long Island residents. Largely because of their growing share of the labor force, the increase in immigrant economic output represents more than a third of total economic growth during this period.

And Long Island immigrants have been pulling their weight. The Immigrant Economic Contribution Ratio (IECR), which measures the ratio of the share of economic output to share of population, put Long Island at 1.10 in 2005/07, higher than 1.00 for the New York metro area overall.

There are several reasons the immigrant contribution on Long Island was this large. Immigrants are concentrated in the prime working age, and thus make up a bigger share

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of the labor force than their share of population. And, immigrants are also entrepreneurs in significant numbers: their share of proprietors' earnings (20 percent) was about the same as their share of the labor force, and well above their share of the population.

Immigrant contribution would be lower if immigrants worked primarily in low-wage jobs, as sometimes seems to be the public perception. It is true that immigrants are more likely than U.S.-born workers to be in low-wage jobs. But immigrants work in a far greater range of jobs than is generally understood. Of the 293,000 immigrants in the Long Island labor force, more than half—53 percent—work in white-collar jobs, while just 24 percent work in blue-collar jobs, 20 percent in mostly lower-wage service jobs, and 3 percent in farming, fishing, and forestry. As might be expected, immigrants make up 58 percent of machine operators, 38 percent of private household and personal service workers, and 37 percent of people working in jobs as construction laborers and other materials handlers. But immigrants also make up 16 percent of executive, administrative and managerial workers, 22 percent of people in professional specialties (such as doctors and engineers), 26 percent of registered nurses, pharmacists, and health therapists, and 20 percent of technicians. Among Latino immigrants, often the focus of public debate, 30 percent are in white-collar jobs—fewer than immigrants overall, but far greater than is often recognized.

2. Immigrants generally fit in with U.S.-born workers

What we find is that the overwhelming majority of U.S.-born workers had just as easy or hard a time finding a job in the most recent economic peak as they did in the peak of 1990.

For U.S.-born women, the picture is consistently positive. The unemployment rate for U.S.-born white women ages 16 and over was 3.8 percent in 1990 and essentially the same low rate of 3.7 percent in 2005/07. White women make up 85 percent of all U.S.-born women in the Long Island labor force, so this strong finding reflects the experience of the large majority. Even more impressive is the *decline* in the unemployment rate of U.S.-born black and Latina women. The unemployment rate for U.S.-born black women dropped from 7.3 to 6.6 to 5.5 percent over the three peak years, and for U.S.-born Latinas it dropped from 7.0 to 5.1 to 4.2 percent.

It is possible that by serving as child-care providers and domestic workers, among other jobs, immigrants—and perhaps particularly undocumented workers—are helping U.S.-born women enter the labor market. It is in any event clear that immigration has not prevented U.S.-born women from getting jobs.

For U.S.-born men, unemployment rates have come back to roughly the same level at each economic peak. For the 87 percent of U.S.-born men in the Long Island labor force who are white, the unemployment rates were 3.9, 3.4, and 4.2 percent at the 1990, 2000, and 2005/07 peak years.

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For U.S.-born black men, unemployment rates were a very steady 8.5, 8.2, and 8.3 percent. Those are troublingly high unemployment rates for peak years of the economy. But the fact that the rates return to the same high level during a time of significant immigration—with many more immigrants on Long Island in 2005/07 than in 1990—suggests that immigrants are not the main reason the unemployment rate for African American men is high. The unemployment rate for U.S.-born Latino men was somewhat higher in 2005/07 than in 1990.

The story becomes more complicated as we disaggregate by level of educational attainment. For U.S.-born white men, unemployment rates were flat or declining at every level of educational attainment for peak years. It is particularly surprising that U.S.-born white men with less than high school see a declining unemployment rate between 1990 and 2005/07.

But, for U.S.-born black men with a high school degree or less, there was an increase in the unemployment level between 1990 and 2000, with unemployment rising from 6.2 to 8.2 percent, and coming down just a little to 7.8 percent in 2005/07. There may be other factors than immigration affecting the black unemployment rate, such as the loss of manufacturing jobs or the high incarceration rates (and subsequent difficulty finding a job) for black men. But, the increased unemployment of less-well-educated black men during a period of immigration is reason for concern and attention to improving outcomes for black men.

Tempering this story is the fact that workers across the board, and black men in particular, are improving their level of educational attainment. The share of U.S.-born black men in the labor force who did not attend high school dropped from 14 percent in 1990 to 6 percent in 2005/07. The share of U.S.-born black men with at least some college increased from 45 to 60 percent. That is a considerably faster rate of improvement in educational attainment for African-American men on Long Island than for African-American men in the United States as a whole, and a positive and underrecognized trend on which to build.

3. Are the jobs good jobs?—Immigrants in a polarized economy

Immigrants come into a highly polarized economy. Inflation-adjusted median annual wages for earners in the 97th percentile—with only three percent of all Long Island workers making more than that much—increased by 32 percent from the 1990 peak to the 2005/07 peak, the equivalent of \$50,000 per person. Yet, the median annual wage on Long Island increased by a modest 13 percent over the same period, and median annual wages for U.S.-born workers grew at 17 percent. It should also be noted that full-time workers spent an average of 41 hours longer at work over the course of the year to earn that extra money, a two percent increase in annual hours worked.

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U.S.-born workers also saw gains in all other deciles, although the increase for the lowest 10th percentile of U.S.-born workers was just 4 percent. Wages for foreign-born workers have been more stagnant, increasing some for those above the median and decreasing some for those below.

Median wages for U.S.-born women grew at a robust rate of 29 percent between the 1990 and the 2005/07 peaks. It is important to note that U.S.-born women's wages started in 1990 at a level far below U.S.-born men, and a significant wage gap is narrowing but persists. However, women were able to make these gains even in a period of significant immigration. The gains were strongest for U.S.-born white women, whose wages rose by 30 percent, but they were also substantial for U.S.-born black women, who saw wage gains of 20 percent, and for U.S.-born Latinas whose wages rose by 21 percent.

For U.S.-born men, peak-to-peak annual wages increased more modestly over the course of two business cycles and nearly two decades. U.S.-born white men saw overall gains of 14 percent, but only those with a college degree have really seen a substantial increase in annual wages. Among African American men, annual wages rose just 4 percent overall, and have actually lost ground at every educational level; median annual wages have gained overall only because African American men have become better educated, not because they have seen pay increases at any given level. U.S.-born Latinos have seen an 8 percent gain in wages.

A quarter of jobholders on Long Island commute off the Island to work, mostly to New York City, and these tend to be among the people with the highest wages. To see what has happened to workers in the middle of the wage ladder, it is instructive to examine differences in what happened in manufacturing and construction jobs located on Long Island.

The total number of manufacturing jobs on Long Island shrank significantly between 1990 and 2005/07, with far and away the largest number of job losses for U.S.-born workers being jobs that have left Long Island altogether, as aerospace and other manufacturing companies downsized, moved overseas, or moved to other parts of the United States. Real wages remained relatively solid for those U.S.-born men still working in manufacturing, even as wages for immigrant workers are both lower and slightly declining, but there were far fewer jobs available in manufacturing.

On the other hand, the number of construction jobs on Long Island grew substantially from the 1990 to the 2005/07 peak. During that time, the number of U.S.-born construction workers stayed relatively flat—falling by a very modest 2 percent—but immigrants accounted most of the job growth. As a result, there were 11,000 more foreign-born construction workers on Long Island in 2005/07 than in 1990, and 1,000 fewer U.S.-born. As in manufacturing, wages for U.S.-born workers have remained basically steady over that time, starting at a reasonably good level, and not increasing much in inflation-adjusted terms, but not decreasing either. At the same time, wages for

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foreign-born workers has been both lower and declining.

U.S.-born men without college degrees saw stagnating wages over this period, but immigrants seem to have played a relatively minor role in affecting wages. For women, the story is one of gains across the board toward closing the gender gap. For men, economic polarization, manufacturing job loss, and low wages in the service occupations seem to be due mostly 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 those workers.

Conclusion

Immigrants have been playing an important economic role, and have been a substantial part of Long Island's economic growth. Overall, the economy has been able to absorb the level of immigration of the past 20 years with few negative and a good number of positive economic outcomes. But, the effect of immigration on men with lower levels of education, particularly African American men, is an area of concern, as is the stagnation of wages at the lower end of the economic ladder.

Addressing the areas where the economy is seeing negative outcomes at a time of immigration should be a high priority for Long Island policymakers. Building on the gains of increased education for all workers—but especially for African American men, establishing a stronger floor in the low-wage labor market, and a focus on job training and career advancement for low-wage workers, are good policy in general, and in particular in a time of increased immigration.

In addition, federal immigration reform is needed, even if it seems hard to see on the political horizon. One important component of improving wages for the lowest-wage workers is making sure that employers and employees are brought into compliance with labor law. Immigration reform on its own will not achieve this goal—there are too many U.S.-born workers and legal immigrants working off the books, or being misclassified as independent contractors rather than regular employees, among other reasons. But bringing everyone into legal compliance with labor law would be made substantially easier if immigration reform ensured that everyone working in the United States had the legal right to do so.

At the same time, Long Island business, political, and nonprofit leaders should be keenly aware of the overall positive role immigration has played in the local economy, and the benefits that most workers have seen as a result. Making sure that Long Island maintains a climate that embraces this growing multicultural reality will be one important component of sustainable economic growth.

The Changing Profile of Long Island's Economy

Introduction

Adults who grew up on Long Island and still live there today can probably remember a time when immigrants made up a much smaller portion of the population than they are today. What has been the economic effect of this increased immigration?

National research leaves little doubt that, overall, immigration is strongly connected with economic growth (see, for example, Fiscal Policy Institute's 2009 report *Immigrants and the Economy*). 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, 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, and Iranians in Great Neck, for example.

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 and 2000, 2005/07. The decennial census data for 1990 and 2000 correspond almost exactly to the economic peak, 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 timeframe also shows a period in which the number of undocumented immigrants was growing significantly—more than doubling in number in New York State**, according to estimates by the Pew Hispanic Center. By looking at

* The last three business cycles, according to the National Bureau of Economic Research, reached national peaks in July 1990, March 2001, and December 2007.

** Estimates specific to Long Island are not available for this period.

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how U.S.-born workers have fared, we would be able to see if undocumented immigrants were having a substantial negative impact, since that impact would be measured in the outcomes for U.S.-born workers whether or not we can identify in detail the number or characteristics of undocumented workers.

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. 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.

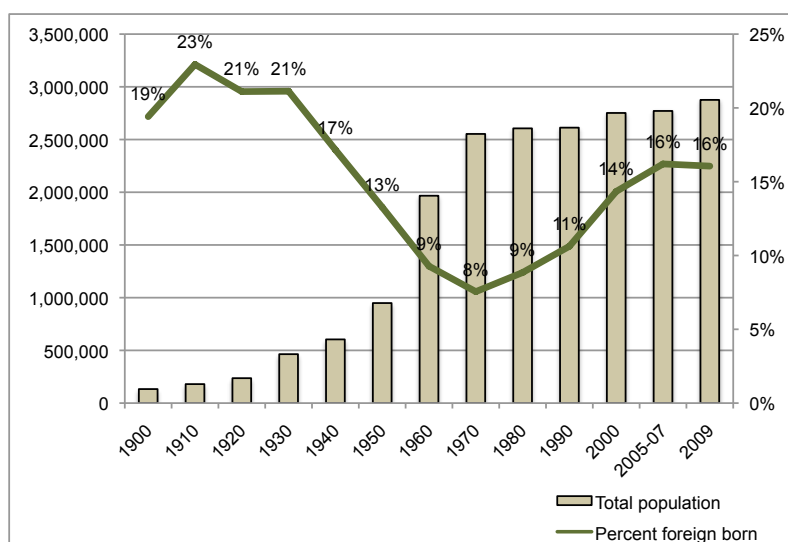
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A brief history of immigrants on Long Island

Immigration is not a new phenomenon on Long Island, 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 Long Island population 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. (Figure 1.)

Long Island population and immigrant share, 1900 to 2009



In the U.S. as a whole, immigrant 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 5 percent in 1970. In 2005/07,

Long Island	U.S.-born	Foreign-born	Total	Percent foreign-born	Average annual change in foreign-born population for period	Total period percent change in number of foreign-born
1900	107,210	25,820	133,030	19%		
1910	138,749	41,319	180,068	23%	1,550	60%
1920	186,480	49,886	236,366	21%	857	21%
1930	366,037	98,071	464,108	21%	4,819	97%
1940	500,439	103,664	604,103	17%	559	6%
1950	822,945	125,949	948,894	13%	2,229	21%
1960	1,784,482	182,473	1,966,955	9%	5,652	45%
1970	2,360,218	192,800	2,553,018	8%	1,033	6%
1980	2,375,284	230,529	2,605,813	9%	3,773	20%
1990	2,335,077	277,572	2,612,649	11%	4,704	20%
2000	2,357,398	394,643	2,752,041	14%	11,707	42%
2005-07	2,322,071	449,012	2,771,083	16%	9,062	14%
2009	2,414,124	461,780	2,875,904	16%	4,256	3%

Figure 1.

1900 to 1980 from the NYC Department of City Planning, *The Newest New Yorkers*. 1990 to 2009 from FPI analysis of Census and ACS. 2005-07 shown for comparison purposes.

Differing trends in Nassau and Suffolk

Long Island is comprised of two counties, Nassau and Suffolk. While the overall population of Long Island has been relatively flat from 1970 to the present, trends in Nassau and Suffolk have been moving in opposite directions. The population of Nassau has been gradually shrinking as the population of Suffolk has gradually grown.

Nassau County currently has 1.3 million residents, about 100,000 below its 1970 peak. Suffolk's population started out smaller but grew past the size of Nassau to a current total of 1.5 million—more than 300,000 above its level in 1970.

During this time, the immigrant population increased faster in Nassau (where it grew by 142,000 between 1970 and 2005/07) than in Suffolk (where it grew by 114,000 over the same period). The two counties had relatively equal immigrant shares in 1970 (8 percent for Nassau, 7 for Suffolk), but today Nassau has an immigrant share of 20 percent and Suffolk a much smaller immigrant share of 13 percent.

For county-level charts, go to www.fiscalpolicy.org/immigration.html.

immigrants made up 12 percent of total U.S. population.

The shape of the curve of immigrant share of population on Long Island is roughly 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 perhaps 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—to a total of 193,000—while the U.S.-born population grew by one and a half million, to a total of .

The immigrant population of Long Island at that point included many Italian, Irish, and Jewish immigrants who had settled first in New York City 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.

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A shrinking U.S.-born working-age population

Since 1970, the U.S.-born population of Long Island 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 did not change much, but the foreign-born population increased significantly. (Figure 2.)

Increasing diversity in Long Island's population and labor force

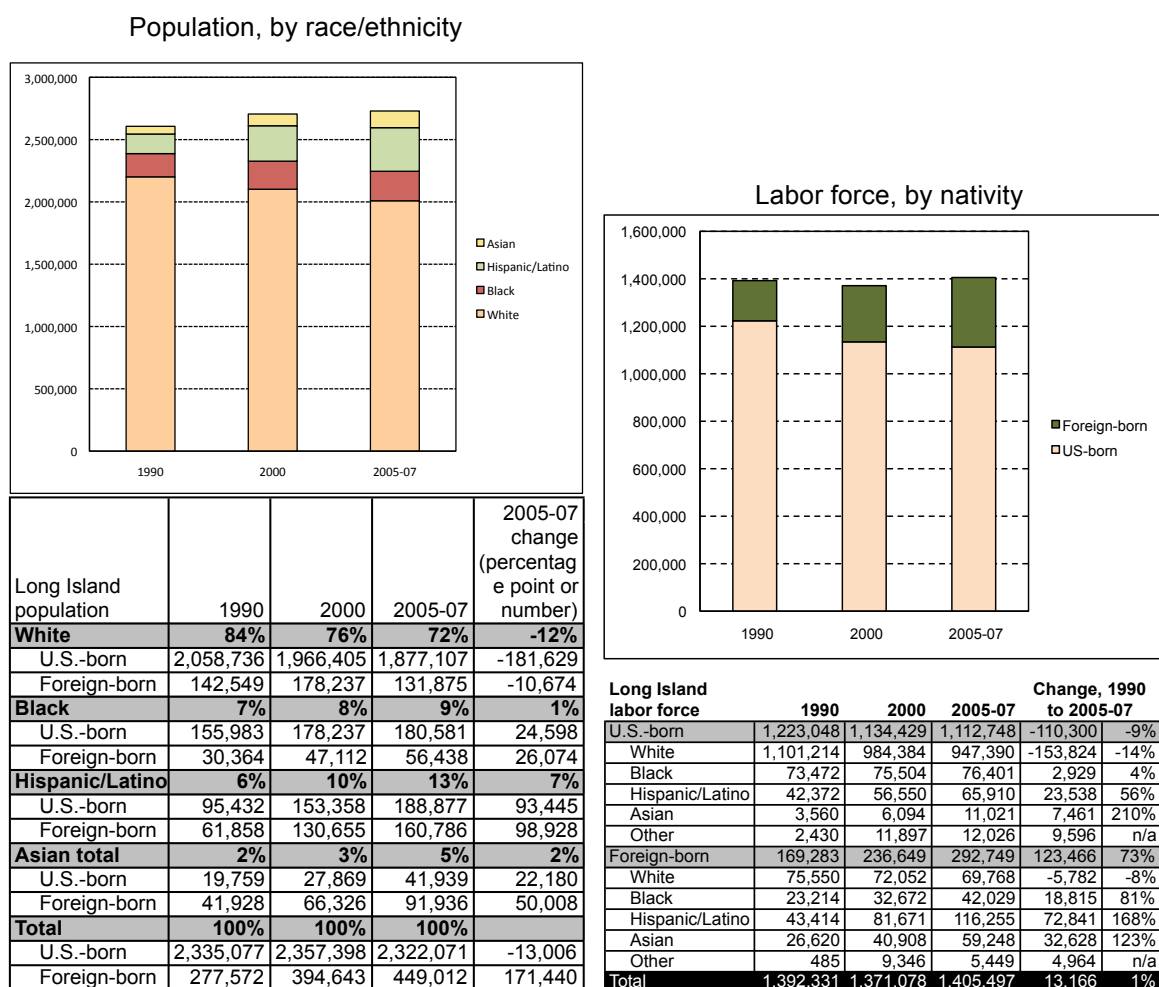


Figure 2.

FPI analysis of Census and ACS. Due to rounding, numbers may not add to totals across rows and columns. Here and throughout this report, white, black, and Asian refer to the non-Hispanic portion of those populations, while Hispanics of all races are included in Hispanic/Latino. "African American" and "U.S.-born black" are used interchangeably. Labor force is 16 years and older, in the civilian labor force.

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Yet, 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. (Figure 3.)

Similarly, the labor force of Long Island labor 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.

A changing racial and ethnic mix

As immigrants came to Long Island over the past two decades, they increased the racial and ethnic diversity of the area. But, immigration was not 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 the 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 Long Island to immigrant parents and U.S.-born people of color

In 2005/07, whites comprised about three quarters of Long Island residents, Latinos 13

Decline in U.S.-born working age population

1990 to 2005/07

16- to 64-year old living on Long Island

population change	number	percent
U.S.-born	-94,420	-8%
Foreign-born	138,802	75%
Total	44,382	3%

percent, blacks 9 percent, and Asians 5 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.

Immigrants on Long Island are also strikingly diverse. No single country of origin predominates. The largest share, 13

Figure 3.

FPI analysis of Census and ACS.

Top countries of birth for immigrants on Long Island

2005-07

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%

Figure 4.

FPI analysis of ACS 2005-07.

S. Passel and D’Vera Cohn, “A Portrait of Unauthorized Immigrants in the United States,” Pew Hispanic Center, April 14, 2009, Table B1.)

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) was 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 can be 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 documented and undocumented immigrants. However, where there are effects specific to

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. 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. (Figure 4.)

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 understandably 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. (Jeffrey

The Changing Profile of Long Island's Economy

undocumented immigration, these should be picked up too, since the methodology focuses on outcomes for U.S.-born workers rather than relying on detailed information on the characteristics of undocumented immigrants.

The current economic downturn

The Changing Profile of Long Island's Economy focuses on the long-term effects of immigration, and looks at unemployment rates and other factors at the high point of each of three business cycles. 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 during the same point in the cycle allows us to see whether rates for particular groups have changed relative to where they were at the previous peak.

However, 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.

The short answer is: 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 is well below the national average of 9.3 percent. (Figure 5; 2009 is the most recent year for which data is available at this level of detail.)

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 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

Long Island unemployment in the economic downturn

	2006			2007			2008			2009		
	US-Born	Foreign-Born	Total	US-Born	Foreign-Born	Total	US-Born	Foreign-Born	Total	US-Born	Foreign-Born	Total
All	4.1%	3.3%	3.9%	3.9%	3.6%	3.8%	4.8%	5.0%	4.8%	7.0%	7.6%	7.1%
Men	4.3%	2.9%	4.0%	4.1%	3.5%	4.0%	5.4%	4.4%	5.2%	7.4%	5.4%	6.9%
Women	3.8%	4.0%	3.8%	3.6%	3.8%	3.6%	4.1%	5.6%	4.4%	6.6%	10.4%	7.3%

Figure 5.

FPI analysis of ACS, adjusted by Local Area Unemployment Statistics (LAUS).

Unemployment for U.S.-born Long Island workers by race and gender

	2006	2007	2008	2009
Men	4.3%	4.1%	5.4%	7.4%
White	3.8%	3.6%	4.4%	6.5%
Black	8.2%	6.4%	13.1%	13.1%
Latino	6.8%	8.5%	9.6%	12.0%
Women	3.8%	3.6%	4.1%	6.6%
White	3.4%	3.2%	3.2%	6.0%
Black	6.3%	7.1%	11.9%	8.3%
Latina	4.1%	3.8%	6.0%	9.5%
Total	4.1%	3.9%	4.8%	7.0%

Figure 6.

FPI analysis of ACS, adjusted by LAUS.

consistently high unemployment rates. The unemployment rate for black men is double the rate for white men in 2009—though it should be noted that the rate was also double in the near-peak year of 2006. (Figure 6.)

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 in 2009 immigrants made up 16 percent of the total population, the same percentage as in 2006.

A careful analysis of the effects of the recession on U.S.- and foreign-born workers will be the subject of a future report by the Fiscal Policy Institute. This data gives some early sense of how immigrants and U.S.-born workers on Long Island are weathering the economic downturn.

The Changing Profile of Long Island's Economy

1. Immigrants contribute broadly to the Long Island economy

Immigrants are making an important contribution on Long Island, and are clearly “pulling their weight” in the economy.

Estimated gross product of Long Island residents—the broadest gauge of economic output—grew by 36 percent between 1990 and 2005/07. This gross product is estimated for Long Island residents, whether they work on Long Island or commute to jobs elsewhere.

During that time, the immigrant share of gross product increased from 12 to 18 percent, so that in 2005/07 immigrants accounted for an estimated \$27 billion of the \$151 billion economic output of Long Island in 2000 dollars—expressed in 2007 dollars the figures would be \$30 billion of the \$171 billion. Largely because of their growing share of the labor force, the increase in immigrant economic output represents just over a third of total economic growth during this period. (Figure 7.)

And Long Island immigrants are pulling their weight. In “Immigrants and the Economy,” the Fiscal Policy Institute determined that the economic contribution of immigrants throughout the United States is generally proportionate to their share of the population. In that report, Fiscal Policy Institute developed a way to measure this relationship, the 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.

Immigrants share of Long Island GDP is substantial and growing

	1990	2005/07	Change 1990 to 2005/07	Percent change 1990 to 2005/07
Immigrant share of population	11%	16%	-	-
Immigrant share of labor force	12%	21%	-	-
Long Island total economic output (in billions of 2000 dollars)	\$110.8	\$150.9	\$40.1	36%
Immigrant share of economic output	12%	18%	-	-
Amount of immigrant economic output (in billions of 2000 dollars)	\$12.9	\$26.6	\$13.7	107%

Figure 7

Fiscal Policy Institute analysis of Census, ACS and BEA data. Long Island resident economic output is estimated by applying Long Island residents' share of total wage and salary plus proprietors' earnings in New York State (i.e., for all people working in New York State) to GDP as reported by the Bureau of Economic Analysis. Immigrant share of economic output is estimated using the same method. Results are in 2000 dollars. *In 2007 dollars, the Long Island total economic output is \$171 billion, and the immigrant share is \$30 billion.*

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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 area of which it is a part, and almost exactly the same as the ratio of 1.12 for the country as a whole. (Figure 8.)

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 so high despite these lower earnings.

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

Immigrant Economic Contribution Index a strong 1.10 on Long Island

	Foreign-born 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%	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

Figure 8

FPI analysis of 2005-07 ACS. New York City metro area includes Long Island.

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).

Finally, immigrants are only slightly less likely than U.S.-born workers to be in mostly higher-paid occupations. On Long Island, the majority of immigrants work in white-collar jobs—a total of 53 percent work either in managerial and professional specialty jobs; or in technical, sales, and administrative support jobs. By contrast, 44 percent work in either service or blue-collar jobs. Three percent of

Most immigrants on Long Island work in white-collar jobs

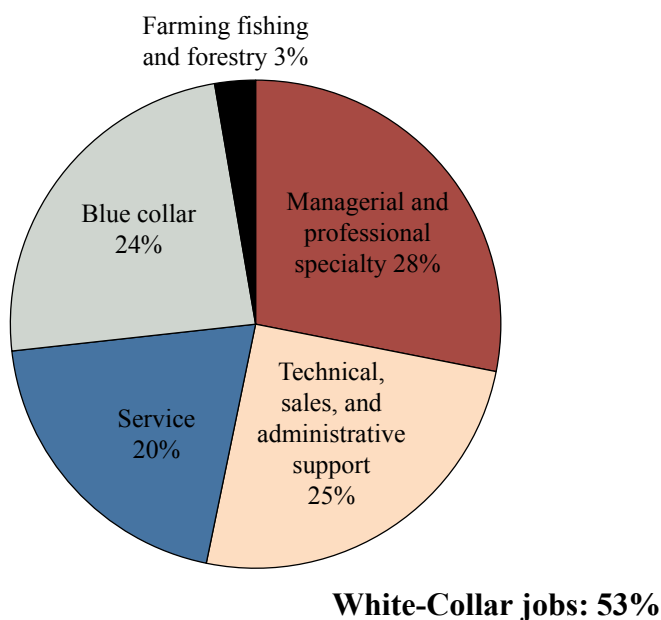


Figure 9.
FPI analysis of 2005-07 ACS.

...and 30 percent of Latino immigrants work in white-collar jobs

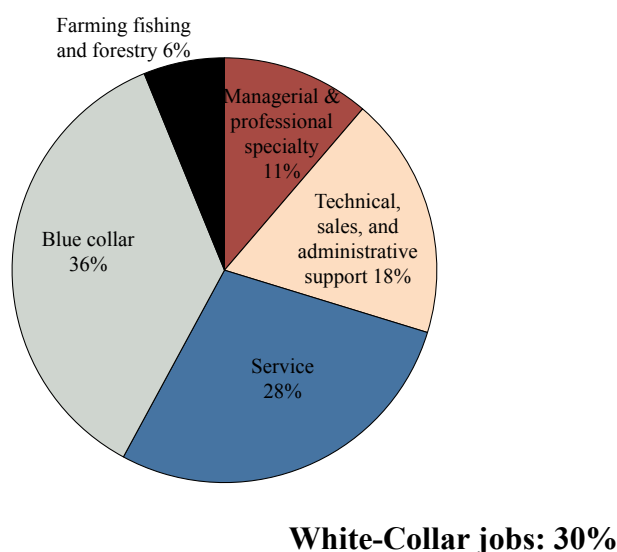


Figure 10.
FPI analysis of 2005-07 ACS. The first two categories combined make up “white-collar” jobs; they sum to 30 percent due to rounding.

immigrants work in farming, fishing, and forestry—on Long Island, these are significantly landscaping as well as farm-labor jobs. (Figure 9.)

Much of the public attention regarding Long Island immigrants has been on Latinos, who are often portrayed as working almost exclusively in low-wage jobs. Day laborers, in particular, figure heavily in the public debate. Yet, as Fiscal Policy Institute concluded in *Working for a Better Life*, day laborers make up less than one percent of all immigrant workers in the downstate suburbs, and are a small share even of undocumented workers. Indeed, 30 percent of Latino immigrants work in white-collar jobs—11 percent in managerial and professional specialty occupations, and 18 percent in technical, sales, and administrative support (this sums to 30 percent due to rounding). Some of these white-collar jobs have low wages—such as the 5 percent of Latino immigrants who work as sales clerks and cashiers—but most white-collar jobs are fairly well paid. Latino immigrants on Long Island are clearly less likely than immigrants overall to work in white-collar jobs, but Latinos are far from all in low-wage occupations. (Figure 10.)

There is undoubtedly some undercount of undocumented immigrants, who are clearly concentrated in service, blue-collar, landscaping, and farming jobs. Jeff

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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 the 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 11. The 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 top bars on the chart), immigrants make up 16 percent of executive, administrative and managerial workers, 22 percent of 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, where they are significantly underrepresented. A few occupations are particularly striking. Immigrants make up 58 percent of all machine operators living on Long Island, and 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.

Figure 11 shows the share of each occupation that is made up of immigrants. For the

Immigrant share of detailed occupations on Long Island

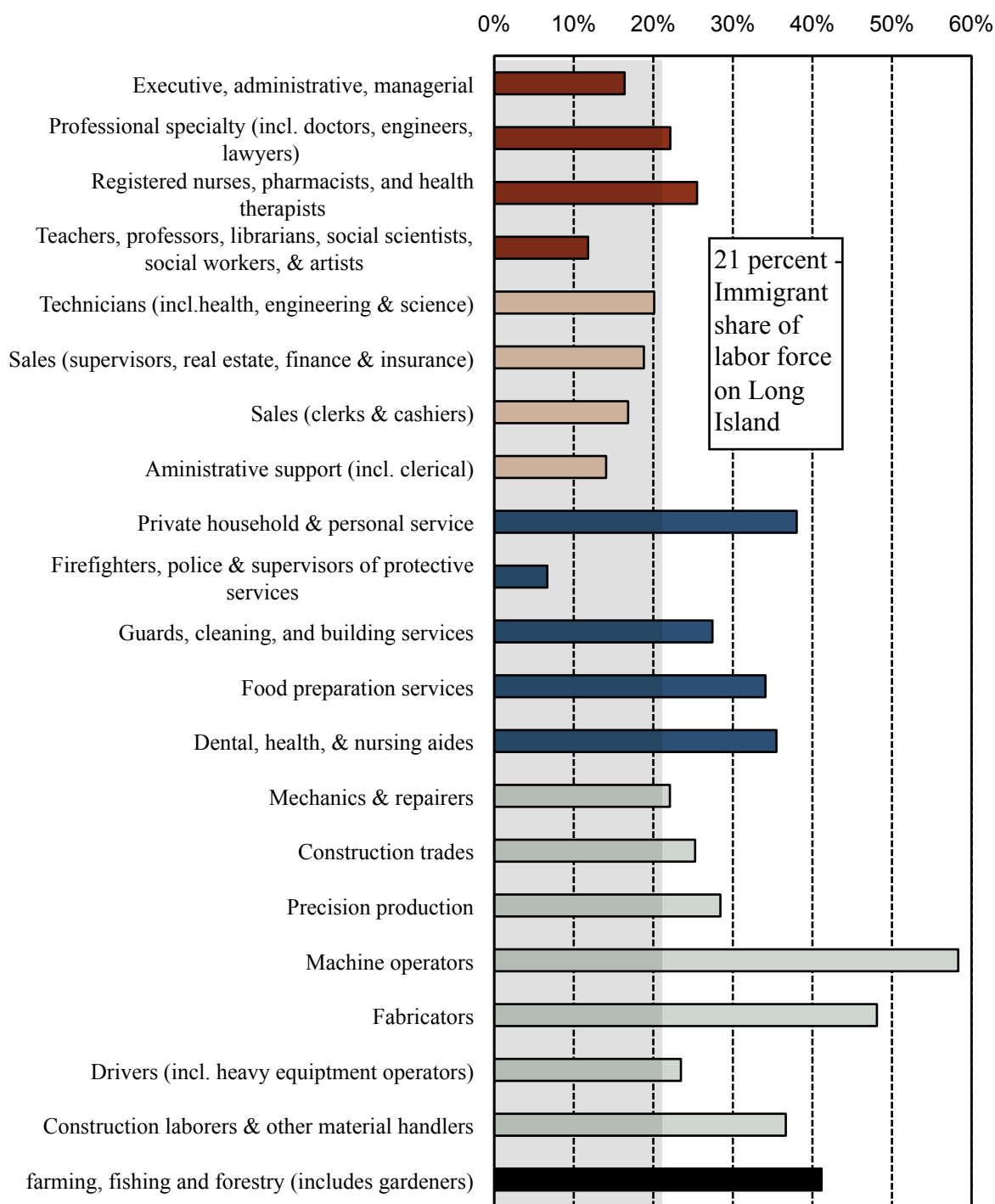


Figure 11.
FPI analysis of 2005-07 ACS.

2. Immigrants generally fit in with, rather than displace, U.S.-born 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, the large majority of 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 at the peak of 1990, when immigration was at a considerably lower level.

For U.S.-born women, unemployment rates were not only stable during a period of significant immigration, but they were declining 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. 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. (Figure 12.)

More impressively, the unemployment rates for U.S.-born black and Latina women *declined* from one economic peak to the next, at a time when substantial numbers of immigrant were entering the economy. The rate for U.S.-born 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 was 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.)

Falling or steady peak-to-peak unemployment rates for U.S.-born women

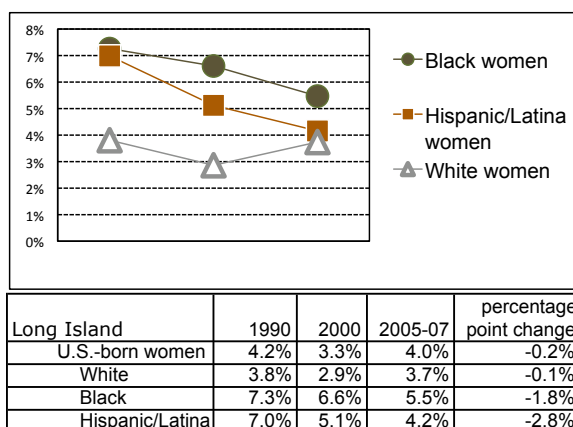


Figure 12.

FPI analysis of Census and ACS, adjusted to LAUS. Persons 16 years and older, in the civilian labor force. Sample too small to report U.S.-born Asian women.

For women, breaking this down by education level tells the same story: women (25 to 64 years old) saw unemployment levels in 2005/07 that were about the same as or lower than they saw 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, however, possible to envision some ways that immigration might have increased the number of women employed—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 to be undocumented immigrant women.

There are other questions that could raise concerns about the economic status of women. Do women welcome expanded work opportunities, 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, the steady unemployment rate suggests at the least 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. (Figure 13.)

Flat peak-to-peak unemployment rates for most U.S.-born men

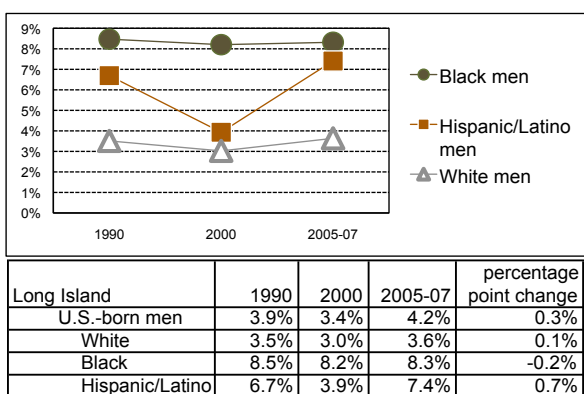


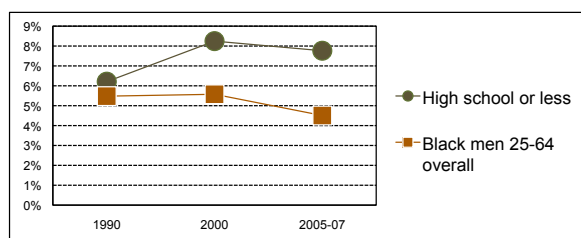
Figure 13.

FPI analysis of Census and ACS, adjusted to LAUS. Persons 16 years and older, in the civilian labor force. Sample too small to report U.S.-born Asian men.

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 recognize 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.

African American men with lower education levels losing ground



Black men 25 to 64 years old on Long Island	1990	2000	2005-07	percentage point change
High school or less	6.2%	8.2%	7.8%	1.6%
Black men 25-64 overall	5.5%	5.6%	4.5%	-1.0%

Figure 14.

FPI analysis of Census and ACS, adjusted to LAUS. Persons 25 to 64 years old, in the civilian labor force. High school and less than high school are combined to give a statistically significant sample; sample is too small to break out other education levels for black men individually.

percent at the 1990 peak to 4.5 percent in 2005/07. 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. (Figure 14.)

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 also have an effect on the unemployment rates of black men during this time—such as the loss of manufacturing jobs, or the high incarceration rates (and subsequent difficulty finding a job) for black men. But immigration also seems 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 go down over the course of the

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.

In general we look at the labor force of people 16 years and older. 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

U.S.-born white men don't see negative effects at any level of educational attainment

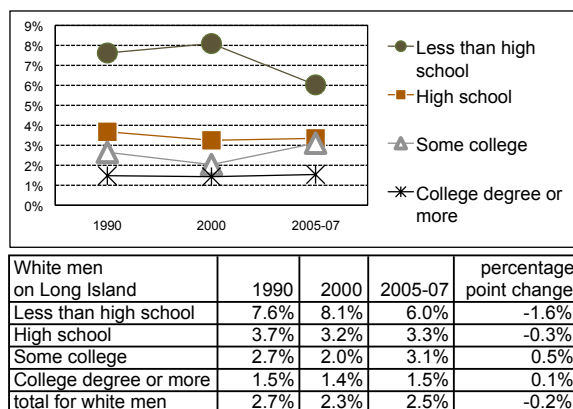


Figure 15.

FPI analysis of Census and ACS, adjusted to LAUS. Persons 25 to 64, in the civilian labor force. Decline in figure for less than high school lacks strong statistical significance.

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 15.)

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 a high school education—indeed, the 2005/07 number lacks strong statistical significance because by that time there were relatively few U.S.-born white men with less than a high school diploma on Long Island.

The unemployment rate for U.S.-born Latino men drops from 6.7 to 3.9 and then increases to 7.4 percent. 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 are 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 for data.)

An increasingly well-educated labor force

Overall, the Long Island labor force grew increasingly well educated between 1990 and 2005/07.

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 impressive educational strides. So, while African American men with lower levels of formal

All groups continue to make significant progress in education

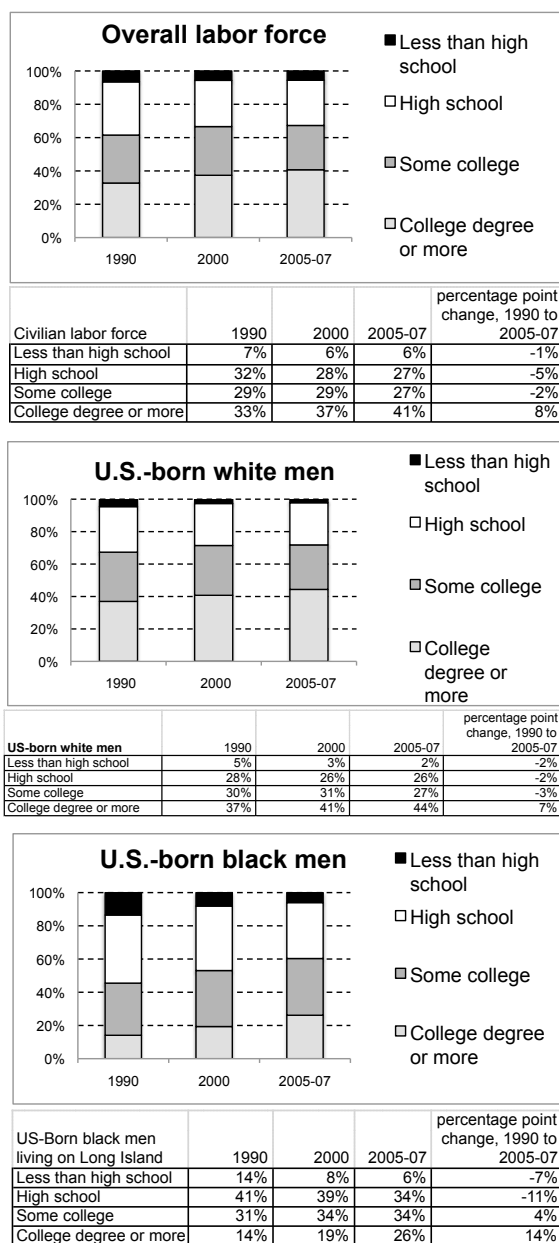


Figure 16.

FPI analysis of Census and ACS. Persons 25 to 64, in the civilian labor force.

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. 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 down to 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. (Figure 16.)

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.

Improving the educational outcomes for African American men is an important way to enhance 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 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. *Immigrants fitting in as employment ratios*

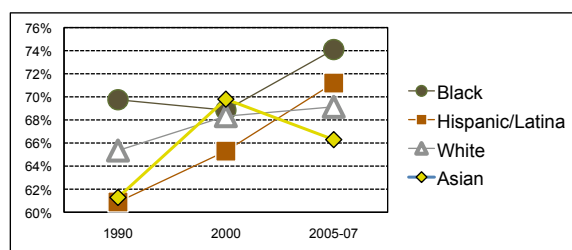
increase for women and decline for men

The *unemployment rate* measures the share of 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. 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. As a result, the employment ratio should be taken as just a broad indicator of whether or not people may be being squeezed out of the labor market. 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. The rate for U.S.-born white women—the large majority of the female labor force—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. 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. (Figure 17.)

Employment ratio for women continues to increase



Long Island	1990	2000	2005-07	percentage 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%

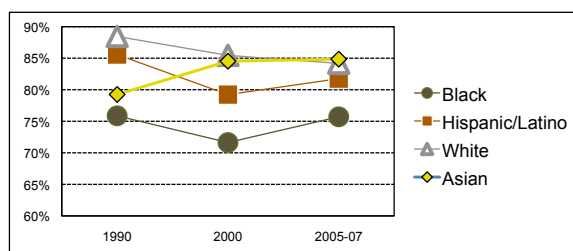
Figure 17.

FPI analysis of Census and ACS. Employment ratio is total employed 25- to 64-year-old women over total population of women in that age group.

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.

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

Employment ratio for men drops a little, in line with national trends



Long Island	1990	2000	2005-07	percentage point change
U.S.-born men total	88%	84%	83%	-4.2%
White	88%	85%	84%	-4.3%
Black	76%	72%	76%	-0.2%
Hispanic/Latino	86%	79%	82%	-3.8%
Asian	79%	85%	85%	5.6%

Figure 18.

FPI analysis of Census and ACS. Employment ratio is total employed 25- to 64-year-old men over total population of men in that age group.

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 one 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. (Figure 18.)

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 little 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 small but 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. (Figure 19.)

The share of U.S.-born young men who are out-of-school and out-of-work was 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 was 7 percent in all three peak years. For Latino men the rate fell from 11 to 8 percent, and African American men saw a slight decline, from 19 percent in 1990 to 18 percent in 2005/07. (Figure 20.)

Fewer young U.S.-born women are out of school and out of work

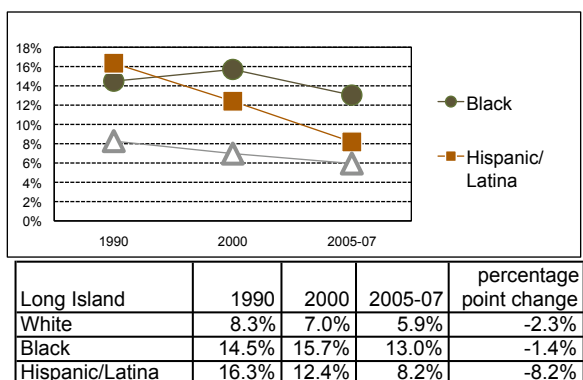


Figure 19.

FPI analysis of Census and ACS. Women 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 women in this age group.

Eighteen or 19 percent is an alarmingly high share of young African American men to be out of school and out of work. Immigration did 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 in the absence of 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.

Young U.S.-born men are no more likely to be out of school and out of work than they were in 1990

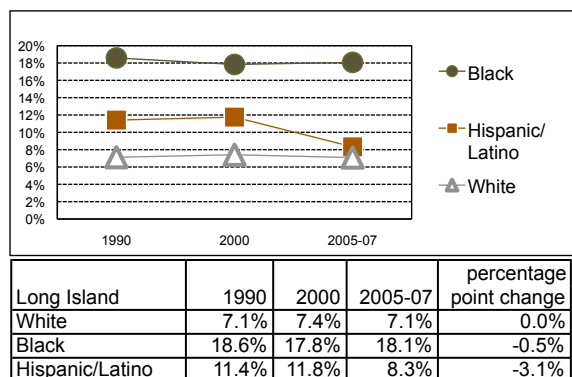


Figure 20.

FPI analysis of Census and ACS. Men 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 men in this age group.

3. Are the jobs good jobs?—Immigrants in a polarized economy

Long Island is a 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. (Figure 21.)

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 saw very large wage increases, 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. (Figure 22.)

Meanwhile, the worker 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. 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 32 percent, two-and-a-half times the growth 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.

Long Island starts with higher wages and grows faster than state or nation

Median annual wage for full-time	1990	2000	2005-07
Long Island	\$46,110	\$50,568	\$51,932
New York State	\$38,987	\$42,140	\$41,389
United States	\$34,699	\$37,324	\$37,867

Growth in annual wages	1990-2000	2000-2005/07	total period, 1990 to 2005/07
Long Island	9.7%	2.7%	12.6%
New York State	8.1%	-1.8%	6.2%
United States	7.6%	1.5%	9.1%

Figure 21.

FPI analysis of Census and ACS. Median annual wages of persons 16 years and older, employed full time in the civilian labor force with earnings greater than \$100. Wages in 2007 dollars.

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 of earners. 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.

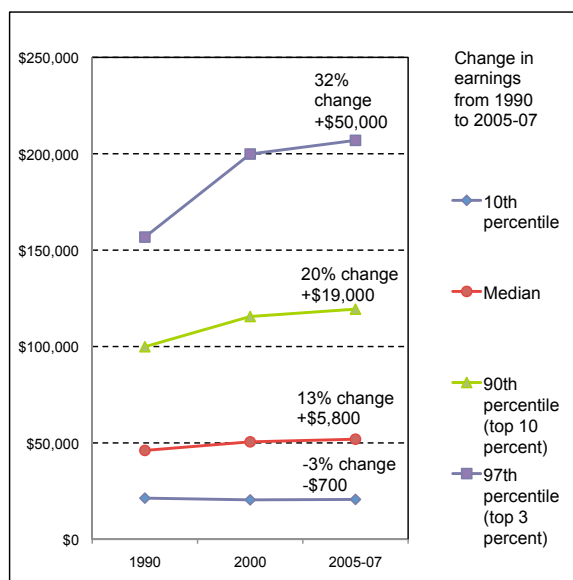
Worth noting, too, is that while the median annual wage and salary earnings on Long Island increased at a moderate rate, the average annual hours worked

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**Wages grew dramatically
for top earners,
but far less so for other groups**

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.

All Long Island wage earners



The fact that the top 3 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. There is also a yawning wage-productivity gap evident on Long Island—median annual wages grew by 13 percent, but Long Island's productivity, as evidenced by estimated GDP growth, increased by 36 percent.

Per- centile	1990			2000			2005-07		
	All	US-born	Foreign-born	All	US-born	Foreign-born	All	US-born	Foreign-born
10	\$21,364	\$21,825	\$16,907	\$20,468	\$22,876	\$15,050	\$20,695	\$22,764	\$15,786
20	\$27,666	\$29,203	\$23,055	\$29,618	\$31,304	\$21,070	\$28,973	\$31,042	\$21,638
30	\$33,814	\$34,816	\$27,973	\$36,120	\$37,565	\$26,488	\$36,216	\$40,476	\$27,048
40	\$39,962	\$41,499	\$33,814	\$42,381	\$45,752	\$32,508	\$43,459	\$48,571	\$33,112
50	\$46,110	\$47,647	\$40,731	\$50,568	\$53,337	\$39,732	\$51,932	\$55,655	\$40,476
60	\$55,332	\$55,929	\$48,416	\$60,200	\$60,200	\$48,160	\$62,084	\$65,774	\$49,667
70	\$64,554	\$66,091	\$59,943	\$72,240	\$72,240	\$60,200	\$74,652	\$77,605	\$60,015
80	\$76,850	\$76,850	\$73,776	\$85,484	\$89,096	\$72,240	\$91,072	\$95,119	\$74,652
90	\$99,905	\$99,905	\$95,294	\$115,580	\$119,200	\$101,140	\$119,400	\$124,170	\$101,190
97	\$156,770	\$156,770	\$156,770	\$199,860	\$209,500	\$180,600	\$206,950	\$216,380	\$165,560

Per- centile	level chg 1990 to 2005-07			% chg 1990 to 2005-07		
	All	US-born	Foreign-born	All	US-born	Foreign-born
10	-\$669	\$939	-\$1,121	-3%	4%	-7%
20	\$1,307	\$1,839	-\$1,417	5%	6%	-6%
30	\$2,402	\$5,660	-\$925	7%	16%	-3%
40	\$3,497	\$7,072	-\$702	9%	17%	-2%
50	\$5,822	\$8,008	-\$255	13%	17%	-1%
60	\$6,752	\$9,845	\$1,252	12%	18%	3%
70	\$10,098	\$11,514	\$72	16%	17%	0%
80	\$14,222	\$18,269	\$876	19%	24%	1%
90	\$19,495	\$24,265	\$5,896	20%	24%	6%
97	\$50,180	\$59,610	\$8,790	32%	38%	6%

Figure 22.

FPI analysis of Census and ACS. 16 years and older, employed full-time in the civilian labor force. Annual wages in 2007 CPI-U dollars. 97th percentile is only a broad indication of economic polarization; top-coding of the data makes an accurate estimate difficult to get from the American Community Survey, and above is just wage and salary earnings, not dividends or capital gains, which are even more greatly skewed to the top of the income distribution.

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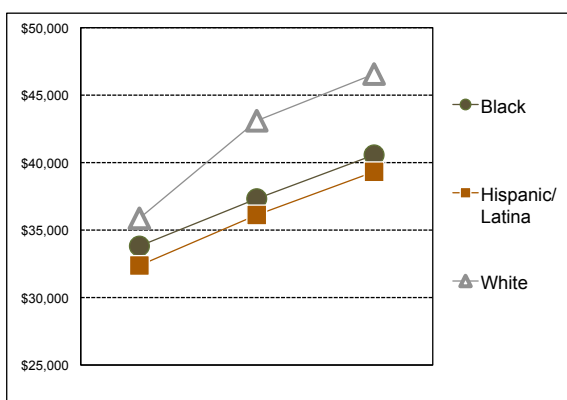
At the lower wage levels, however, immigration may be a relevant part of the story.

U.S.-born workers show at least some modest gains in all wage deciles. Although overall wages at the 10th percentile overall actually decreased, the loss 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 wage ladder is of course where undocumented workers are concentrated, with some 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, in inflation-adjusted dollars, with median annual wages for 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

Women are beginning to close the wage gap

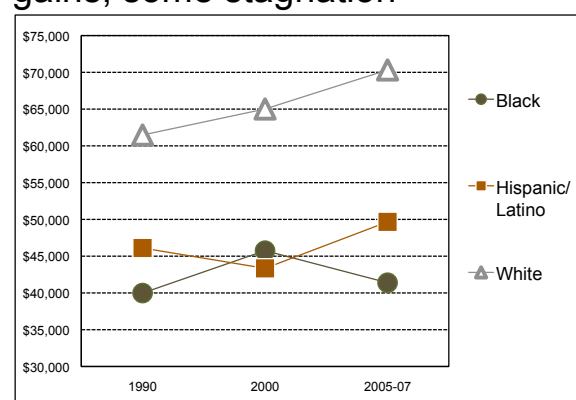


	1990	2000	2005-07	percent change 1990 to 2005-07
Long Island	\$35,351	\$42,140	\$45,536	29%
U.S.-born women total	\$35,351	\$42,140	\$45,536	29%
White	\$35,871	\$43,103	\$46,563	30%
Black	\$33,814	\$37,324	\$40,572	20%
Hispanic/Latina	\$32,375	\$36,120	\$39,320	21%

Figure 23.

FPI analysis of Census and ACS. Median annual wages of U.S.-born women, 16 years and older, employed full time in the civilian labor force with earnings greater than \$100. Wages in 2007 dollars. Sample not large enough to include Asian women.

Men overall see some wage gains, some stagnation



	1990	2000	2005-07	percent change 1990 to 2005-07
Long Island	\$59,943	\$62,608	\$65,774	10%
U.S.-born men total	\$59,943	\$62,608	\$65,774	10%
White	\$61,480	\$65,016	\$70,324	14%
Black	\$39,982	\$45,752	\$41,389	4%
Hispanic/Latino	\$46,110	\$43,344	\$49,667	8%

Figure 24.

FPI analysis of Census and ACS. Median annual wages of U.S.-born men, 16 years and older, employed full time in the civilian labor force with earnings greater than \$100. Wages in 2007 dollars. Sample not large enough to include Asian women.

U.S.-born white men gain overall, but wages decline for less than high school

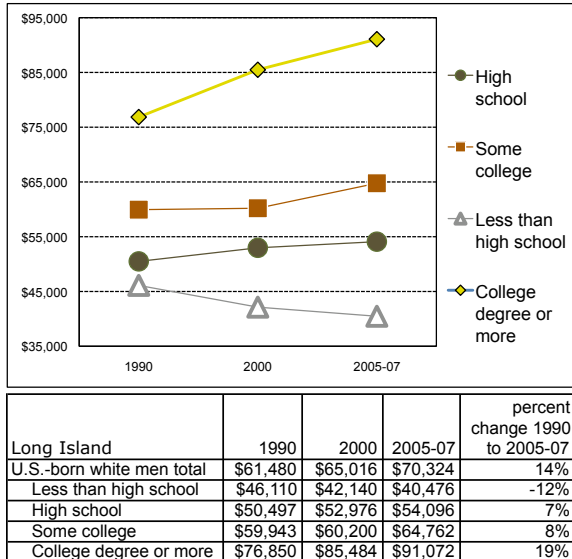


Figure 25.

FPI analysis of Census and ACS. Median annual wages of U.S.-born men, 25-64 years old, employed full time in the civilian labor force with earnings greater than \$100. Wages in 2007 dollars.

economic peaks, although there is still a long distance between women's pay and the pay of men. (Figure 23.)

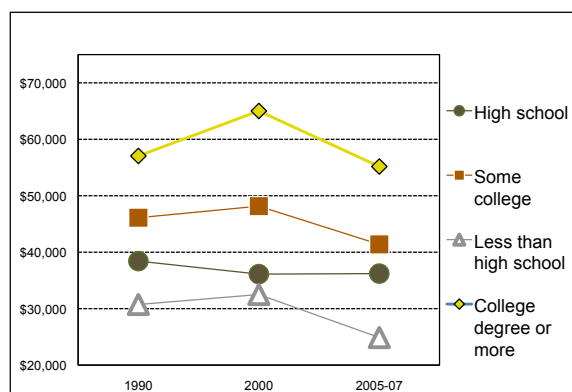
Wages for U.S.-born men started at a higher level, but generally showed less growth. African American men started in 1990 with the lowest wages of any racial/ethnic group, and gained just 4 percent from 1990 to 2005/07. U.S.-born Latinos also gained very modestly, just 8 percent after adjusting for inflation. Only white men made significant gains in wages, and even they gained just 14 percent in almost two decades. (Figure 24.)

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 grew slightly 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. (Figure 25.)

For U.S.-born black men, *all* of the gains come from 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 26.)

At the same time, it is important to note that there seem to be two distinct periods

Black men see losses at all levels, gaining overall only because of gains in educational attainment



	1990	2000	2005-07	percent change 1990 to 2005-07
Long Island				
U.S.-born black men total	\$39,982	\$45,752	\$41,389	4%
Less than high school	\$30,740	\$32,508	\$24,884	-19%
High school	\$38,425	\$36,120	\$36,216	-6%
Some college	\$46,110	\$48,160	\$41,389	-10%
College degree or more	\$57,053	\$65,016	\$55,178	-3%

Figure 26.

FPI analysis of Census and ACS. Median annual wages of U.S.-born men, 25-64 years old, employed full time in the civilian labor force with earnings greater than \$100. Wages in 2007 dollars.

here for U.S.-born black men. Between 1990 and 2000, African American men 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 wages.*

*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 “The State of New York Unions 2007,” by Gregory DeFreitas and Bhaswati Sengupta (Center for the Study of Labor and Democracy, 2007). On Long Island, labor union density is comparatively high, at 28 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. 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).

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A shift in occupations and industry on Long Island

The increasing immigrant share of the labor force has been one major shift in the Long Island economy of the past two decades, but it is hardly the only one.

A much bigger factor, 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 refers to employment of Long Island residents, whether or not they work on Long Island. The data for workers living on Long Island and for people working on Long Island differs because 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 periods: between the 1990 peak and the 2000 peak, as well as from the 2000 peak to the peak in 2005/07. (The QCEW's industry classification system changed along the way.) (Figure 27.)

In both periods, there were substantial peak-to-peak losses in manufacturing jobs—manufacturing shed 38,000 jobs between 1990 and 2000, and 18,000 between 2000 and 2005-07—in both cases the industry with the largest job loss. These were jobs that on average paid about \$55,000 almost \$10,000 above the overall average.

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,

Long Island shifting away from higher-wage manufacturing and toward 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
Transportation 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	76,071	\$46,912

Industry Change 2000 to 2005-07	Change in number of jobs, 2000 to 2005-07	Average wage (in 2005-07)
Health Care and Social Assistance	25,118	\$45,087
Accommodation and Food Services	9,663	\$18,927
Construction	7,821	\$54,640
Total, All Government	6,683	\$57,491
Educational Services	4,636	\$33,424
Unclassified	3,801	\$33,030
Administrative and Waste Services	2,769	\$35,545
Arts, Entertainment, and Recreation	2,314	\$34,361
Other Services	2,050	\$28,167
Retail Trade	1,399	\$30,168
Management of Companies and Enterprises	667	\$85,971
Professional and Technical Services	92	\$59,609
Mining	1	\$77,807
Agriculture, Forestry, Fishing Hunting	-55	\$33,793
Real Estate and Rental and Leasing	-336	\$58,016
Utilities	-368	\$92,725
Transportation and Warehousing	-1,333	\$42,256
Information	-3,302	\$72,305
Wholesale Trade	-3,696	\$66,120
Finance and Insurance	-4,213	\$83,721
Manufacturing	-18,478	\$54,400
Total, All Industries	35,229	\$48,225

Figure 27.

FPI analysis of QCEW. Here industry represents jobs *located on* Long Island, not jobs *held by* Long Island residents. Wages in 2007 dollars.

Change in broad occupational categories on Long Island 1990 to 2006

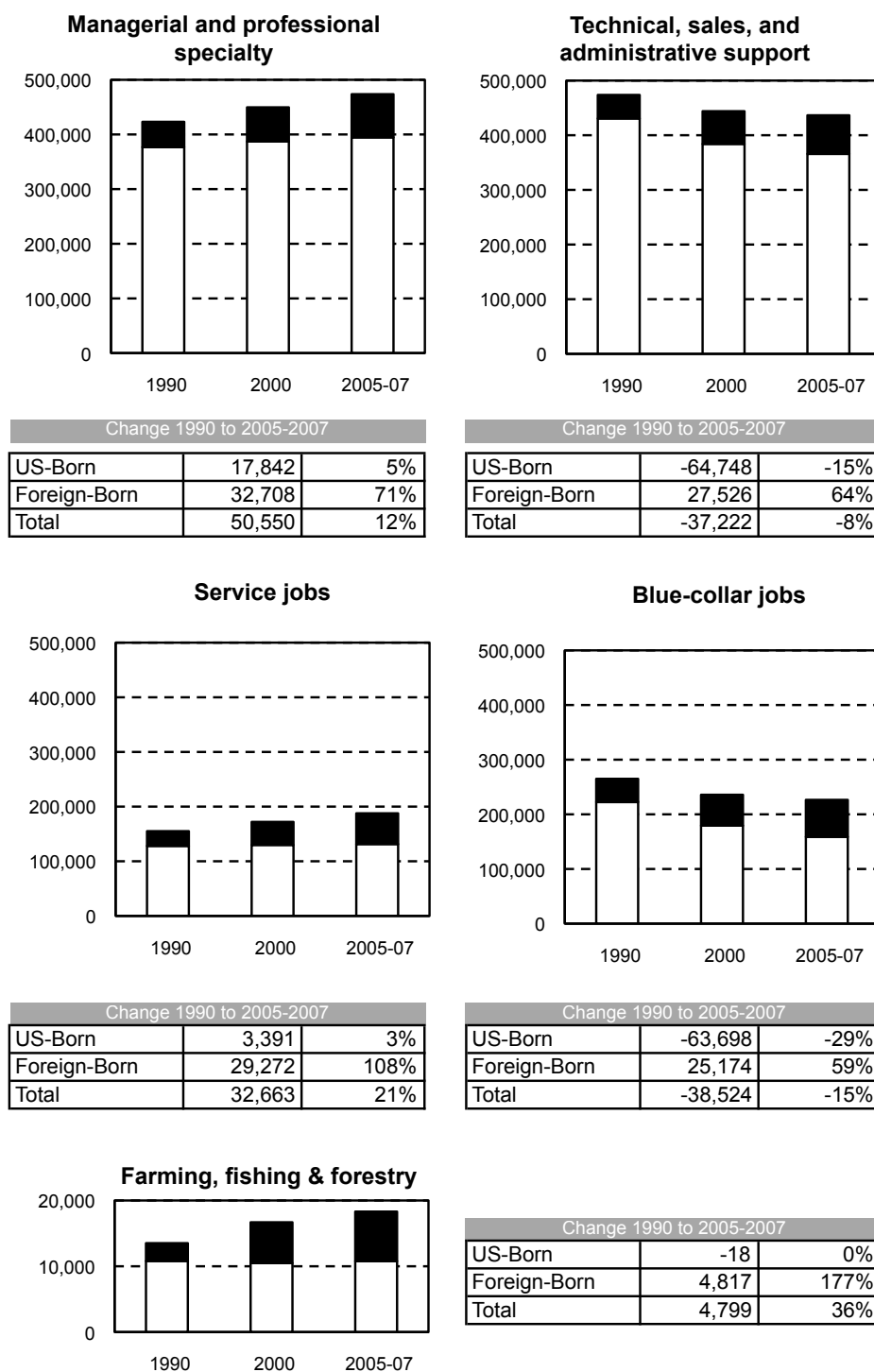


Figure 28.
FPI analysis of Census and ACS. 16 years and older, in the civilian labor force.

U.S.-born wage gains in all broad occupations, but overall decline in service and stagnation in 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%

Figure 29.

FPI analysis of Census and ACS. Median annual wages of persons 16 years and older, employed full time in the civilian labor force with earnings greater than \$100. Wages in 2007 dollars.

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 we see 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). (Figure 28.)

U.S.-born workers are shifting slightly into the highest-wage jobs, managerial and professional specialties, where they increased by 5 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 increase in median wages of 20 percent over the past decade and a half, while foreign-born workers saw an increase of 9 percent. (Figure 29.)

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

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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 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. 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 detailed 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 for data.)

The increasing number of farming, fishing and forestry jobs is driven by a growing number of gardeners and groundskeepers—there are some 4,000 more people working 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. (Figure 30.)

By contrast, there were 11,000 more immigrants working in blue-collar construction jobs

31,000 manufacturing jobs lost by U.S.-born, but just 3,000 gained by immigrants; in construction, U.S.-born level drops very slightly as immigrants gain due to overall growth

	Mechanics and repairers	Construction trades	Precision production	Machine operators	Fabricators	Drivers including heavy equipment operators	Laborers and other material handlers	Total	Percent change
Change, 1990 to 2005-07									
Construction Industry									
Foreign-born	1,153	6,251	-110	-53	138	203	3,200	10,782	136%
U.S.-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%
U.S.-born	-3,087	-1,306	-7,038	-9,091	-8,082	-1,032	-1,351	-30,987	-60%

Figure 30.

FPI analysis of Census and ACS. Persons 16 years and older in the civilian labor force.

Wages increase for U.S.-born workers in construction and manufacturing, even as foreign-born workers wages decline

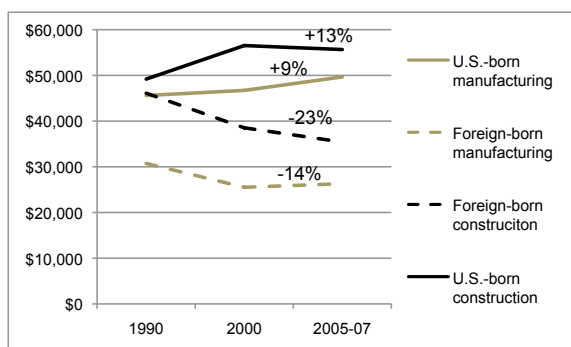


Figure 31.

FPI analysis of Census and ACS. Median annual wages of persons 16 years and older, employed full time in the civilian labor force with earnings greater than \$100. Wages in 2007 dollars.

in 2005/07 than there were in 1990, and 1,000 fewer U.S.-born workers (a decline of 2 percent). In other words, while the number of U.S.-born workers in blue-collar construction jobs decreased very modestly, the decrease is not as great as the decrease in the number of Long Island workers overall (-8 percent). The increasing share of immigrants in construction was due primarily to a growing construction sector, not to displacing of U.S.-born construction workers. (Figure 31.)

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 perhaps also restraining gains for U.S.-born workers.

In construction, a very 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 manufacturing, between 1990 and 2005/07, U.S.-born workers lost a significant number of 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 relocation away from Long Island of aerospace and other manufacturing firms.

In both industries, the wages of U.S.-born worker 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 saw stagnating wages over this period, but immigrants seem not to have played more than a minor role in the lack of wage gains. Economic polarization, manufacturing job loss, and low wages in the service occupations are due to factors independent of immigration. In construction, while it is possible that

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U.S.-born workers might have had more blue-collar construction jobs if it were not 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.

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 saw increases—starting at a fairly low level but rising significantly. U.S.-born men did less well, but still saw overall gains, although the median did not increase at nearly the rate of top earners. 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 business groups such as the Long Island Association.

Addressing the ways in which immigrants may be having a negative impact should be a

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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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Appendix

Change in annual wages

in all occupations for U.S.-born workers on Long Island

U.S.-born median annual wages	1990	2000	2005-07	Percent change 1990 to 2005-07	Share of U.S.-born in this occupation	Share of immigrants in this occupation
Executive, administrative, managerial	\$61,480	\$72,240	\$80,952	32%	16%	12%
Professional specialty (incl. doctors, engineers, lawyers)	\$76,850	\$83,076	\$91,963	20%	5%	6%
Registered nurses, pharmacists, and health therapists	\$53,795	\$62,608	\$70,833	32%	3%	4%
Teachers, professors, librarians, social scientists, social workers, & artists	\$58,406	\$56,588	\$60,587	4%	13%	6%
Technicians (incl. health, engineering & science)	\$46,110	\$54,180	\$58,980	28%	3%	3%
Sales (supervisors, real estate, finance & insurance)	\$55,332	\$60,200	\$62,084	12%	6%	6%
Sales (clerks & cashiers)	\$46,110	\$48,160	\$50,595	10%	7%	5%
Administrative support (incl. clerical)	\$33,814	\$38,528	\$40,476	20%	18%	11%
Private household & personal service	\$27,512	\$30,100	\$31,042	13%	3%	6%
Firefighters, police & supervisors of protective services	\$75,313	\$74,648	\$81,144	8%	2%	1%
Guards, cleaning, and building services	\$38,425	\$42,140	\$42,500	11%	2%	3%
Food preparation services	\$23,055	\$24,080	\$23,799	3%	3%	7%
Dental, health, & nursing aides	\$30,740	\$32,508	\$30,007	-2%	2%	4%
Mechanics & repairers	\$50,721	\$55,384	\$57,945	14%	3%	3%
Construction trades	\$53,180	\$60,200	\$62,084	17%	4%	5%
Precision production	\$53,795	\$53,096	\$54,096	1%	1%	2%
Machine operators	\$39,962	\$42,140	\$40,476	1%	1%	4%
Fabricators	\$33,814	\$37,324	\$40,247	19%	1%	2%
Drivers (incl. heavy equipment operators)	\$47,647	\$50,568	\$50,595	6%	3%	4%
Construction laborers & other material handlers	\$38,425	\$42,140	\$37,441	-3%	2%	4%
Farming, fishing and forestry	\$32,277	\$38,528	\$36,216	12%	1%	3%
Total	47,647	53,337	55,655	17%	100%	100%

FPI analysis of Census and ACS. Median annual wages of persons 16 years and older, employed full time in the civilian labor force with earnings greater than \$100. Wages in 2007 dollars.

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Unemployment rates for Long Island foreign-born workers

Foreign-born men

	1990	2000	2005-07
Foreign-born men total	3.4%	2.7%	2.9%
Less than high school	4.1%	3.2%	2.9%
High school	3.0%	3.4%	3.1%
Some college	3.6%	3.1%	2.7%
College graduate and higher	3.2%	1.6%	2.7%
Foreign-born white	2.7%	2.1%	1.8%
Less than high school	3.7%	1.6%	2.4%
High school	2.0%	2.2%	1.5%
Some college	2.5%	3.4%	1.3%
College graduate and higher	2.8%	1.3%	2.1%
Foreign-born black	5.6%	2.5%	3.4%
Less than high school	10.9%	3.4%	0.0%
High school	6.6%	5.1%	5.3%
Some college	4.1%	1.6%	2.3%
College graduate and higher	4.2%	0.6%	3.0%
Foreign-born Hispanic/Latino	4.8%	3.3%	3.0%
Less than high school	3.7%	3.6%	3.0%
High school	3.3%	4.0%	3.3%
Some college	6.3%	2.9%	3.0%
College graduate and higher	8.5%	0.6%	2.6%
Foreign-born Asian	1.9%	2.9%	3.6%
Less than high school	3.9%	1.3%	6.4%
High school	2.3%	2.4%	3.2%
Some college	1.3%	5.4%	4.9%

Foreign-born women

	1990	2000	2005-07
Foreign-born women total	4.2%	3.2%	2.9%
Less than high school	8.2%	5.4%	5.8%
High school	4.4%	4.1%	3.2%
Some college	3.6%	1.9%	2.1%
College graduate and higher	2.1%	2.2%	2.1%
Foreign-born white	4.3%	2.7%	3.8%
Less than high school	7.1%	5.0%	5.6%
High school	4.5%	3.2%	3.1%
Some college	2.8%	1.4%	3.9%
College graduate and higher	3.8%	2.4%	3.8%
Foreign-born black	2.8%	2.1%	1.9%
Less than high school	8.5%	4.8%	9.3%
High school	3.1%	3.3%	3.6%
Some college	2.2%	1.8%	0.3%
College graduate and higher	0.8%	0.9%	0.7%
Foreign-born Hispanic/Latina	6.2%	4.7%	3.3%
Less than high school	9.7%	5.9%	5.7%
High school	4.8%	5.4%	2.6%
Some college	6.8%	2.1%	2.3%
College graduate and higher	0.0%	3.4%	1.9%
Foreign-born Asian	2.7%	2.7%	2.6%
Less than high school	3.9%	1.5%	3.1%
High school	4.9%	4.1%	5.4%
Some college	3.6%	2.3%	2.0%
College graduate and higher	1.4%	2.7%	2.1%

FPI analysis of Census and ACS, adjusted to LAUS. Persons 25 to 65 years old, in the civilian labor force. In some cases sample size may be very small.

Expert Advisory Panel for FPI's Immigrant Research Initiative

Algernon Austin, director of the Race, Ethnicity, and the Economy program of the Economic Policy Institute.

Muzaffar Chishti, director of the Migration Policy Institute's office at the New York University School of Law, and former director of the immigration project at UNITE, and has written, testified, and worked extensively on immigration issues.

Gregory DeFreitas, professor of economics and director of the labor studies program, Hofstra University. He is author of *Hispanics at Work: Hispanics in the U.S. Labor Force*, and *Young Workers in the Global Economy: Job Challenges in North America, Europe and Japan*.

Maralyn Edid, Senior Extension Associate, Cornell University's ILR School, and author of reports on immigrants in upstate New York.

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Philip Kasinitz, professor of Sociology, CUNY Graduate Center, and author of *Caribbean New York: Black Immigrants and the Politics of Race* and co-author (with John H. Mollenkopf, Mary C. Waters, and Jennifer Holdaway) of *Inheriting the City: The Children of Immigrants Come of Age*.

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