

Skill Underutilization in the United States: *Problem and Solutions*

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Skilled Immigrants in the United States: Professionals and Innovators

About 6 million college-educated immigrants in US labor force:

- 30% of all immigrants (vs. 21% in 1990)
- 15% of all college-educated (vs. 8% in 1990)

Among employed, skilled immigrants are:

- 1 in 4 physicians
- 1 in 2 medical scientists
- 1 in 3 computer specialists
- 1 in 5 postsecondary teachers



Skilled Immigrants as Professionals and Innovators

Immigrants in the United States have accounted for:

- ✓ 26% of US Nobel recipients from 1990 to 2000
- ✓ 25% of founders of public venture-backed US companies in 1990 to 2005
- ✓ 25% of founders of new high-tech companies with \$1M+ in sales in 2006



Why Focus on Highly Skilled Newcomers in the US? Why Now?

- Social and economic costs incurred by immigrants and their families, including the most vulnerable groups such as refugees
- Losses in productivity and costs to the economy

At what cost?

AU\$150-350 million in 1990

CAN\$3-5 billion per year

US: no estimates

- Ability to *attract* skilled immigrants and *integrate* them successfully – as an important economic and political advantage in a global race for human talent.
- Not a zero-sum game



Skilled Immigrant Integration in the US: Why Should Society Care?

- Leverages foreign-funded educational investments
- Maximizes the skill use of immigrants already in the country
- Raises worker productivity, increases tax yields, and decreases reliance on public benefits
- Helps US compete for global talent
- Creates a new generation of immigrant leadership
- Increases economic and social remittances to migrant-sending countries



Skilled Immigrant Integration in the US: Why Should Employers Care?

- US companies are losing their competitive edge in an increasingly globalized world because they can't recruit hard-to-find talent
- Canada, Australia, and Europe are already addressing licensing/credentialing issues and investing in attracting highly skilled immigrants
- Impending Baby Boomer retirement and need to plan for next-generation workforce



Research Questions

- What are the employment outcomes for skilled newcomers?
- Do they vary by country of origin and route to permanent residency?
- Is downward mobility inevitable for all newly arrived skilled immigrants? For how long?
- How does the US compare in its integration of skilled immigrants to Canada and Europe?
- What are the opportunities for private and public actors?



MPI Studied . . .

- College-educated immigrants: unemployed or in unskilled jobs
- Unskilled jobs: require no more than modest on-the-job training (e.g., construction laborers, file clerks, taxi drivers)
- Datasets with unique strengths:
 - American Community Survey (ACS)
 - New Immigrant Survey (NIS)

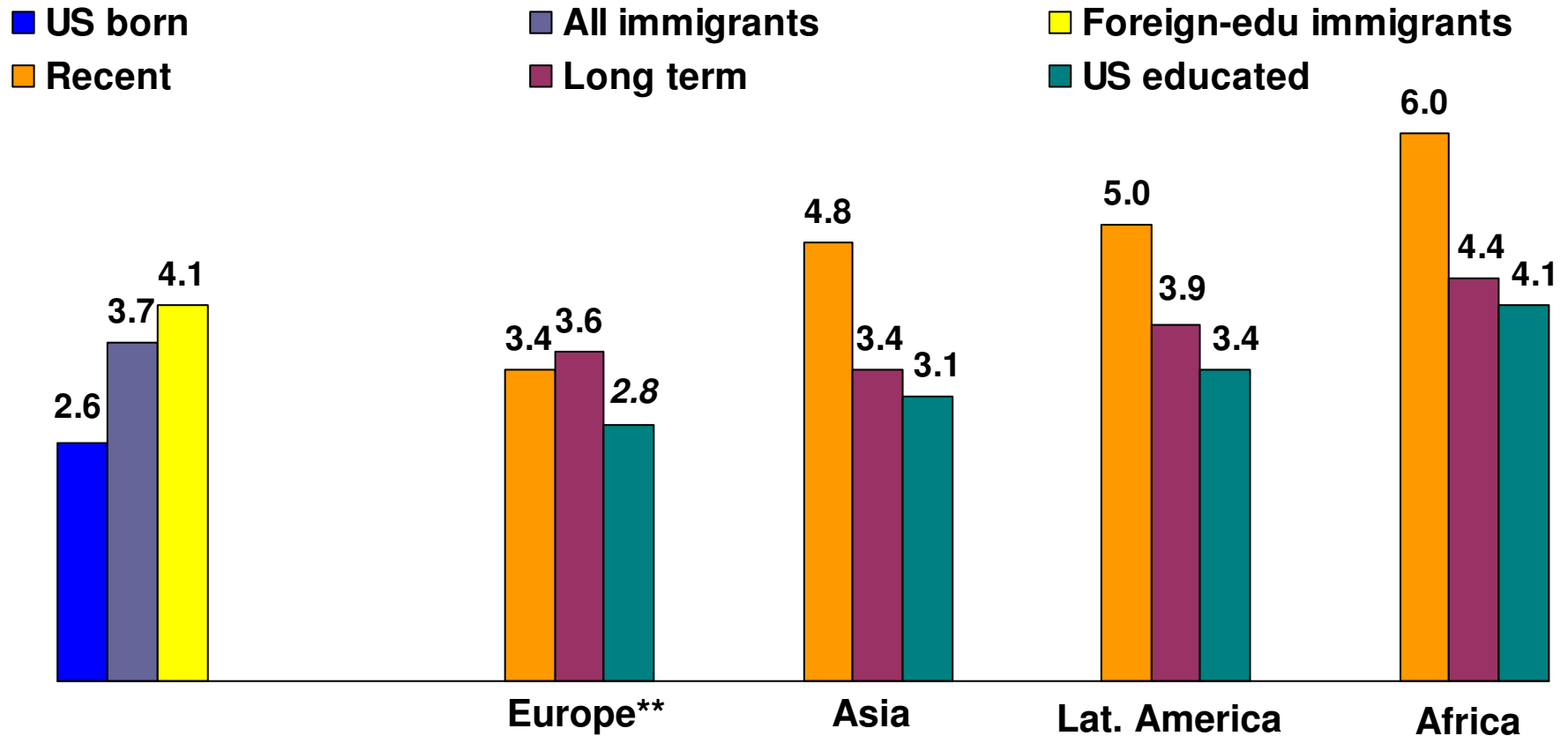
Find our report on brain waste here

<http://www.migrationpolicy.org/pubs/BrainWasteOct08.pdf>



Higher Unemployment Rates: Recent Arrivals and African Born

Percentage of the College Educated Who Are Unemployed*

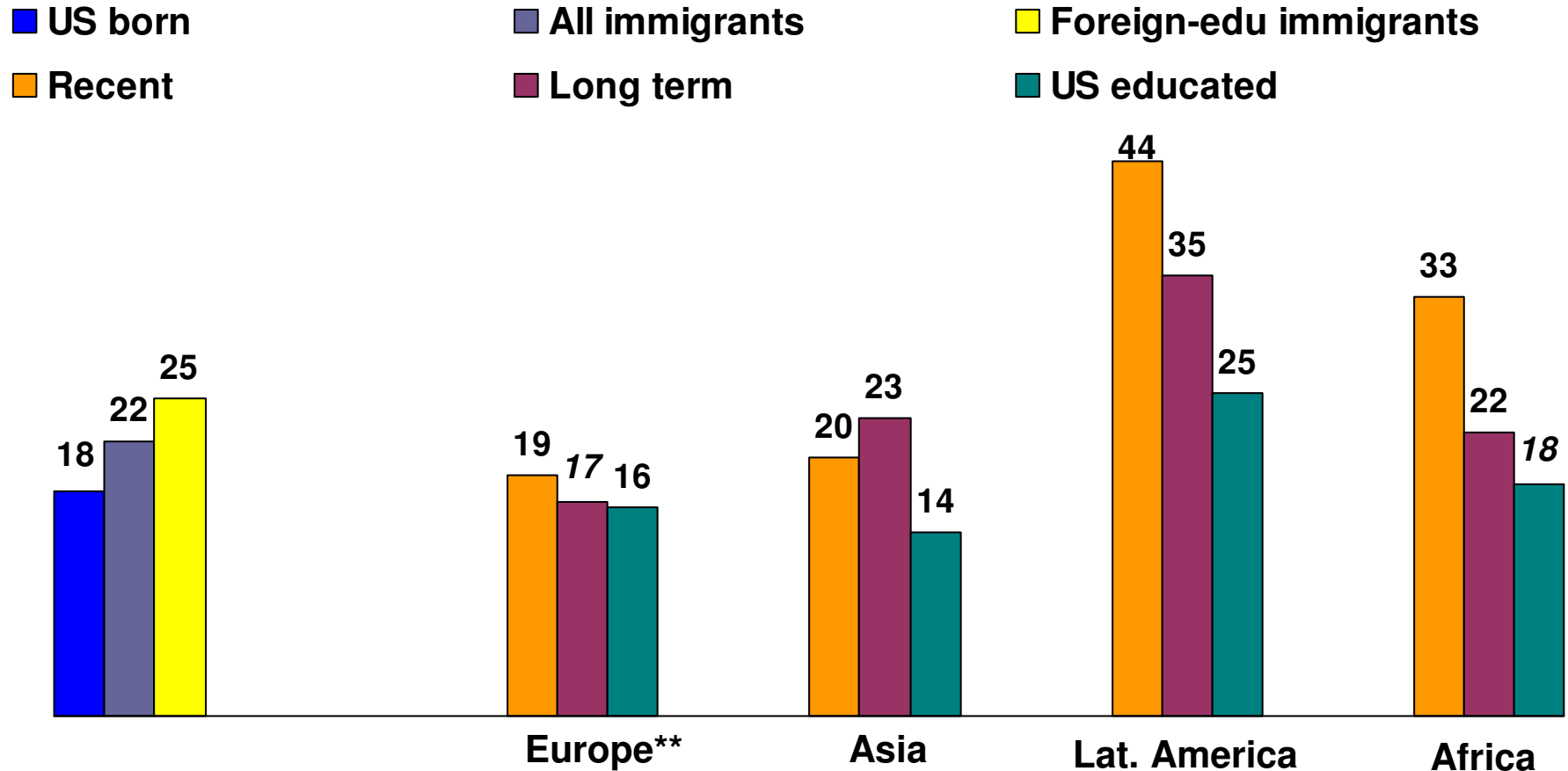


Notes: *Among foreign-educated, “recent” refers to immigrants who came to the US ten or fewer years ago, while “long-term” refers to immigrants who have been in the US for 11 years or longer. “US educated” are immigrants who have at least a BA degree and who came to the US before age 25. **“Europe” refers to Europe, Canada, and Oceania.



Skilled Immigrants as Taxi Drivers, Maids, and Cashiers

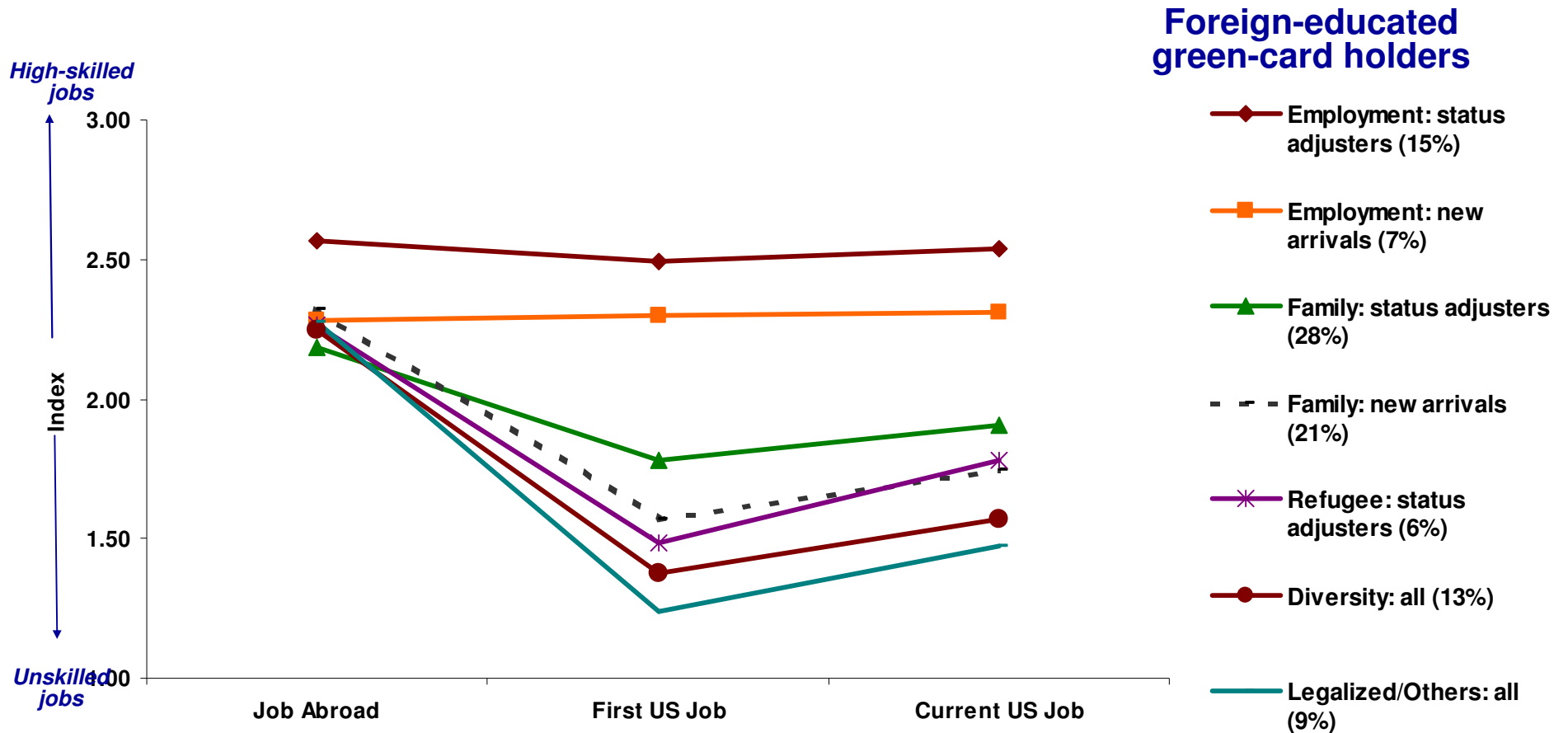
Percentage of the College Educated in Unskilled Jobs*



Notes: *Among foreign-educated, “recent” refers to immigrants who came to the US ten or fewer years ago, while “long-term” refers to immigrants who have been in the US for 11 years or longer. “US educated” are immigrants who have at least a BA degree and who came to the US before age 25. **“Europe” refers to Europe, Canada, and Oceania.



Occupational Transitions by Admission Category*



Notes: *The percentages shown for each of the admission category represent the share of a given category of the NIS sample of the foreign-educated legal permanent residents who received their green cards in 2003. The green card gives a permission to reside in the United States permanently, to work legally, and to become US citizens after residing for at least five years and passing a citizenship test.



Brain Waste in the United States: Risk Factors

- Lacking English skills
- Having only foreign degree
- Coming from Latin America or Africa
- Entering under non-employment visa category
- Not working in the US prior to permanent settlement
- Experiences periods of unauthorized residence
- Lacking US professional and social networks

- Facing institutional barriers:
 - Nonrecognition of foreign-earned credentials
 - Lack of quality English classes teaching work-related language



Brain Waste in the United States: Public and Private Response

Immigrant integration

Firm level

- Incorporating language training into in-house communications skills training programs

State level

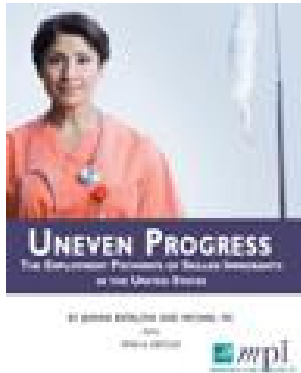
- State workforce agency partnerships with other stakeholders
- Mentorship and internship programs
- Accredited work-skills training and English language programs
- Effective bridge programs that serve immigrants and employers
 - *Spillover benefits to other groups of workers*

National level

- Funding for innovative/successful programs
- Information sharing



MPI Report on Brain Waste



Uneven Progress: The Employment Pathways of Skilled Immigrants in the United States

By Jeanne Batalova and Michael Fix with Peter A. Creticos

More than 1.3 million college-educated immigrants in the United States are unemployed or working in unskilled jobs because they are unable to make full use of their academic and professional credentials, MPI reports in the first assessment yet of the scope of the "brain waste" problem. The report analyzes and offers possible solutions for the credentialing and language-barrier hurdles that deprive the US economy of a rich source of human capital at a time of increasing competition globally for skilled talent.

<http://www.migrationpolicy.org/pubs/BrainWasteOct08.pdf>



For More Information

Find reports and other analysis at a state and national level at:

www.migrationpolicy.org

Get quick immigration facts, maps, and stats at:

www.migrationpolicy.org/datahub

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