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How the Recession's Affecting Immigration

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With U.S. unemployment at a 26-year high Americans will be feeling the economic downturn for some time. Immigration experts are seeing global signs of the recession in major shifts in U.S. immigration trends, especially at the high and low ends of the skills spectrum. Here are the most significant changes.

Up Front Blog

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Mexicans are sending money to relatives in the United States.

In 2007, Mexicans living in the U.S. sent about \$26 billion to relatives living in Mexico. The amount of remittances dropped to \$25 billion in 2008, the first decline since the Central Bank of Mexico started keeping track 14 years ago. In the first nine months of 2009, the Bank reports that only \$16.4 billion has been sent south, a 13 percent decline from 2008. Now, there are some signs of an increase in "reverse remittances," in which residents of Mexico wire money to their relatives north of the border to help them through tough times. While still a small fraction of the north-to-south remittance flow, which provides Mexico with its second largest source of foreign income (after oil exports), an uptick in reverse remittances is a striking example of the ripple effects of U.S. job loss.

H1-B visas are still available.

In fiscal year 2009, the H1-B visa program that links high-skilled immigrants with sponsoring U.S. employers had all 65,000 application slots filled in one day. In FY08, it took two days, and in FY07, 56 days. But things have changed. After 211 days into the 2010 fiscal year, there were almost twenty thousand slots <u>still available</u>. With high unemployment and shrinking budgets many corporations are unable to hire from abroad as they did in recent years. What's more, companies that receive federal bailout funds must hire U.S. workers or demonstrate they are cannot find them if they do. Technology firms for years have pressured Congress to increase the number of H1-B visas. This may be a break for domestic tech workers who have often been on the other side of the argument.

Apprehensions at the U.S.-Mexico border are down.

If arrests at the U.S.-Mexico border are an indication of illegal crossing activity, the fact that the number has dropped by more than <u>23 percent</u> during the past year probably indicates a reduction in persons attempting to make the trip. Precipitously declining economic opportunity combined with beefed-up enforcement have been factors in the recent drop in the number of immigration arrests at the border over the past few years. The number recorded for FY 2009 represents a <u>34-year low point</u>. At the same time the border patrol <u>budget</u> has risen to nearly \$11 billion, up from \$6 billion in 2004.

More Americans are looking for jobs overseas.

<u>USAToday reports</u> that more Americans are seeking work abroad than in the past. Although "the trend reverses a longtime pattern of far more foreign workers seeking jobs in the U.S." sounds like an overstatement, there are signs that Americans are more willing to consider working abroad. The country's largest staffing company, Manpower, says it has 500 clients seeking overseas work, compared a few dozen six months ago. And a recent survey of executives in the U.S. revealed that 54 percent would be likely to take a job in another country, compared to 37 percent in 2005. The top prospects? India, China, Brazil, Dubai, and Singapore.

Immigration slows.

When the Census Bureau released data from its 2008 American Community Survey this September, immigrant numbers made <u>headlines</u>, as they often do, but this time the stories were about the numbers' <u>leveling off rather than climbing up</u>. After years of fast-paced growth, the size of the foreign-born population in the U.S. was <u>statistically unchanged</u> from the year before. While some of the reduction could be due to stepped-up enforcement actions – at the border, worksites, and by local law enforcement – fewer jobs, especially in immigrant-heavy industries like construction, technology, and manufacturing, make for a weaker pull on migrants.

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It is unclear how long these twists in U.S. immigration trends will last. Homeland Security Secretary Janet Napolitano in a <u>speech on Friday</u> announced that the Obama administration is moving ahead with immigration reform noting that this administration had achieved a "fundamental change" (no doubt aided by the recession's impacts) in border security and enforcement against employers hiring illegal immigrants. She elaborated by saying that the diminished inflow along with better enforcement outcomes opened up the prospects for federal reform, including an earned legalization program to bring unauthorized immigrants out of the shadows. Let's hope she's right.