

JUNE 2023 / IMMIGRATION RESEARCH INITIATIV

Immigrants in the Long Island Economy: Overcoming Hurdles, Yet Still Facing Barriers

There 550,000 immigrants living on Long Island, according to an analysis of the most recent census data by Immigration Research Initiative (IRI). This includes all people born in another country and living on Long Island: people who are undocumented, have green cards, or are naturalized citizens; adults, and children; refugees, asylum seekers, agricultural workers, people with high-skill visas, and more. Making up 19 percent of the population, immigrants are a vital part of the social, economic, and cultural life of all communities in Nassau and Suffolk counties.¹

The economic role of immigrants has frequently been misunderstood. On the one hand, immigrants are a big and important part of the economy. And, on the other hand, immigrants are disproportionately concentrated in low-wage jobs. Both things are true at the same time.

- Immigrants account for 21 percent of Long Island resident economic output, even higher than their share of the population.²
- A key reason for this high share of economic output is that immigrants are concentrated in working age. On Long Island, while immigrants make up 19 percent of the population, they make up 23 percent of the working-age population (ages 16 to 64), and a corresponding 23 percent of the labor force.
- Immigrants work in jobs across the economic spectrum. A common misperception is that when we are talking about immigrants we are talking mostly about people in low-wage work. Yet, looking at all immigrant workers—documented and undocumented—60 percent of those with full-time jobs earn middle- or upper-wages, that is to say at least \$48,000 per year. Middle wage is defined as 2/3 of the median to double the median for full-time work, and upper wage is above double the median.
- While most immigrants are in middle- or upper-wage jobs, immigrants are at the same time disproportionately likely to be in low-wage jobs. In all, 40 percent of immigrants are in jobs paying under \$48,000, compared to 26 percent of U.S.-born workers.
- Race and gender are as much a factor as nativity in wage outcomes for workers. Men have higher wages than women. And people who are white have considerably higher wages than Black or Latinx workers, whether they are U.S.-born or immigrants.
- In **low-wage occupations**, more than half (62 percent) work in service or production jobs, such as building cleaners, cooks, meat processors, or sewing machine operators. The pandemic highlighted the importance of many of these jobs to America's daily life that can often seem underappreciated or invisible. There is little doubt that the 65,000 undocumented immigrants

estimated to be in the Long Island labor force are overwhelmingly in these low-wage occupations. $^{\rm 3}$

- Among **middle-wage occupations**, immigrants are spread across every sector of the economy. Significant numbers of immigrants work as nurses, computer programmers, educators, architects, logistics specialists, and emergency services staff, for example.
- Among **upper wage occupations,** immigrants are highly concentrated in a few fields. Fully 60 percent of immigrants in upper-wage occupations work either in computer occupations, or in management and finance occupations. Most of these are either software developers or CEOs.

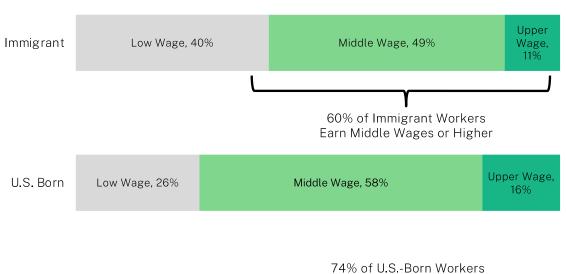
1. Immigrants Work in Jobs Across the Economic Spectrum

For this report, low-wage was defined as earning less than two-thirds of the overall median—on Long Island, that means under \$48,000 for full-time work. Middle wage was earning between two thirds of the median and double the median, \$48,000 to \$140,000. And upper wage was earning more than double the median, over \$140,000.⁴

The IRI analysis shows that 60 percent of immigrants on Long Island earn at least a middle wage—49 percent in middle wage range and an additional 11 percent in the upper-wage bracket of \$140,000 or more. Among U.S.-born workers, 74 percent earn at least a middle wage. Among U.S.-born workers, a smaller share are in low-wage jobs, and a larger share in middle-wage jobs.

Most workers on Long Island economy are in jobs that pay over the low-wage level of \$48,000 per year. By definition, there will always be some workers in bottom rungs of the economy, but it is not necessary for there to be some workers below a certain percentage of the median. Around the world, two thirds of the median is often considered the poverty wage level, and in some countries very few full-time workers fall below that level.

On Long Island, 26 percent of U.S.-born workers and 40 percent of immigrant workers make under two thirds of the median wage. The immigrants who make up a disproportionate share of this group face numerous barriers in the labor market, from language to educational attainment, recognition of credentials, immigration status or discrimination in the workplace. Of the 115,000 full-time workers on Long Island in low-wage jobs, 48,000 are immigrants and 67,000 are U.S.-born.



60 PERCENT OF IMMIGRANT WORKERS EARN AT LEAST MIDDLE WAGES

Earn Middle Wages or Higher

Fig. 1 Immigration Research Initiative analysis of 2021 American Community Survey 5-year data, looking at annual earnings for full-time, yearround workers. "Low wage" is people earning under 2/3 of the median on Long Island—that is, under \$48,000; "middle wage" is from 2/3 to double the median, \$48,000 to \$140,000, and "upper wage" is earning above \$140,000. These earnings categories are benchmarked to wages on Long Island, where the overall median wage of \$70,000 is well above the national median of \$52,000. Yet, while wages on Long Island are higher, so is the cost of living. The average cost of living for a two-income household with two children on Long Island is \$174,000 per year, according to an analysis by the Economic Policy Institute (EPI), while the national average equivalent is \$86,000 per year. As a result, even a two-earner family with middle-wage earnings may have trouble making ends meet. The cost of living represents the average cost of housing, food, transportation, childcare, health care, and taxes within a given region.

2. Race and Gender Are a Big Factor in Economic Outcomes

Immigrants and U.S.-born residents work in jobs across the economic spectrum, and so do people in all race and gender groups. However, workers are not spread evenly.

Figure 1 shows that race and gender⁵ are significant factors in determining economic outcomes. White men, whether U.S.-born (82 percent) or immigrants (81 percent), are the most likely to earn middle and upper wages. U.S.-born Black workers are far less likely to earn a decent wage for full-time work. The same is true for foreign-born Black women, though not as much for foreign-born Black men.

Hispanic/Latinx⁶ immigrants are the group that faces the greatest hardship. The relatively small number of Latinx immigrants making middle or upper wages highlights the economic struggles of a group of Americans who are often the target of hateful anti-immigrant rhetoric, actions of the U.S. deportation regime, and workplace abuses, as well as barriers they may face due to level of formal education or English language ability. Among those born outside of the United States, just 48 percent of Latinx men and a strikingly low 35 percent of Latinx women make more than the low-wage threshold of \$48,000.

Latinx Americans who are U.S. citizens by birth have about the same degree of middle- to upper-wage earnings as U.S.-born Black Americans—considerably below that of white and Asian workers, but higher than foreign-born Latinx workers. Among U.S.-born Latinx men, 65 percent make more than \$48,000 per year, as do 57 percent of women.

Among Asian American and Pacific Islanders, a nearly equal share of U.S.-born women (72 percent) and men (74 percent) earn middle- and upper-wages. Seventy-five percent of immigrant AAPI men are in these categories, as are 69 percent of immigrant AAPI women.





Fig 2. Immigration Research Initiative analysis of 2021 American Community Survey 5-year data. Full-time workers earning over \$48,000, that is: more than 2/3 of the median for full-time workers on Long Island.

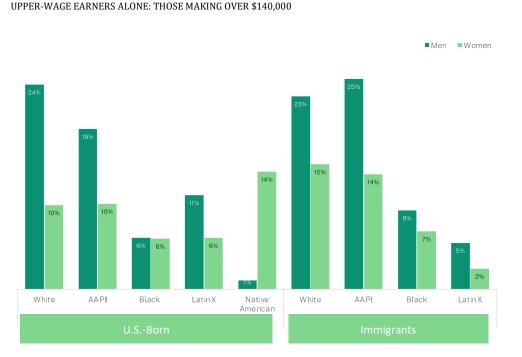
Also notable is the large gap in earnings between white men and white women. Whether U.S.-born or immigrants, the share of women making middle- or upper-wages is at least 10 percentage points higher for men. This gendered gap in wages is echoed among immigrant Latinx men and women and immigrant Black men and women.

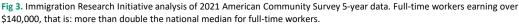
The Divisions Are Starkest in Upper-Wage Occupations

Figure 2 looks at all workers who earned at least \$48,000—combining the middle- and upper-wage categories. Figure 3 zooms in to look just at those workers in the upper-wage range, people who earn at least \$140,000.

The economic disparities in the share of people earning upper wages are even starker than among middle and upper combined. White and AAPI men stand out at the high end. Among U.S.-born workers, about a quarter of white (24 percent) and one-fifth of AAPI (19 percent) men make more than \$140,000. The rates are similar among white and AAPI immigrants, with 23 percent of foreign-born white men and 25 percent of foreign-born AAPI men earning upper wages. No other groups in our analysis approach this level of concentration in upper-wage jobs.

Foreign-born AAPI women come closest to this level of concentration in the upper-wage category at 23 percent, followed rather distantly by immigrant white women (15 percent), U.S.-born Asian women (14 percent), U.S.-born white women (10 percent), and immigrant Black men (9 percent). Less than 7 percent of workers in all other groups earn high wages, including 6 percent of U.S.-born Black women, 1 percent of Native American men, and 2 percent of immigrant Latinx women who are at the intersection of racial and gender bias.





Black and Latinx Workers Trapped in Low-Wages Jobs

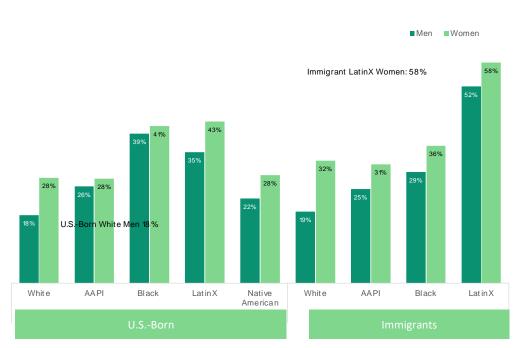
Working full time and earning under \$48,000 per year leaves many workers in every demographic group struggling to make ends meet. There are, however, clear race, gender, and immigration components that contribute to who is mostly likely to be in these low-wage jobs on Long Island, as around the country.

Foreign-born white men (18 percent) are the least likely to be trapped in low-wage work. Among white people on Long Island, whether immigrants or U.S.-born, the share in middle-wage jobs is similar across gender and nativity. The share of people in middle-wage jobs for white men and women, U.S.-born and immigrants, is between 53 and 62 percent (not shown in charts). The significant difference among white Americans is that far fewer white women earn upper wages, and far more earn low wages.

The economic disparities in favor of white men are even more drastic when we consider race as a variable. The percentage of men of color who earn less than \$48,000 annually on Long Island is much closer to that of immigrant workers than U.S.-born workers. For example, 39 percent of U.S.-born Black men earn low wages, as do 35 percent of U.S.-born Latinx men.

Women of color face even more economic struggles than their male counterparts (Figure 3). U.S.-born Black and Latinx women are all more likely to earn low wages (41 percent of Black women and 43 percent of Latinx women) and less likely to fall into the upper-wage category. Only 6 percent of U.S.-born Black and Latinx women are in upper-wage jobs.

In summary: while overall most workers on Long Island are in jobs where they make middle wages- and upper-wages, there are stark differences among different groups. Race, gender, and nativity all stand out as



LOW WAGE WORKERS: GETTING BY ON UNDER \$48,000 PER YEAR

Fig 4. Immigration Research Initiative analysis of 2021 American Community Survey 5-year data. Full-time workers earning under \$48,000, that is: less than 2/3 the median for full-time workers.

significant factors impacting individuals' economic outcomes on Long Island. While factors such as education and English language ability affect economic outcomes, so too do systemic racism, class inequality, misogyny, and nativism. These findings highlight what many Americans, especially women and Black and Indigenous People of Color, already know to be true from their own experiences.

3. What Low-, Middle-, and Upper-Wage Occupations Look Like

For this analysis we categorize each *occupation* as either low, middle, or upper-wage using the same criteria as in the previous analysis: low-wage is under \$48,000 per year (2/3 of the median), middle-wage is \$48,000 to \$140,000 (double the median), and upper-wage is above \$140,000.⁷ Occupations are categorized as low, middle, or upper-wage based on the median wage for immigrants in that occupation.

Low-Wage Work on Long Island

Among low-age occupations, by far the most common for immigrants are in service occupations. Some 4,000 work as house cleaners, and many others work in restaurants, including 4,000 cooks, 2,000 waiters, and 2,000 food preparation workers. The median annual wage for immigrants in these jobs is \$32,000.

More than 9,000 immigrants work in low-wage occupations in the healthcare industry, including 2,000 personal care aides, and 3,000 home health aides all of whom earn a median wage of \$35,000. There are also 4,000 nursing assistants on Long Island who are immigrants, making a median wage of \$41,000.

In all, 46,000 immigrants working full-time, year-round jobs are in service occupations, as are 61,000 U.S.-born workers. Immigrants make up 43 percent of all service workers, well higher than immigrants' 23 percent share of the labor force overall.

IRI's Earning Ranges

Immigration Research Initiative used data from American Community Survey's 2021, 5-year data set to establish our earnings range about the median earnings on Long Island of \$70,000.

Occupations where the median wage for immigrants was less than \$48,000 were defined as low wage. When the median wage for immigrants was more than \$140,000, we defined the job as upper wage.

We defined all jobs with a median wage between \$48,000 and \$140,000 as middle wage.

There are 12,000 immigrants working in transportation occupations, many of which are low-wage jobs. This includes 2,000 taxi drivers, who earn a median wage of \$43,000. Immigrants, in fact, account for 64 percent of all taxi drivers in the region. There are also immigrants in many other transportation jobs, including 2,000 immigrants who work as packers and packagers—84 percent of all packagers on Long Island—and another 2,000 stockers and order fillers. The median wage for immigrants working these jobs in an industry largely driven by online shopping—is \$28,000 for packagers and \$33,000 for order fillers. Another 2,500 immigrants work as laborers and movers for a median wage of just \$32,000.

An additional 3,000 immigrants work low-wage retail jobs, 2,700 of whom are cashiers with a median wage of \$32,000.

It is worth noting that most immigrants in low-wage jobs—66 percent to be precise—work either in service or transportation jobs. There are 46,000 immigrants working in service jobs and 12,000 in transportation occupations.

It is difficult to get precise wage data for undocumented immigrants, but there is little doubt that the large majority work in low-wage jobs, or perhaps slightly above. There are an estimated 65,000 workers who are undocumented in Long Island's labor force, according to <u>estimates from the Center for Migration Studies</u>, with a high percentage of them year-round, full-time workers. At a rough estimate, undocumented immigrants may make up around half of all low-wage workers who are immigrants. Among workers who are

undocumented, 32 percent work in services jobs, one fifth each in production (20 percent), construction, maintenance, and transportation jobs, 15 percent in managerial and professional specialty occupations, and 12 percent in technical, sales, and administrative support.

Finding Space in the Middle

Immigrants in middle-wage occupations work in a very wide array of positions: nurses, computer programmers, educators, architects, logistics specialists, emergency services staff, and more.

The single most common occupation of immigrants in this middle-wage category is managers. There are 10,000 immigrants on Long Island who work as managers in a broad range of fields. In fact, 23 percent of all managers on Long Island are immigrants. Some common managerial jobs for immigrants include healthcare managers, financial managers, and food service managers. The median wage for immigrants who work as food service managers—of which there are 2,000—is \$54,000, compared to \$80,000 for another 2,000 construction managers, and \$65,000 for 1,600 general operations managers.

Immigrants also play a vital role at all levels of the healthcare sector. In terms of middle-wage health care occupations, there are 9,000 immigrants working as registered nurses, with a median immigrant wage of \$99,000 making up 30 percent of all workers in that occupation. There are also 6,000 healthcare technicians and assistants, including 2,000 licensed vocational nurses making a median wage of \$55,000 and 1,000 lab technicians with a median of \$77,000.

There are several middle-wage transportation occupations as well. There are 6,000 immigrants who work as truck drivers for a median wage of \$48,000. Immigrants account for 33 percent of all truck drivers on Long Island There are 1,300 transit bus drivers who are immigrants, earning a median wage of \$69,000, making up 37 percent of all transit bus drivers.

Another 8,000 immigrants work as retail and sales supervisors (22 percent of the total), and 5,000 work as salespeople in a range of industries. This includes 1,700 wholesalers with a median wage of \$68,000, 1,500 real estate brokers who earn a median wage of \$74,000, and 1,000 insurance sales agents, for whom the median wage is \$74,000.

Additionally, there are 4,000 architects and engineers on Long Island who were born outside of the U.S. (30 percent of the total), as were 2,000 production supervisors (43 percent of the total), 3,000 aviation and auto repair workers (28 percent), and 2,000 taxi drivers (64 percent), and 5,000 people working in the computer science fields (26 percent). Median wages for these range from \$56,000 for production supervisors and \$100,000 for workers in the engineering fields. There are also 1,300 computer programmers earning a median annual wage of \$106,000. There are also 1,000 computer systems analysts and 1,000 computer support specialists with median wages of \$99,000 and \$75,000, respectively.

There are 9,000 educators who are immigrants—both schoolteachers and college professors —making up 12 percent of all educators. Median wages for educators range from \$82,000 for schoolteachers to \$95,000 for college professors. While immigrants are extremely underrepresented among educators overall, it is worth noting that immigrants are a disproportionately high share (31 percent) of college professors.

While many immigrants who work in construction are in low-wage jobs as construction laborers, there are also significant numbers in middle-wage construction jobs in the trades, in specialized jobs, or as supervisors. There are 4,000 carpenters who are immigrants, making up 42 percent of all carpenters, along with 2,000 electricians (21 percent), and more than 500 plumbers (14 percent). The median wage for immigrants in the construction trades is \$54,000. With immigrants playing a significant role in many construction jobs, U.S.-born workers—often with more established networks, experience on the job, and English-language skills—have been more likely to be construction supervisors. There are 2,000 immigrants on Long Island who are construction supervisors, making up 25 percent of the total, and earning a median wage of \$75,000.

Immigrants in Upper-Wage Jobs

On Long Island, upper-wage occupations are those with a median income for immigrants of \$140,000 or higher, more than double the overall median wage for full-time workers.

Of the 10,000 immigrants working upper-wage occupations, 54 percent work in healthcare professions, most often as physicians. Immigrants are, in fact, disproportionately likely to be doctors: 36 percent of the 12,000 physicians on Long Island are immigrants, contributing to the overall wellbeing of all Long Islanders. The 4,000 immigrants working as physicians go along with more than 1,000 surgeons, dentists, and physicians' assistants. The median wage for immigrants working as physicians is \$228,000 compared to \$321,000 for surgeons, \$140,000 for dentists, and \$149,000 for physicians' assistants.

Another 3,000 foreign-born Long Islanders work in upper-wage occupations in management, business, and finance. That includes 3,000 chief executives and legislators, accounting for 18 percent of workers in that job category.

By Anthony Capote and David Dyssegaard Kallick

Anthony Capote

Antony Capote is a senior policy analyst at Immigration, a nonprofit, nonpartisan think tank that looks at immigration issues.

David Dyssegaard Kallick

David Dyssegaard Kallick is director of Immigration Research Initiative

Notes

¹All data in this report are Immigration Research Initiative analysis based on the 2021 American Community Survey 5-year data. Immigrants here are defined as people born in another country and living on Long Island, whatever their immigration status. "Immigrants" includes refugees, asylees, people with green cards, naturalized citizens, people with temporary visas, and immigrants who are undocumented.

² We measure resident economic output as the immigrant share of total earnings, on the assumption that people are paid in proportion to their economic contribution. In the case of immigrants, and indeed for most workers, this is a conservative estimate since workers are often paid less than a fair share of economic output. Resident economic output is a rough equivalent to Gross Domestic Product. The difference is that some Long Island residents work in other areas, particularly in New York City. The earnings of residents who work outside of Long Island contribute to the well-being of Long Island, even if their work does not add to the economic output of Long Island-basd firms.

³ Estimate from the <u>Center for Migration Studies</u>.

⁴ These wage brackets are based on full-time (at least 35 hours/week), year-round (at least 50 weeks/year) wage and salary earnings, or farm or business income. The threshold for middle-earners is extrapolated from the common practice of defining middle class as between two-thirds and twice the median household or family income. See, for instance, the middle-class calculator of the <u>Pew Research Center</u>. To get a better picture of individual workers, IRI looks at a worker's earnings rather than household or family income.

⁵ While IRI recognizes that gender is not binary and that not all Americans are either men or women, the American Community Survey and U.S. Census Bureau only account for two genders.

⁶ In this analysis, white refers to non-Hispanic white, Black to non-Hispanic Black, Asian to non-Hispanic Asian American and Pacific Islanders—sometimes shortened to AAPI or to "Asian," and Hispanic or Latinx refers to people of any race who respond to the Census Bureau that they of Hispanic, Latino, or Spanish origin.

⁷ Note that this analysis considers the median wage for each occupation and then looks at which workers are in these occupations. This correlates closely with, but is not exactly the same as, looking at the median wages for groups of workers.