



Boston's Immigrants: An Essential Component of a Strong Economy

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Boston Immigrants

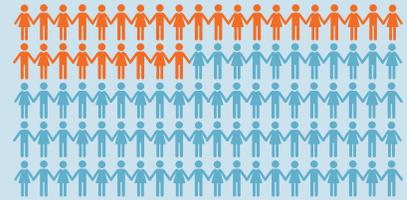


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Boston immigrants are settled members of our community. They are just as likely to be married and have children as are natives, and

68% have lived in the United States for 11 years or more.

60% of immigrants are married, and 43% have children living with them. In comparison, among natives: 50 percent are married and 31 percent have children living at home. Half of Boston area immigrants are U.S. citizens.



Immigrants make up

29%

of the **adult working age** civilian population in the Boston area.



Private households
57%



Hotels and Motels
56%



Home Health
53%



Restaurants and Bars
48%



Nursing Homes
47%



Administration and Support
42%



Manufacturing
35%



Transportation Warehousing
48%



Construction
31%



Hospital
29%

Many industries in Boston are heavily dependent on immigrants – **in 18 industries immigrants constitute**

20% or more of the workforce.

41%

of immigrants have a **college degree** or more advanced education, while it is also the case that 40 percent have only a high school degree or less (compared to 22% for natives)



Birthplace of Boston Area Immigrants

Country or region	Immigrant population*
China and Taiwan	13%
India	6%
Rest of Asia	13%
Middle East	3%
Central America	10%
Caribbean	15%
South America	13%
Europe	14%
Africa	10%
North America	2%

In 2015,

54%

of working age people moving into the Boston area were immigrants, and two-thirds of them came directly from abroad.



The median annual earnings of employed immigrants in 2014 and 2015 was **\$36,303**, compared to **\$51,064** for natives.



38%

of immigrants reported that their **English language skills are poor.**



Executive Summary

Immigration is a controversial topic in the public discourse today. Are we a stronger nation and economy because of our historic openness to immigration or should we close the borders and restrict access? What would happen to the economy if we took these steps, and what would be the impact on jobs, employers and economic growth?

The goal of this report is to answer these questions for the Boston area. We will see that our economy and our firms depend heavily on immigrants, and the implications of restricting immigration are grim indeed.

America is a nation of immigrants, as is Massachusetts and the Boston area even more so. In 2015, immigrants accounted for 13 percent of the United States civilian population, yet they represented 16 percent of the Massachusetts civilian population and 22 percent of the Boston area civilian population. Even more strikingly, immigrants make up 29 percent of the adult working age civilian population in the Boston area.

If immigrants represent a large fraction of the people in the Boston area, then it makes sense to expect that they are important to the local economy. This report addresses this, but does so by focusing on a narrow version of the question – how do immigrants contribute to the workforce of the employers in the region? The many other contributions of immigrants to our economy—such as their consumption of goods and services and their entrepreneurial energy—will be left to another investigation.

The findings in this report are based on an analysis of large scale surveys conducted in 2014 and 2015 and additionally on interviews with employers that we conducted during the winter of 2017. Details on the surveys and how we organized the data are provided in the box on methods below.

Some of the highlights of our findings are:

- Boston immigrants are settled members of our community. They are just as likely to be married and have children as are natives, and 68 percent have lived in the United States for 11 years or more.
- Boston's immigrants come from all parts of the world. For example, 32 percent are from Asia and 25 percent are from the Caribbean and Central America.
- Boston's immigrants constitute 27 percent of employees aged 25 to 64. Many industries are heavily dependent on them, and in 18 industries immigrants constitute 20 percent or more of the workforce. For example 22 percent of employees in professional, scientific, and technical industries, 56 percent of employees in hotels and motels, 53 percent of employees in home health, and 29 percent of employees in hospitals are immigrants. The Boston region could not succeed economically nor provide goods and services to its citizens without the contribution of the region's immigrant employees.
- Employers speak highly of the contributions of immigrants to the success of their firms and express concerns that immigration may be curtailed.
- Immigration is a key source of growth for our workforce. In 2015, a remarkable 54 percent of working age people moving into the Boston area were immigrants, and two-thirds of them came directly from abroad.
- Despite the central role of immigrants in our workforce, significant challenges to fulfill the true potential of immigrants remain. Too many immigrants have low earnings and low levels of education. Policies to address these challenges are important.

METHODS

All of the data analysis in this report (with exception of explicit references to other people's research) are based on our analysis of the American Community Survey (ACS). The ACS is a large scale representative survey conducted every year by the Bureau of the Census and, because of the sample size, is the best source for detailed analysis of geographic areas. In 2015 the survey collected national data on 2.3 million people not living in institutions (i.e., penal, aged, or mental institutions and not on active duty in the military) and over 42,000 in Massachusetts. In order to boost sample size for an even smaller geographic area—the Boston labor market—we generally combine the data from the 2014 and 2015 surveys. The exception to this is when we report absolute numbers—such as the number of immigrants living in the Boston area or moving into the area in a given year—and in this case we use the 2015 data. But for percentages we report the combined years, a procedure which increases our statistical confidence in the findings.

A natural question is whether these data capture undocumented immigrants. The leading source of expertise on this question is the PEW Research Center on Immigration, the organization that is the “go-to” source of data on the extent of undocumented workers in America (<http://www.pewresearch.org/topics/immigration/>). PEW believes that the ACS does indeed interview undocumented workers but that they are also undercounted—the extent to which undocumented workers are missed is currently between five percent and seven percent.¹ In other words, our estimates of the size of the immigrant population should be increased by this amount.

We exclude people in the military and those living in institutions from our analysis. In order to avoid confounding our findings with the large number of international college students in the region, we limit our analysis to people between the ages of 25 and 64.

We focus most of our work on the Boston area labor market or what is termed the “commuting zone.” Commuting Zones are calculated throughout the country by the Federal government.² In the case of Boston, this zone includes all of Suffolk and Middlesex counties and portions of Plymouth and Norfolk counties. For those interested in details, the so-called PUMA (Public Use Microdata Areas) codes we use are reported in the endnote below.³

We conducted interviews with a number of employers in the region and asked about the importance of immigrants in their workforce and the challenges the firms would face if immigration was restricted.

The Immigrant Community

The data make it clear – immigrants are central to our communities. That said, this report has a tighter focus: it aims to understand the importance of immigrants in the labor market and to our employers. The remainder of this report is entirely about immigrants (and natives) who live in the Boston commuting zone and are between the ages of 25-64 years old. Immigrants constitute 29 percent of this age group in this region.¹ Who are they?

In important respects, immigrants are just like natives. The median age of immigrants is 42 years old, while the median age of natives is 44. Fifty-one percent of the native population are women, and for immigrants the proportion is exactly the same. And, as we will see momentarily, immigrants are more likely than natives to be married and to have children.

The charts below tell us where Boston's immigrants come from. It is apparent that immigrants are diverse in their origins. One notable point is that while those born in Mexico constitute 29 percent of the immigrant population for the United States as a whole, in Boston Mexicans only make up a bit over one percent of immigrants.

1 As the text indicates, the remainder of the report refers to people age 25-64 in the Boston commuting zone. Except for the section below on numbers of people who migrate into the commuting zone each year the findings we present use the combined 2014 and 2015 ACS. The in-migration section uses only 2015. And, as has been true throughout the report, only the non-institutional civilian population is considered.

TABLE 1. BIRTHPLACE OF BOSTON AREA IMMIGRANTS

Country or region	Percent of Boston area immigrant population
China and Taiwan	13%
India	6%
Rest of Asia	13%
Middle East	3%
Central America	10%
Caribbean	15%
South America	13%
Europe	14%
Africa	10%
North America	2%

Source: American Community Survey. See methods box.

Boston’s immigrant population is very rooted in the community. This is not a transient group. Among natives, 50 percent are married and 31 percent have children living at home, whereas for immigrants the figures are actually higher: 60 percent and 43 percent respectively.

The settled nature of Boston’s immigrant community is even more apparent when we consider data on how much time they have lived in the United States (the survey captures time in the country but not time in the region where they currently live). Over two-thirds of immigrants have lived in the United States for more than ten years. Half of Boston area immigrants are U.S. citizens.

TABLE 2. YEARS OF RESIDENCE IN THE UNITED STATES AMONG BOSTON AREA IMMIGRANTS

Number of years	Percent of Boston area immigrant population
0-5 years	17%
6-10 years	15%
11 or more years	68%

Source: American Community Survey. See methods box.

Immigrants at Work

How important are immigrants to the Boston area workforce and, by extension, to the region’s employers? The answer is straightforward—they are essential. More than one in every four employees aged 25-64 in the Boston region—27 percent—were born abroad. Furthermore, 67 percent of immigrants who work are employed both full time (35 or more hours a week) and full year (50 or more weeks per year). This is only slightly below the rate of natives.⁴

Immigrants work in all corners of the Boston area economy. The breadth of immigrant inclusion in the economy should not be surprising because immigrants are diverse, just as are natives, in their educational background. For example, 41 percent of immigrants have a college degree or more advanced education, while it is also the case that 40 percent have only a high school degree or less (we will discuss education in more detail below).

While there is no occupation or industry that does not employ immigrants, they are clearly essential in some sectors. There are some occupations and industries which are deeply dependent on immigrants. The charts below show the occupations and the industries for which immigrants constitute at least 20 percent of the workforce.

TABLE 3. BOSTON AREA INDUSTRIES AND THEIR IMMIGRANT WORKFORCE

Industry	Percent of industry workforce staffed by immigrants
Private Households	57%
Hotels and Motels	56%
Home Health	53%
Restaurants and Bars	48%
Nursing Homes	47%
Administration and Support	42%
Manufacturing	35%
Other Services	34%
Transportation and Warehousing	33%
Construction	31%
Hospitals	29%
Retail Trade	26%
Child Care	26%
Management of Enterprises	23%
Medical Offices	22%
Professional, Scientific, Technical	22%
Wholesale Trade	22%
Individual and Family Services	22%

Source: American Community Survey. See methods box.

TABLE 4. BOSTON AREA OCCUPATIONS AND THEIR IMMIGRANT WORKFORCE

Occupation	Percent of occupation workforce staffed by immigrants
Maids, Janitors, Buildings and Grounds	64%
Cooks	60%
Production	46%
Child care, personal care aides	45%
Health Care Support	43%
Food serving, dishwashing, food prep	41%
Construction and Extraction	37%
Material Moving and Transportation	37%
Computer, Engineering, Science	34%
General personal care	32%
Doctors, dentists, pharmacists	31%
Retail sales	22%
Installation, Maintenance, Repair	22%
Community and Social Service	22%
Sales, not retail	22%
Office and Administration	22%

Source: American Community Survey. See methods box

The story told by these data is clear. In industries ranging from caregiving to hospitality to production, immigrants are deeply embedded in the workforce. And, similarly, in occupations ranging from the most technical to the relatively humble, immigrants are essential. It would not be much of a stretch to say that the Boston region could not succeed economically nor provide goods and services to its citizens without the contributions of the region's immigrant employees.

Voices of Employers

The statistics in this report constitute compelling evidence of the centrality of immigrants to the Boston area economy. That said, direct testimony from our region's employers makes the point even more vividly.

We interviewed four employers whom taken together represent the range of jobs held by immigrant employees. We talked to a major teaching hospital, a long term care facility, a bank, and an electronics manufacturer. Each of these firms told us that immigrants constitute a large and essential part of their workforce. Beyond this central point, each employer had a somewhat different angle on the importance of immigrants to their business.

In our conversation with the hospital, we focused on a sub-group: people who come to the Boston area on visas to work for a specific period of time. The hospital employs nearly 700 of these visa holders, of whom nearly 90 percent are either researchers or physicians. The manager responsible for immigration services in the hospital was clear that patients and medical research would suffer should it become more difficult for visa holders to travel to Boston. They are already constrained, as are other hospitals and academic institutions, by a temporary halt on premium H-1B servicing (pay for expedited H-1B visas), a necessary tool in the market for the highly specialized skills of international physicians and researchers. The manager noted that plans for an upcoming round of visiting fellows have been jeopardized. Disruptions in this industry would go beyond the initial hiring of immigrants if travel restrictions are established; employees would be prevented from traveling to participate in industry conferences and receiving or visiting family, otherwise facing the possibility of not being able to return.

The nursing home offers a view of a different segment of the labor market. The work of Certified Nursing Assistants (CNA) is challenging, physically difficult, and often stressful because the residents are very disabled. The CNAs are almost entirely immigrants, and the manager we spoke to has been there long enough to see the transition from a largely Irish workforce to one today that is predominantly Haitian. The industry association—Massachusetts Senior Care Association—is working to make the case to national policy makers that restrictive immigrant policies would deal a serious blow to the residential care facilities and consumers. Though this nursing home works hard to reduce turnover, the manager noted that the industry as a whole—dependent and tied to fixed reimbursement rates—is highly dependent on a willing immigrant workforce to conduct the demanding work.

If the nursing home has seen different immigrant waves over time, the experience of the manufacturing firm represents a different kind of shift. Historically, this plant staffed itself by recruiting from the region's vocational high schools and technical schools. However, as this source dried up, largely because parents no longer wanted their children to go into manufacturing, immigrants filled the gap. Adding to this, the coming retirement wave of baby-boomers will create an even greater need for new immigrants. The plant manager observed that many immigrant workers who fill these positions end up staying for years or even decades, making plant-wide decisions regarding training or other investments easier to forecast.

The bank experience adds a different twist to the central role of immigrants. They staff teller positions and are key to helping the bank serve a diverse customer base, a base that often wants to interact with people who speak their language. The manager with whom we spoke described how having a diverse front-line staff is central to helping the bank address the generally poor customer service ratings that plague the industry. Along strategic lines, this also helps the bank maintain its attractiveness to clients during periods of economic uncertainty or when expanding service to local communities of diverse backgrounds.

In addition to these different angles on the importance of immigrants to their workforces, our interviewees also articulated some shared perspectives. A common thread found throughout is that the immigrant workforce is important to employers because of their critical role in helping organizations achieve their strategic goals. Research departments at the hospital, for instance, rely upon immigrant workers who bring specialized training in niche areas of expertise in order to effectively conduct life-saving research. The bank sees immigrant workers as crucial to their ability to adapt as the cities and neighborhoods it serves undergo change, sometimes rapidly so in light of global drivers of migration. The manager of the electronics plant said that the diverse, inclusive nature of the workplace and the firm's emphasis on teamwork regularly produces new, creative ideas among its long-term employees that have been a real source of leverage in

improving production. In other words, there is true value to Boston area employers of having a diverse workforce. It's important to note that while these organizations benefit, so too do are all those who rely upon, purchase, or consume the goods and services that they produce.

The bottom line from our conversations was clear. For different reasons but with a unified voice, employers believe that Boston's immigrants are an essential component of their workforce and key to the success of their enterprises.

Immigration and the Future of Our Workforce²

The centrality of immigrants to the Boston area labor market, and Boston area employers, lies not only in what they are doing today but also in their contribution to the growth of our economy. As noted in the introduction, immigrants contribute to this growth in many ways, ranging from the simple—purchases of goods and services—to the complex: entrepreneurial energy and ideas. Here we ask a different question: as our economy grows, employers will need to find new workers. Where will they come from?

If we think about the potential workforce between ages 25 and 64, any increase in that group can only come from two sources: people aging into it (e.g. younger people aging) and in-migration from outside the area. The “aging in” portion is of course offset by those who age out, and as the baby boom generation gets older this will outweigh the “aging-in” source of growth. Of course, people over the age of 64 can also keep working. But their labor force participation rate is well below that of younger people.⁵ Even accounting for older people working, it is clear that in-migration will be an essential component of our growth.

In-migration can come either from natives who move into the region or else from immigrants. The table below asks about the flow of movers in 2015 (age 25-64) into the Boston region from outside of Massachusetts.

TABLE 5. IN-MIGRATION TO THE BOSTON AREA FROM OUT-OF-STATE, AGES 25–64, 2015

In-Migration	Number/Percent
Total number people moving into the Boston commuting zone	61,801
Number of people moving into the Boston commuting zone who were foreign born	33,600
Share of people moving in who were foreign born	54.3%
Share of foreign born moving in who come directly from abroad	59.0%

Source: American Community Survey. See methods Box

These data are striking. Whereas immigrants account for 29 percent of the 25-64 year old population, in 2015 they constituted substantially over half of the people moving into the region from out of state. And, even more striking, almost two thirds of these immigrants came directly from abroad (as opposed to first moving into another state and then coming here). Without doubt, the future growth of our region's workforce will depend heavily on an inflow of immigrants.

² Recall that the data in this section on immigration and the future of the workforce utilizes only the 2015 ACS survey.

The data just presented refers to the region of central interest in this report, the Boston commuting zone. However, an additional potential source of labor force growth for that zone is possible movement of people from other cities in Massachusetts to the Boston region. With this in mind, the table below repeats the same exercise for the entire State. The conclusion is the same. The growth of the working age population in Massachusetts as a whole depends heavily on the inflow of immigrants, and the majority of immigrants come to us directly from abroad.

TABLE 6. IN-MIGRATION TO MASSACHUSETTS FROM OUT-OF-STATE, AGES 25-64, 2015

In-Migration	Number/Percent
Total number of people moving into MA	97,477
Number of people moving into MA who were foreign born	46,326
Share of people moving into MA who were foreign born	47.5%
Share of foreign born moving in who came directly from abroad	61.4%

Source: American Community Survey. See methods box.

Challenges and Opportunities

As we have seen, immigrants are essential to the Boston area employer community, and, by extension, to the economy. Furthermore, they work in all corners of the economy – from highly professional and technical positions to essential service work. Despite this deep integration into our economy, important challenges remain. These can be seen in the following indicators:

- The median annual earnings of employed immigrants in 2014 and 2015 was \$36,303 compared to \$51,064 for natives.
- Thirty percent of employed immigrants earned \$25,000 or less per year compared to 18 percent of natives.
- These earning patterns vary with the origin of immigrant groups. For example, the median earnings of immigrants from India and China was \$48,404 compared to \$29,244 for immigrants from the Caribbean and Central America.
- Forty percent of immigrants have no more than a high school education compared to 22 percent for natives.
- Thirty-eight percent of immigrants reported that their English language skills are poor.

These data point to the need for on-going efforts to enable immigrants (and, it must be said, many natives) to improve their skills. The data also suggest that it is important that, as much as possible, employers create career ladders so that immigrants (and natives) in entry-level positions can move up and improve their earnings and career prospects.

An example of what is possible was found in the nursing home we visited. The CNA position is generally low paid and very physically challenging. Working with Jewish Vocational Service, the firm is providing cross-training to CNAs, offering tuition assistance, and working to open up channels for upward mobility within the nursing home. It is important that initiatives along these lines be supported at a much larger scale throughout our labor market.

At the same time, the employers we spoke with mentioned the various ways in which their organizations are involved in efforts to address some of these challenges. Industry-wide associations in health care and manufacturing are equipping workers with language skills and other forms of training. Others have stepped in to assist workers with immigration matters such as visa renewals and travel. One manager we interviewed spoke of the importance of public policies that could both encourage and guide employers to more effectively assist immigrants—policies, for example, that can help employers connect members of their immigrant workforce to resources for skill-building. Clearly, our interviewees see such investments as important, not only for the individuals who occupy jobs within their organizations, but also, as we have described earlier, to their respective organizations more generally.

Conclusion

We have shown that immigrants in the Boston region are a large and settled community who come from all points in the globe, that they constitute a large proportion of the Boston region workforce, that many industries are heavily dependent upon them, that employers understand how important they are to the success of their firms, and that our future growth relies on a continuing inflow of immigrants. What this adds up to is that not only should Boston, and by extension Massachusetts and the United States, welcome immigrants on simple human grounds, but also that it is in all of our economic self-interest to do so.

Having said this, we also have shown that we should not rest easy. While immigrants are fully integrated into our economy, they nonetheless fare less well than natives on average, and much of this disparity is due to lower education levels, less comfort with English, and lack of career ladders in some employment settings. The good news is that we understand how to address these challenges and there are best practice models we can draw on. What is needed is the will and resources to do so, and it is our hope that this report can play some role in bringing this commitment to bear. We will all be better off.

1 Jeffrey Passel and D'Vera Cohn, "Methodology", Philadelphia: Pew Research Center, September 20, 2016 (<http://www.pewhispanic.org/2016/09/20/methodology-10/>)

2 <https://www.ers.usda.gov/data-products/commuting-zones-and-labor-market-areas/>

3 PUMA codes:
03306, 00501, 00502, 00503, 00504, 00505, 00506, 00507, 00508, 02800, 03400, 03500, 03601, 03602, 03603, 03900, 04000, 04902, 04903

4 The native rate is 72 percent

5 In the Boston commuting zone 79.2 percent of those age 25-64 are employed compared to 30.9 percent of those age 65 to 74.



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