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Do Illegal Immigrants Depress Wages, Job Opportunities?

By Neil Shah

Despite growing support for giving illegal immigrants a path to citizenship, many Americans still worry immigrants take jobs away from U.S. citizens.

New research suggests that's not the case.

In a paper delivered at this year's Population Association of America conference in New Orleans, Aaron Chalfin and Morris Levy at the University of California-Berkeley released findings that are the latest to show only small effects on wages and jobs of U.S. citizens.

Using an innovative approach that employs data on the history of fertility rates in Mexican states and builds on the work of Berkeley economics professor David Card, the researchers found that a one percentage-point increase in the share of immigrants in a U.S. metropolitan area led to a 0.02% change in wages for U.S. citizens.

"There's no evidence that there is any effect different from zero," Mr. Chalfin said. Effects on employment of U.S. citizens were also "not significant."

Americans are still of two minds when it comes to illegal immigration. A recent survey by the Pew Research Center found that 71% support having a way for illegal immigrants to stay in the U.S. if they meet specific requirements, yet only 49% said illegal immigrants strengthen the country.

The latest Berkeley findings are important because they suggest illegal immigration doesn't have the feared negative effect on jobs and wages of American citizens, though some research has questioned the studies' focus on local U.S. labor markets, preferring to examine national trends. It's also possible bigger jumps in immigration — say, a 10 percentage-point increase in the share of immigrants — could yield bigger wage effects.

The study comes as Congress and the Obama administration hammer out an overhaul of U.S. immigration policies to both tighten border security and make a way for America's 11 million illegal immigrants to become citizens.

More immigration could help the economy over the long-term by providing more workers at a time when many baby-boomers are leaving America's labor force.

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