

“Let Us Work”: The Wage Gain When Asylum Seekers Gain Work Authorization

“Let us work” is one plea from recent asylum seekers that a wide range of public officials and advocates seem eager to get behind. In this paper, Immigration Research Initiative looks at the wage boost that can be expected from work authorization.

Currently, people seeking asylum first must file official papers making their claim, then wait 150 days before they can apply for an Employment Authorization Document, then wait at least 30 days, and sometimes longer, to get the work authorization—a total of six months or more. The work authorization is valid at least until the asylum seeker’s case is adjudicated, a process that can take between two and four years. It becomes permanent if they are granted asylum.

At a time when Congress appears unlikely to act, the Biden Administration is examining options for opening avenues to faster and broader work authorization.

How Much Difference Does Work Authorization Make?

Without working papers, asylum seekers are forced into a drastic choice of not working, and having no income at all, or working without documentation. Those who do not work have zero earned income. For those who do, despite lacking work authorization, IRI assumes the median wage would be similar to the median for undocumented workers.

In New York City, the median wage for immigrants who are undocumented is \$32,000 for full-time, year-round work, according to an analysis performed for Immigration Research Institute by the Center for Migration Studies.

Past studies have shown that gaining work authorization results in a wage gain of roughly ten percent for workers who were previously unauthorized. While today’s asylum seekers are not the same as past immigrants who were undocumented, there is good reason

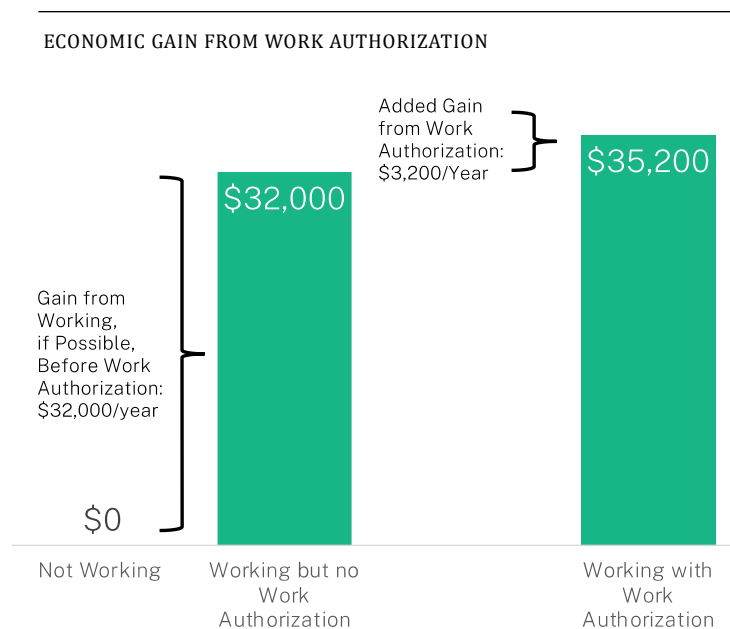


Fig 1. Gain from work authorization estimated by Immigration Research Initiative: from zero (not working) to \$32,000 (working without authorization) to \$35,200 (working with authorization). See Methodology for details.

to think that the wage gain for asylum seekers would be at least as much.

That means a boost in the typical earnings of asylum seekers from either zero (if they are not working) or \$32,000 (if they are) to \$35,200. The methodology section of this report includes details of the analysis.

The median annual earnings of workers who are undocumented in New York State overall is somewhat higher, \$35,000, with the cost of living also very high in places in areas where immigrants outside of New York City are most likely to live, such as Westchester and Long Island. That means the expected wage gain if asylum seekers acquire work authorization in the state overall is \$3,500, raising the predicted median to \$38,500. Nationally, the median wage for workers who are undocumented is \$30,000, which means an expected wage gain of \$3,000 to \$33,000 per year.

This is the wage gain specifically due to having working papers; it is over and above raises workers might get due to increased experience, tight labor markets, or other factors. Past studies have looked at the wage gain over a period of a few years, but there is good reason to think the benefit of having working papers would in today’s context translate quickly into improved wages.

Several factors lead to this gain in wages.

1. Removing barriers. Having working papers makes it easier for asylum seekers to get the wages they deserve. It also allows them to find the job that makes most sense for them, rather than being limited to employers willing to hire workers who are undocumented.

For example, an asylum seeker who is:

- ...being paid substandard wages can feel more confident standing up for a raise
- ...working off the books as a dishwasher can move to a job on the books as a cook
- ...working as a day laborer can be hired as a regular employee by a construction firm

2. Investments that pay off. When asylum seekers have working papers, there is a bigger payoff for taking job training or English language classes.

For example, an asylum seeker who is:

- ...working at the back of a store in the stock room can with a little more English move to the front of the store as a cashier
- ...working as a home health aid can take classes and move to a job as nursing assistant

3. Starting a business. Immigrants are disproportionately likely to start their own businesses, and there is good reason to think that this is even more true of some of the asylum seekers who may have been doing relatively well before they were pushed out of their countries.

For example, an asylum seeker who is:

- ...operating a food cart may be able to start a restaurant
- ...working for a delivery service app might be able to start a grocery store

...working as a landscaper might open a business cleaning carpets

And, there are also some examples where far more than a ten percent gain in wages can be expected. Anyone who has worked in immigrant communities knows stories of experienced doctors or engineers who are working in low-wage jobs but could be doing much better, with work authorization the first step to a far better economic outcome.

By David Dyssegaard Kallick.

Analysis of the wages of immigrants who are undocumented was provided by the Center for Migration Studies.

David Dyssegaard Kallick is director of Immigration Research Initiative.

Methodology

A range of studies have been done to estimate the impact of legal status on wages. Immigration Research Initiative estimates the wage gain based on work authorization to be 10 percent, conservatively sticking near the low end of findings from these studies.

One approach to measuring the impact of gaining work authorization has been to examine the impact of the reform in 1986, passed by on a bipartisan basis in Congress during the Reagan Administration, that allowed undocumented immigrants to gain legal status. A good example of that approach is Shirley J. Smith, Roger G. Kramer, and Audrey Singer, “[Characteristics and Labor Market Behavior of the Legalized Population Five Years Following Legalization](#),” *United States Department of Labor*, 1996. The study found a 15 percent increase in average wages over a 5-year period.

A different approach was to compare the wages of undocumented immigrants with the wages of immigrants who have work authorization, and to use regression analyses to ensure an apples-to-apples comparison that corrects for differences in labor market characteristics. A good example of this approach is Manuel Pastor and Justin Scoggins, “[Citizen Gain: The Economic Benefits of Naturalization for Immigrants and the Economy](#),” *Center for the Study of Immigrant Integration*, University of Southern California, 2012. This study found a wage differential of 8 to 11 percent.

For a summary of 11 different studies looking at this question, see the table on page 20 of David Dyssegaard Kallick, “[Three Ways Immigration Reform Would Make the Economy More Productive](#),” *Fiscal Policy Institute*, June 4, 2013.

Data is not yet available to look at the specific population of today’s asylum seekers. News reports, however, have shown that a larger portion are from middle class backgrounds than has been the case of migrants who are undocumented. That stands to reason, since asylum seekers come out of a fear of persecution. People who were economically settled in the countries are among those who are seeking seek safety in the United States.