

THE ROLE OF FOREIGN-BORN PEOPLE IN THE U.S. LABOR FORCE



QUICK BRIEF

METRICS AND DEFINITIONS

This brief describes the role of foreign-born people in the U.S. labor force, both historically and in the present day. The U.S. Bureau of Labor Statistics (BLS) defines a person to be “foreign-born” if they were not a U.S. citizen at the time of their birth.¹ Another way of saying this is that a foreign-born person is someone who was born outside of the U.S. (including its territories and outlying areas) to parents who were both not U.S. citizens. In this brief, we will describe the U.S. foreign-born population and labor force using data from the Current Population Survey (CPS) and American Community Survey (ACS). We will examine a number of metrics that describe labor force characteristics and/or the role of foreign-born people. Below are some key terms that will appear in the brief.

Foreign-born population share: The share of people in a population who are foreign-born (according to the BLS definition given above). Because this brief focuses specifically on labor market issues, we will limit our attention to the population ages 16 and older.

Foreign-born labor force share: The share of the labor force that is foreign-born.

Foreign-born employment share: The share of employed people who are foreign-born. This share could reflect foreign-born representation across the entire employed population or representation within a given subset (e.g., the share of employed people in a given industry or occupational group who are foreign-born).

Unemployment rate: The share of a labor force that does not have a job and is actively looking for work. For example, the foreign-born unemployment rate would be the share of foreign-born labor force participants who do not have a job and are actively looking for work.

Population age distribution: The distribution of people in a given population (e.g., foreign-born people ages 16 and older) across age groups.

Labor force participation rate: The share of people in a civilian, noninstitutionalized population ages 16 and older who are in the labor force.

Educational attainment distribution: The distribution of people in a given population across levels of educational attainment. When examining these distributions, we will be looking at foreign-born and native-born populations ages 25 and older.

Country/region of origin: The country or region where a foreign-born person was born.

Recent migrant: A foreign-born person who was living abroad one year prior to their ACS interview.

UNDERLYING DATA

The analyses presented below were almost entirely completed using microdata from the CPS. Our examination of historical trends generally covers the January 1998-October 2024 period, whereas our investigation of “current conditions” generally focuses on average values calculated using CPS monthly microdata from 2023 (the most recent calendar year for which we have 12 months of CPS data).

Our analysis of recent migrants and their region of origin (Key Finding No. 10) was done using 2006-2023 ACS microdata. Unlike the CPS, which is a monthly survey primarily designed to track the

¹ See the second paragraph in this [May 2024 news release](#) examining the labor force characteristics of foreign-born people.

labor supply characteristics of U.S. households, the ACS is an annual household survey aimed at understanding characteristics of the entire U.S. population.

All CPS and ACS microdata was obtained via IPUMS, a social/economic data curation, archiving, and dissemination program within the University of Minnesota's Institute for Social Research and Data Innovation.

KEY FINDINGS OVERVIEW

1. The foreign-born population ages 16 and older has nearly doubled in the 21st century.
2. Foreign-born people ages 16 and older are much more likely to be of prime working age.
3. Foreign-born people ages 16 and older are significantly more likely to be in the labor force.
4. Nearly 20% of the U.S. labor force is foreign-born.
5. Representation of foreign-born people in the labor force varies significantly by state.
6. Native-born and foreign-born average unemployment rates tend to be similar.
7. Foreign-born workers account for at least 25% of employment in four major occupational groups.
8. Foreign-born workers account for at least 20% of employment in seven industries.
9. Nearly 75% of foreign-born labor force participants come from just 20 countries.
10. Most recent migrants in the labor force come from Latin America or Asia.
11. Foreign-born members of the labor force are more likely to have low and high levels of educational attainment.



THE FOREIGN-BORN POPULATION AGES 16 AND OLDER HAS NEARLY DOUBLED IN THE 21ST CENTURY

Foreign-born population and labor force ages 16 and older, January 1998-October 2024

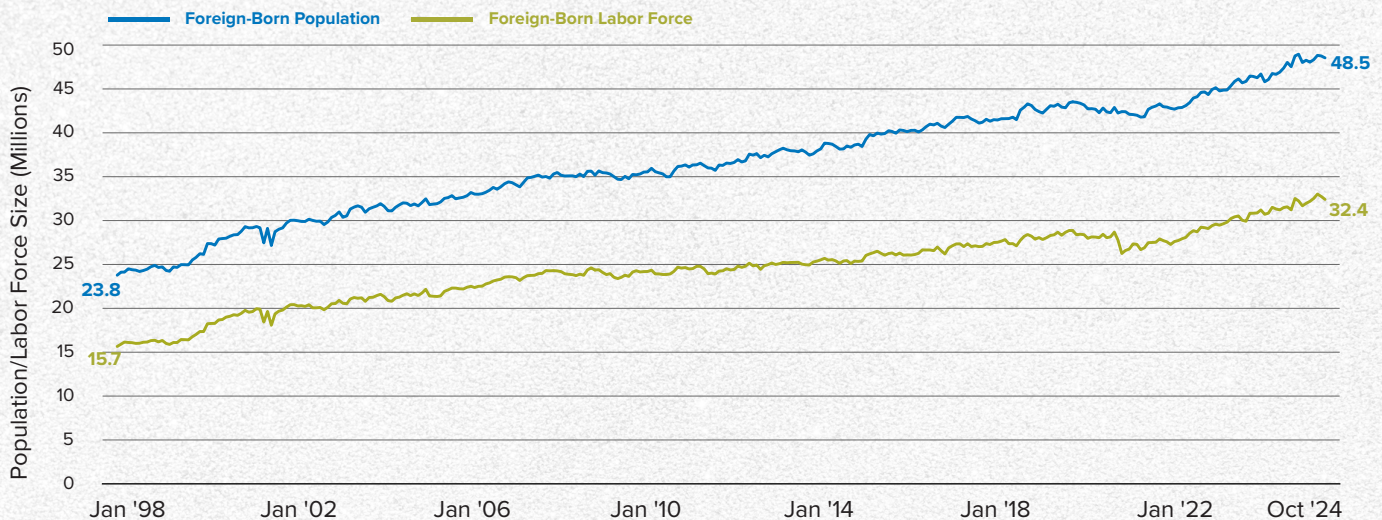


FIGURE 1

Source: Calculations based on January 1998-October 2024 CPS basic monthly microdata downloaded from IPUMS CPS (cps.ipums.org). Data is not seasonally adjusted.

In January 1998, there were about 23.8 million foreign-born people ages 16 and older living in the U.S., including 15.7 million who were in the labor force. Both of these groups have roughly doubled in size since the start of the 21st century: As of October 2024, there were roughly 48.5 million foreign-born people ages 16 and older living in the U.S., including 32.4 million who are in the labor force.²

Although the main purpose of this figure is to demonstrate the long-run trend in foreign-born population and labor force size, close examination also reveals some notable short-run patterns. For example, growth in the foreign-born population and labor force appears to slow or stall during recessions, including a prolonged period of little to no growth during the Great Recession.³ This is an intuitive result, given that the labor market typically cools significantly during economic downturns and migration to the U.S. is dominated by people seeking gainful employment.

One other short-run trend of note is the substantial growth of the foreign-born population in recent years. Interestingly, this population had actually been declining slightly in the year leading up to the pandemic, and the initial wave in 2020 did

decrease the foreign-born population further. However, by 2021, this decline had given way to an ongoing period of rapid growth. One critical consequence of this has been a surge in the foreign-born labor force, which grew by nearly 5 million people (17.7%) between January 2021 and October 2024.

² In December 1999, there were 26.1 million foreign-born people ages 16 and older living in the U.S., including about 17.3 million labor force participants.

³ According to the National Bureau of Economic Research (NBER), the Great Recession began in December 2007 and lasted through June 2009. (See [NBER's record of U.S. Business Cycle Expansions and Contractions](#).)

Takeaways/Implications

- As of October 2024, there were about 48.5 million foreign-born people ages 16 and older living in the U.S., including 32.4 million people in the labor force.
- Outside of brief slowdowns/declines during significant economic downturns/disruptions, this population has been growing continuously for decades.
- Growth has been especially strong since late 2020/early 2021, resulting in a large increase in the foreign-born labor force.

FOREIGN-BORN PEOPLE AGES 16 AND OLDER ARE **MUCH MORE LIKELY TO BE OF PRIME WORKING AGE**



The figure below compares the average age distributions of native-born and foreign-born U.S. residents ages 16 and older in 2023. The most notable difference between these two groups is that foreign-born U.S. residents are far more concentrated in the 35-54 age range and far less concentrated in the oldest and youngest age groups. As a result, nearly three-fifths (57.9%) of the foreign-born population are ages 25-54 (i.e., prime working age), compared to just 45.8% of the native-born population. Because people in this age range tend to exhibit significantly higher labor

force participation, one would expect foreign-born residents to have an outsized impact on the labor force.

Takeaways/Implications

- On average in 2023, foreign-born residents were far more likely to be of prime working age relative to their native-born counterparts.
- Compared to the native-born population, foreign-born residents were far less likely to be in the 16-24 or 65-and-older age groups.

Average 16-and-older age distribution in 2023, native-born vs. foreign-born

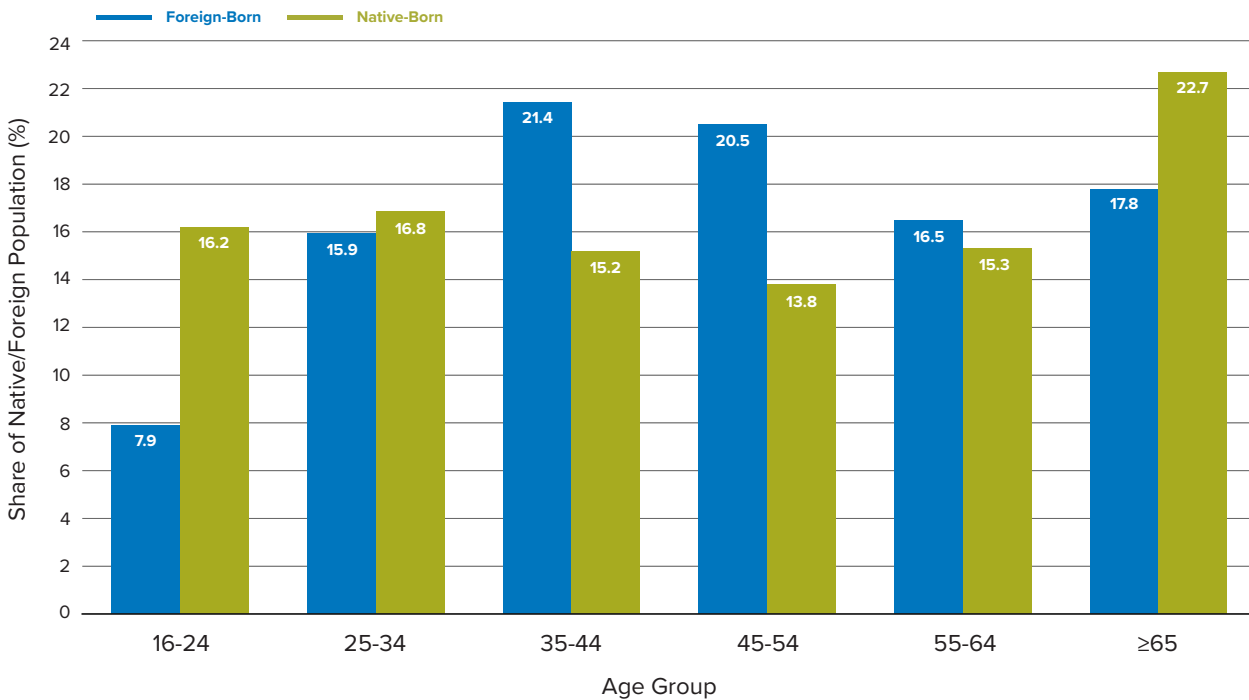


FIGURE 2

Source: Calculations based on January 2023-December 2023 CPS basic monthly microdata downloaded from IPUMS CPS (cps.ipums.org). Data is not seasonally adjusted.

FOREIGN-BORN PEOPLE AGES 16 AND OLDER ARE SIGNIFICANTLY MORE LIKELY TO BE IN THE LABOR FORCE

Native-born vs. foreign-born labor force participation, January 1998-October 2024

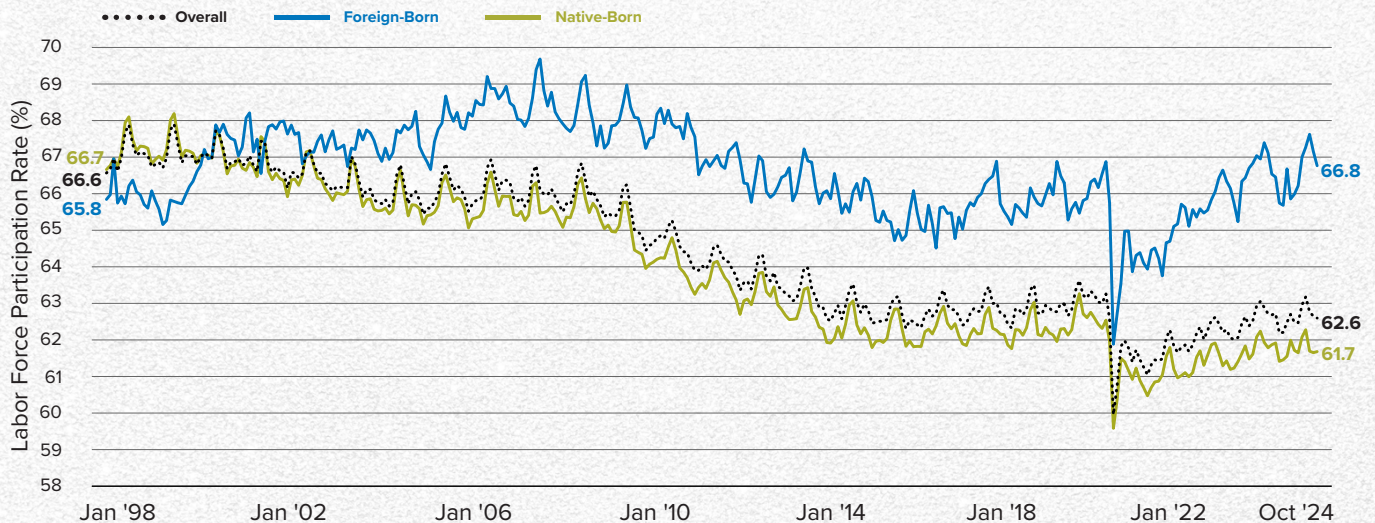


FIGURE 3

Source: Calculations based on January 1998-October 2024 CPS basic monthly microdata downloaded from IPUMS CPS (cps.ipums.org). Data is not seasonally adjusted.

At the turn of the century, the labor force participation rates of native-born and foreign-born people ages 16 and older were roughly comparable; however, in the 21st century, the native-born participation rate has fallen steadily, while the foreign-born rate has increased slightly. Consequently, the foreign-born labor force participation rate as of October 2024 (66.8%) was over 5 percentage points higher than the native-born rate (61.7%).

Although several factors likely play a role in these divergent rates, one key issue is that the native-born population has aged steadily in the 21st century, which has put downward pressure on labor force participation in this population. In contrast, aging among foreign-born residents has been dampened by a constant influx of comparatively young migrants. For this reason, immigration is often discussed as a critical tool

for meeting labor demand as the U.S. population continues to age.

Takeaways/Implications

- At the turn of the century, native-born and foreign-born U.S. residents ages 16 and older had roughly comparable labor force participation rates.
- The native-born participation rate has declined steadily over time, while the foreign-born rate has risen slightly.
- The labor force participation rate of foreign-born residents is now significantly higher than that of their native-born counterparts.
- As the U.S. population continues to age, immigration is often discussed as a key tool for meeting labor demand.



NEARLY 20% OF THE U.S. LABOR FORCE IS FOREIGN-BORN

Due to strong growth in the foreign-born population ages 16 and older and the comparatively high labor force participation rate of this population, foreign-born people now account for nearly 1 in 5 members of the U.S. labor force. This fraction is up from roughly 1 in 8 around the turn of the 21st century, though its growth has not always been consistent. For example, the foreign-born share of the labor force grew rapidly for a short period in 1999-2000, stagnated during the Great Recession, and fell somewhat between early 2019 and late 2020. After falling to 16.6% in June 2020, the foreign-born share of the labor force rose rapidly and stood at 19.2% in October 2024.

Takeaways/Implications

- At the turn of the 21st century, roughly 1 in 8 members of the U.S. labor force were foreign born (12.4% as of December 1999).
- Though growth has not always occurred at a regular pace, the foreign-born share of the U.S. labor force has risen steadily in the 21st century.
- As of October 2024, 19.2% (approximately one-fifth) of the U.S. labor force was foreign-born.

Share of labor force that is foreign-born, January 1998-October 2024

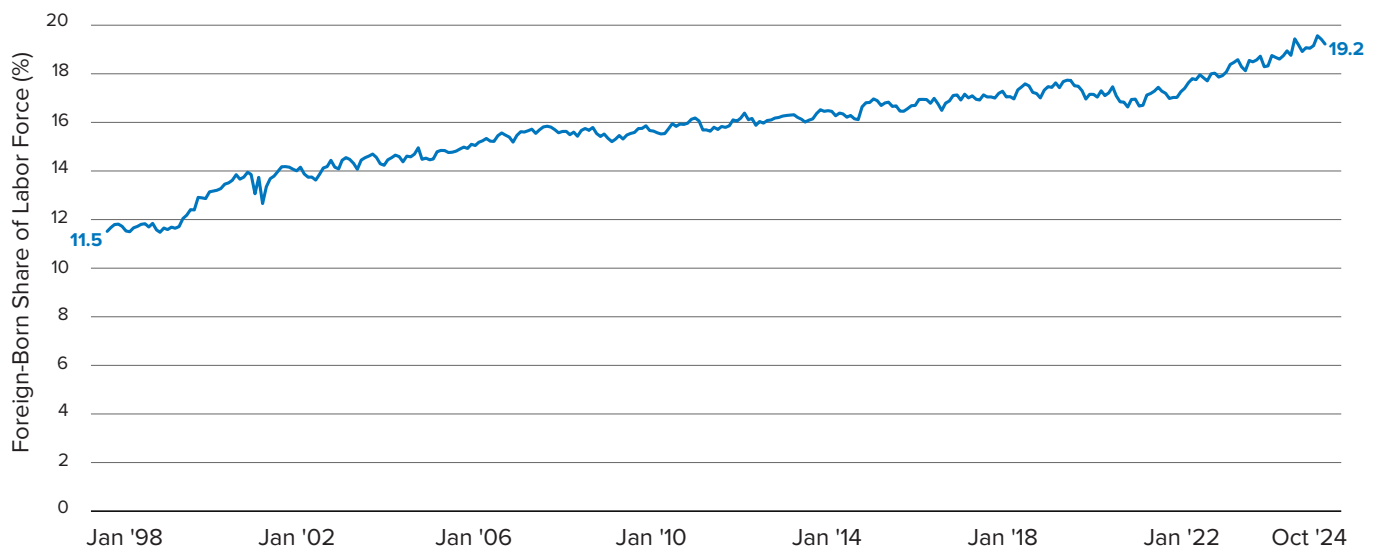


FIGURE 4

Source: Calculations based on January 1998-October 2024 CPS basic monthly microdata downloaded from IPUMS CPS (cps.ipums.org). Data is not seasonally adjusted.



REPRESENTATION OF FOREIGN-BORN PEOPLE IN THE LABOR FORCE **VARIES SIGNIFICANTLY BY STATE**

2023 average share of labor force that is foreign-born, by state

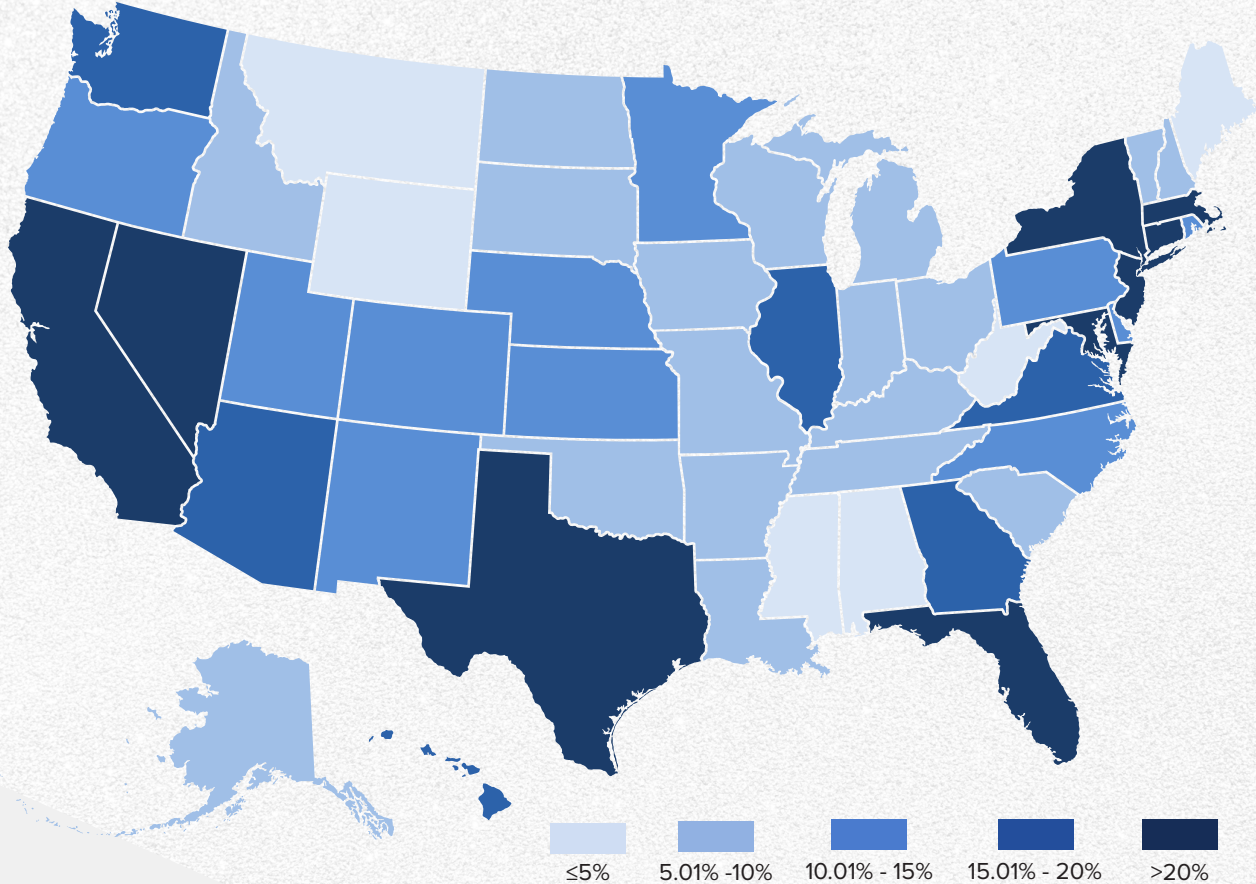


FIGURE 5

Source: Calculations based on January 2023-December 2023 CPS basic monthly microdata downloaded from IPUMS CPS (cps.ipums.org). Data is not seasonally adjusted.

Although about one-fifth of the overall U.S. labor force was foreign-born as of October 2024, this varies considerably by geographic location. Figure 5 demonstrates this fact by plotting the average foreign-born labor force share for each state in 2023. Unsurprisingly, states that have a strong historical association with immigration (e.g., California, New York, New Jersey, Texas, and Florida) tend to have very high foreign-born labor force shares; in fact, about one-third of all labor force participants in California and New Jersey were foreign-born in 2023. On the opposite end of the spectrum, there are six states in which the average foreign-born labor force share was less

than 5% in 2023, including West Virginia, which had the lowest rate at 1.97%.

Takeaways/Implications

- On average in 2023, the share of labor force participants who were foreign-born ranged from a low of 1.97% in West Virginia to a high of 33.4% in New Jersey.
- The foreign-born share of the labor force tends to be higher in states that have a strong historical association with immigration (e.g., California, Texas, and Florida).

NATIVE-BORN AND FOREIGN-BORN **AVERAGE** **UNEMPLOYMENT RATES TEND TO BE SIMILAR**

Figure 6 compares trends in native-born and foreign-born unemployment rates across time. To eliminate noisy month-to-month variation in unemployment rates, we examine the 12-month average unemployment rate for each group. In any given month, this rate is calculated as the average unemployment rate for the group in question during the most recent 12-month period.

The trends in Figure 6 demonstrate that native-born and foreign-born average unemployment rates are highly correlated. However, there are some interesting differences that stand out across time. Most notably, we find evidence that the average unemployment rate of foreign-born labor force participants slightly exceeds that of their native-born counterparts (at least briefly) during severe economic downturns (e.g., the Great Recession and the pandemic lockdown period). Conversely, the average foreign-born unemployment rate tends to fall below that of native-born labor force participants during periods of economic recovery/growth,

including most of the 2010s. As of October 2024, the 12-month average unemployment rates for these groups are roughly equal.

Takeaways/Implications

- Native-born and foreign-born 12-month average unemployment rates are highly correlated, though we do see notable differences at particular points in time.
- We find evidence that the foreign-born unemployment rate tends to rise slightly above the native-born rate during economic downturns. Conversely, the foreign-born unemployment rate tends to fall somewhat below the native-born rate during periods of economic recovery.
- As of October 2024, the 12-month average native-born and foreign-born unemployment rates were nearly identical (3.9% and 4.1%, respectively).

12-month average native-born and foreign-born unemployment rates, December 1998-October 2024

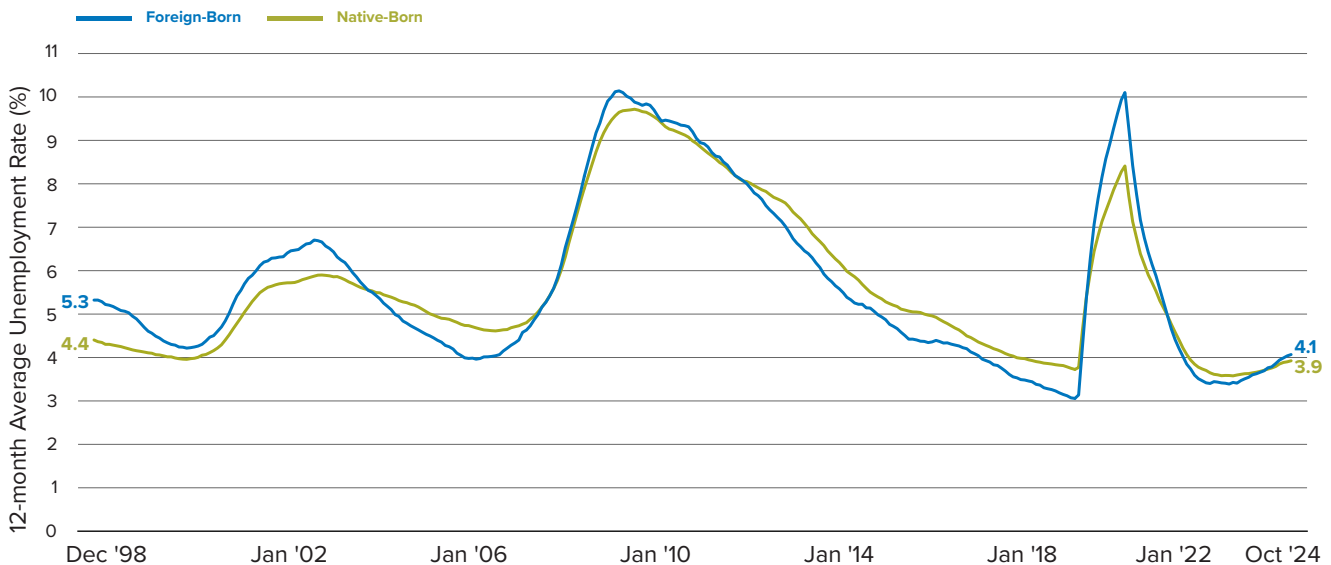


FIGURE 6

Source: Calculations based on January 1998-October 2024 CPS basic monthly microdata downloaded from IPUMS CPS (cps.ipums.org). Data is not seasonally adjusted.

FOREIGN-BORN WORKERS ACCOUNT FOR AT LEAST 25% OF EMPLOYMENT IN 4 MAJOR OCCUPATIONAL GROUPS

2023 average share of workers who are foreign-born, by major occupational group

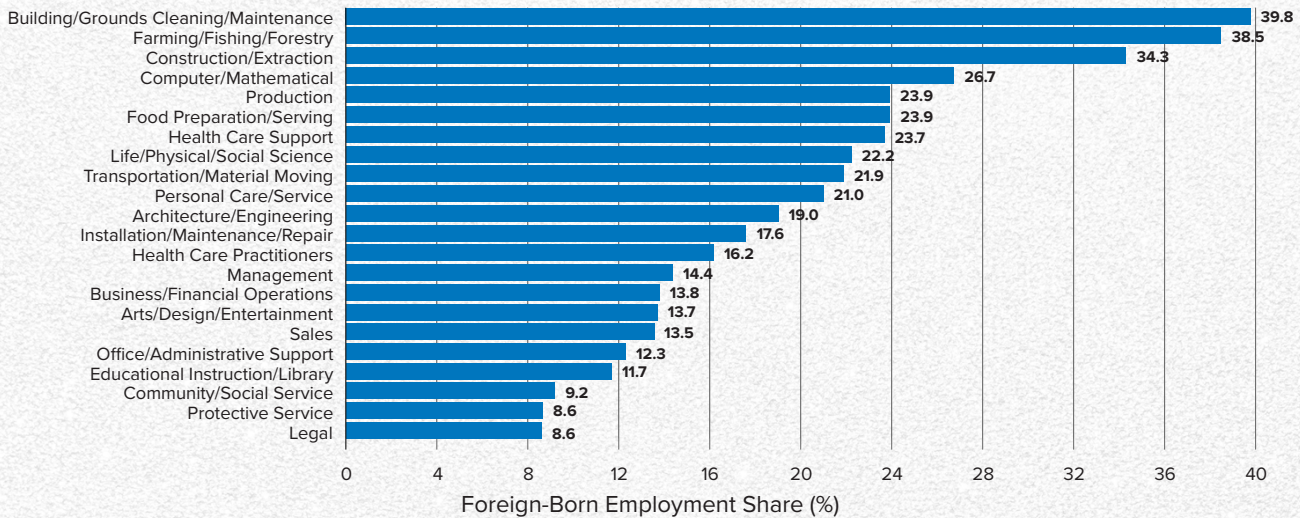


FIGURE 7

Source: Calculations based on January 2023-December 2023 CPS basic monthly microdata downloaded from IPUMS CPS (cps.ipums.org). Data is not seasonally adjusted.

Figure 7 examines the average representation of foreign-born workers across major occupational groups in 2023. On average, foreign-born people accounted for 18.6% of all workers in this year; however, representation varied significantly across occupational groups. On the high end, foreign-born people accounted for over one-quarter of employment in four major occupational groups (building/grounds cleaning/maintenance, farming/fishing/forestry, construction/extraction, and computer/mathematical). Conversely, less than 10% of workers were foreign-born in the legal, protective service, and community/social service groups.

In reviewing these findings, we see several relationships between occupational characteristics and foreign-born representation. Perhaps most notably, foreign-born workers appear to be especially common in occupational groups characterized by manual labor. However, it is also critical to emphasize that foreign-born representation is high in occupational groups that emphasize highly disparate skills. For example, the representation of foreign-born workers is just under 24% in production, food preparation/serving, and health care support, despite the fact that these groups differ markedly from

one another in a wide variety of ways. Finally, even at their lowest level of representation, foreign-born workers still account for over one-twelfth of all workers; as such, there is no occupational group in which foreign-born people account for a negligible fraction of labor.

Takeaways/Implications

- On average in 2023, foreign-born people accounted for 18.6% of workers.
- In 2023, the average representation of foreign-born workers varied dramatically by occupational group, from a high of almost 40% (building/grounds cleaning/maintenance) to a low of 8.6% (legal).
- Although there are some occupational characteristics that appear positively correlated with foreign-born representation (e.g., manual labor), foreign-born workers are well-represented in occupational groups with highly disparate skill sets.
- Even at their lowest level of representation, foreign-born workers still account for over one-twelfth of all workers.

FOREIGN-BORN WORKERS ACCOUNT FOR **AT LEAST 20% OF EMPLOYMENT IN 7 INDUSTRIES**

Figure 8 reports the average representation of foreign-born workers across major industries in 2023. As mentioned above in our discussion of foreign-born representation across occupational groups, foreign-born individuals accounted for about 18.6% of all employed people in 2023, on average; however, this varied significantly by major industry, from a low of 10% (public administration) to a high of 29.3% (construction).

As was the case in our examination of representation across occupational groups, we find evidence that major industries requiring highly manual and/or routinized labor tend to have high foreign-born representation; however, it is also true that foreign-born workers are well-represented in industries demanding very different skill sets. In fact, in 2023, there was no industry

in which foreign-born workers accounted for less than one-tenth of all workers, on average.

Takeaways/Implications

- On average in 2023, foreign-born people accounted for 18.6% of workers.
- In 2023, the average representation of foreign-born workers varied dramatically by major industry, from a high of almost 30% (construction) to a low of 10% (public administration).
- Although foreign-born representation does tend to be especially high in industries that require a high degree of manual and/or routinized labor, foreign-born people account for at least 10% of workers in every major industry.

2023 average share of workers who are foreign-born, by major industry

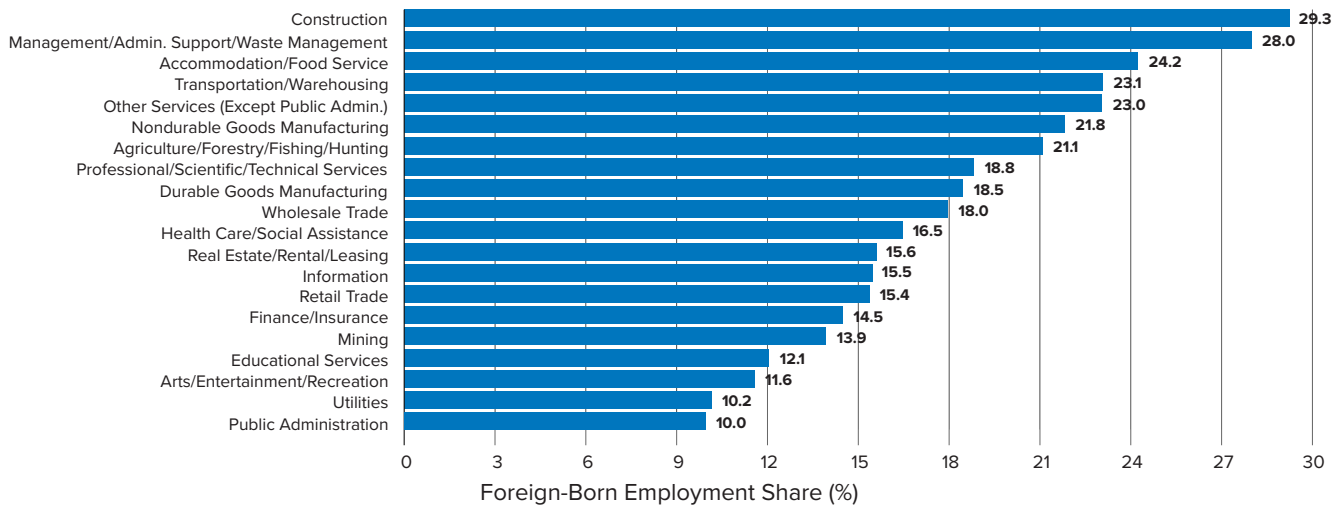


FIGURE 8

Source: Calculations based on January 2023-December 2023 CPS basic monthly microdata downloaded from IPUMS CPS (cps.ipums.org). Data is not seasonally adjusted.




NEARLY 75% OF FOREIGN-BORN LABOR FORCE PARTICIPANTS COME FROM JUST 20 COUNTRIES

The U.S. is the most popular migrant destination in the world by a wide margin, and as such, it comes as no surprise that the foreign-born U.S. labor force includes people from essentially every country on Earth. However, a handful of countries of origin are especially common. Figure 9 shows the top 20 birth countries for members of the foreign-born U.S. labor force in 2023. In this year, the average size of the foreign-born labor force was slightly less than 31.1 million, and about one-quarter of this population (approximately 7.8 million) came from Mexico. India, China, the Philippines, and El Salvador round out the top five, and Latin American countries (as defined in Figure 10) account for 11 of the remaining 15 spots. In fact, in this list, the only origin countries not in Asia or Latin America are Nigeria and Canada.

Takeaways/Implications

- With an average of nearly 7.8 million people across the year, Mexico was the country of origin for about one-quarter of foreign-born U.S. labor force participants in 2023.
- On average in 2023, 1 million or more labor force participants came from four additional countries: India, China, the Philippines, and El Salvador.
- On average in 2023, the top 10 migrant countries of origin accounted for nearly three-fifths (58%) of all foreign-born labor force participants, and the top 20 accounted for nearly 75%.
- 18 of the 20 countries listed in Figure 9 are in Latin America or Asia (the only exceptions are Canada and Nigeria).

Top 20 countries of origin for foreign-born people in the U.S. labor force, based on 2023 averages 

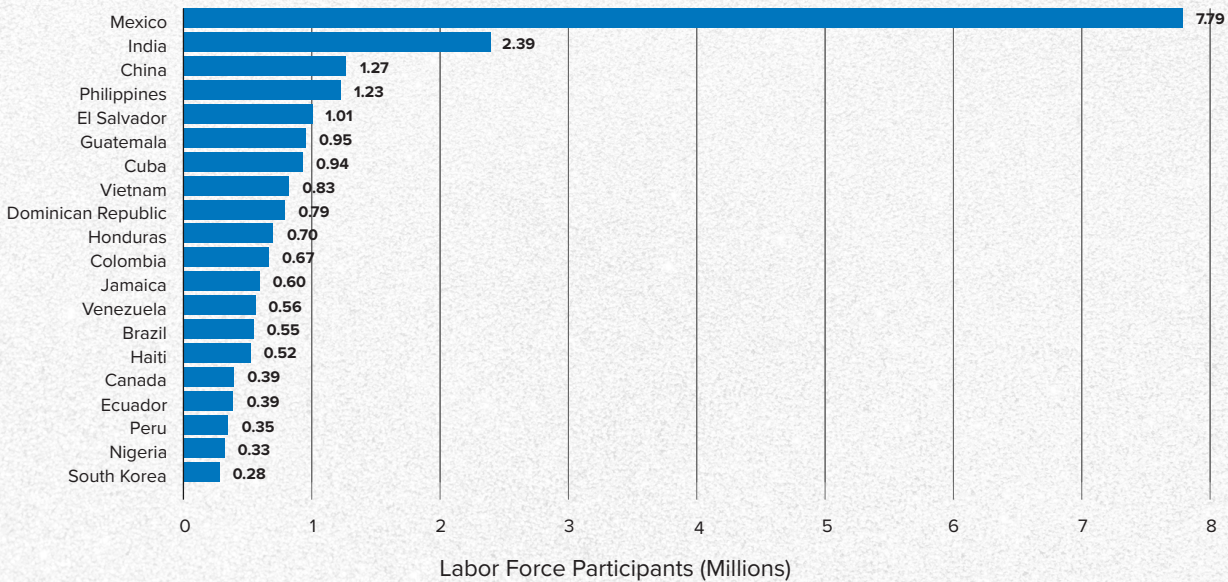
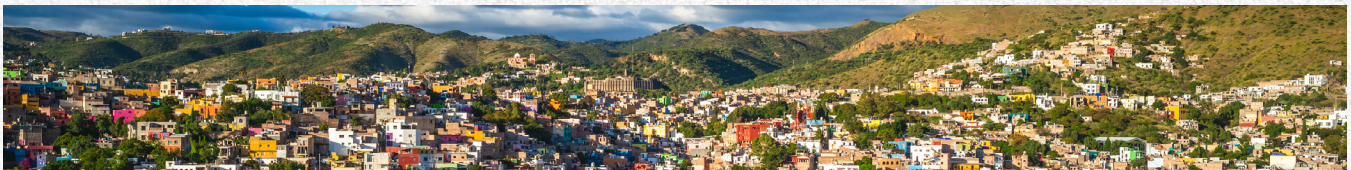


FIGURE 9

Source: Calculations based on January 2023-December 2023 CPS basic monthly microdata downloaded from IPUMS CPS (cps.ipums.org). Data is not seasonally adjusted.



MOST RECENT MIGRANTS IN THE LABOR FORCE COME FROM **LATIN AMERICA OR ASIA**

Figure 9 examined the origin countries of all foreign-born labor force participants, regardless of year of entry. If we restrict our attention to recent migrants ages 16 and over who are labor force participants (a group we will henceforth refer to as “recent migrants” for brevity), we find that Latin America and Asia account for the vast majority (roughly 70% to 80%) of inflows in any given year during 2006-2023. Figure 10 shows that people from Latin America represented an absolute majority of recent migrants in 2006; however, Asia’s importance grew in the late 2000s, and for several years in the 2010s, a plurality of recent migrants came from this region. Even so, in the pandemic and post-pandemic era, Latin America has re-emerged as the most common region of origin, with 51.4% of recent migrants coming from there in 2023.

Although not shown in Figure 10, a closer look at flows from individual countries reveals that more recent inflows of migrants tend to be more dispersed across origin countries. For example, in 2006, over a third of recent migrants came from

Mexico, and only four countries (Mexico, India, the Philippines, and China) accounted for just over half of all recent migrants. Flashing forward to 2023, Mexico still ranked first but only accounted for about 13.3% of recent migrants. Furthermore, the top four countries in this year (Mexico, India, Venezuela, and Brazil) only accounted for 30.9% of all recent immigration.

Takeaways/Implications

- In any given year during 2006-2023, 70% to 80% of recent migrants ages 16 and older who participate in the U.S. labor force were from Latin America or Asia.
- During many years in the 2010s, a plurality of recent migrants ages 16 and older who participate in the U.S. labor force were from Asia.
- In recent decades, recent migrants ages 16 and older who participate in the U.S. labor force have generally been increasingly dispersed across more countries of origin.

Distribution of recent migrants ages 16 and older in the U.S. labor force across region of origin, 2006-2023

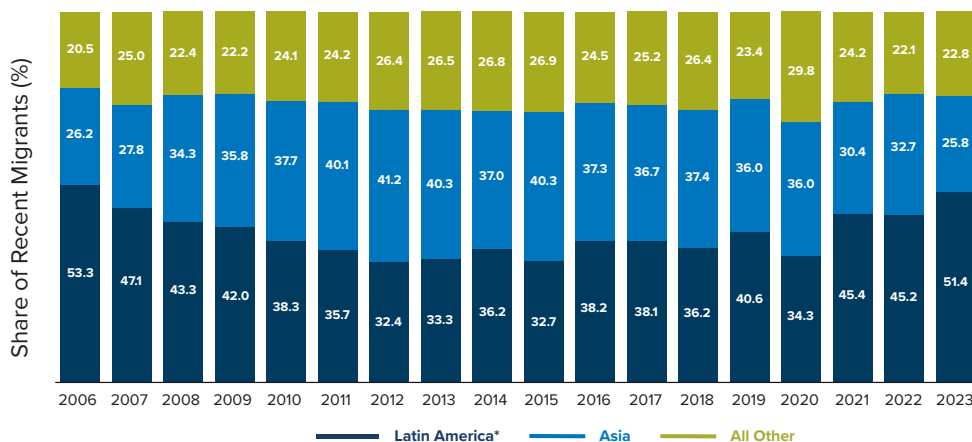


FIGURE 10

Source: Calculations based on 2006-2023 ACS microdata downloaded from IPUMS USA (usa.ipums.org). Sample limited to foreign-born labor force participants ages 16 and over. A “recent migrant” is any foreign-born person who was living abroad one year prior to their ACS Interview.

*For the purposes of this exercise, “Latin America” is defined as the union of Mexico, Central America, the Caribbean, and South America.



FOREIGN-BORN MEMBERS OF THE LABOR FORCE ARE MORE LIKELY TO HAVE **LOW AND HIGH LEVELS OF EDUCATIONAL ATTAINMENT**



Foreign-born labor force participants differ from their native-born counterparts across a wide variety of demographic and socioeconomic dimensions. For example, we have already discussed the fact that foreign-born people are far more likely to be in their prime-working-age years. Another key difference relates to educational attainment among foreign-born and native-born labor force participants ages 25 and older, as shown in Figure 11. Perhaps the most notable difference between these two groups is that on average in 2023, the foreign-born labor force ages 25 and older was far more likely to have less than a high school education, and far less likely to have any level of undergraduate education, up to and including a bachelor’s degree. Having said that, the same foreign-born population was also notably *more* likely to have a graduate/

professional degree. In other words, relative to their native-born counterparts, foreign-born labor force participants are more likely to lie at the extreme ends of the educational distribution.

Takeaways/Implications

- On average in 2023, foreign-born labor force participants ages 25 and older were far more likely to have less than a high school education and far less likely to have any level of undergraduate education, up to and including a bachelor’s degree.
- In the same year, foreign-born labor force participants ages 25 and older were also somewhat more likely than their native-born counterparts to have a graduate/professional degree.

Average education attainment in 2023, native-born vs. foreign-born labor force ages 25 and older

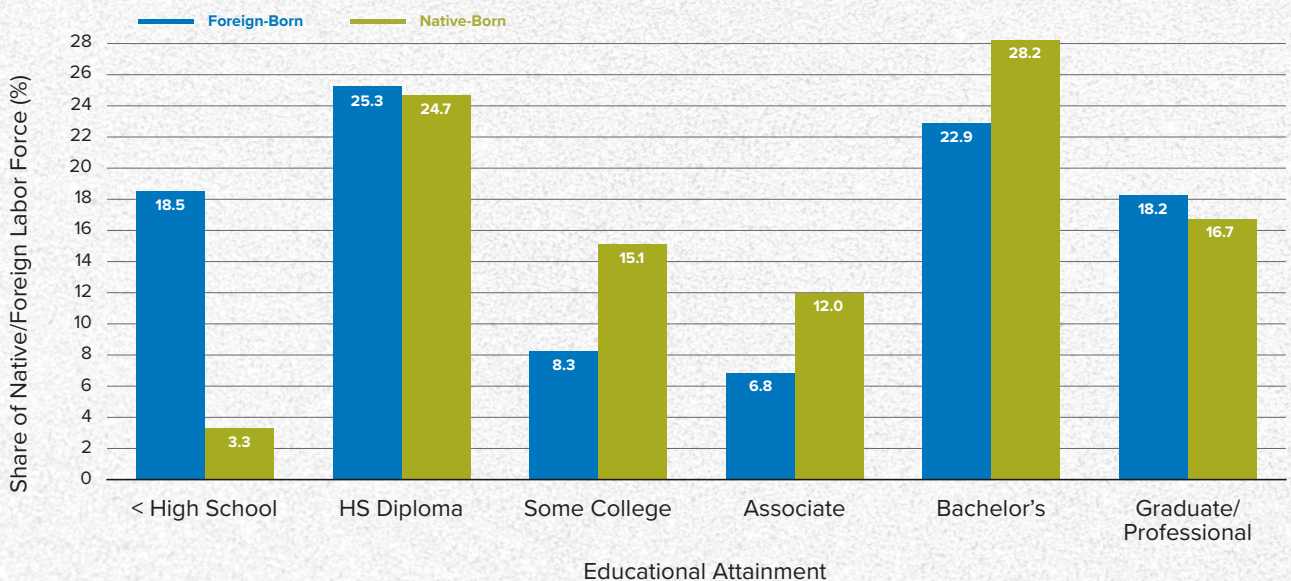


FIGURE 11

Source: Calculations based on January 2023-December 2023 CPS basic monthly microdata downloaded from IPUMS CPS (cps.ipums.org). Data is not seasonally adjusted.

CONCLUSION

Foreign-born migrants have always represented a key part of America's workforce, though the size and characteristics of this population have varied considerably over time. As of October 2024, there were nearly 50 million foreign-born people ages 16 and older living in the U.S., including 32.4 million labor force participants and 31.1 million people with a job. It is well known that certain states, industries, and occupational groups are particularly reliant on the labor supplied by foreign-born migrants; however, the more compelling finding in this brief may be the fact that there are very few parts of the U.S. workforce in which foreign-born people do not make substantial contributions. Given rapid aging in the domestic population and a persistent labor shortage that predates the pandemic, it seems likely that these contributions will only grow as U.S. employers cast an increasingly wide net to find the skilled workers they need to be competitive in the global economy.

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U.S. Census Bureau. American Community Survey (ACS) 1-year samples covering 2006-2023. Data downloaded from IPUMS USA, University of Minnesota, www.ipums.org.



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