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Central Americans in the U.S. Labor Market: Recent Trends and Policy Impacts

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Central Americans in the U.S. labor market: Recent trends and policy impacts¹

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SUMMARY

Immigration from Central America to the United States is rising rapidly. Much of this inflow is unauthorized. Violence and corruption in Central America is affecting both the volume and composition of current migrants, who are less educated, less likely to speak English, and who face tougher border and interior enforcement than Central Americans who immigrated in the 1980s and 1990s faced. The increasing vulnerability of the new Central American migrants and the U.S.' hardening policy environment is leading to worse labor market outcomes among recent migrants compared with both their co-nationals in the past and other recent arrivals, such as Mexicans. The increase in state-level E-Verify mandates is one example of policies that have adversely impacted Central American migrants. As we show, these mandates have led to lower employment and labor force participation rates among migrants living in states where such mandates have been implemented. In contrast to tough policies at the state level, President Obama announced in late 2014 a measure known as Deferred Action for Parents of Americans (DAPA), which intended to grant temporary legal status and work permits to a large group of unauthorized immigrants. We argue that this measure is similar to the existing provision of Temporary Protected Status (TPS), extended to immigrants from countries in turmoil, and we use the Salvadoran experience with TPS in 2001 to demonstrate how it improves labor market opportunities for eligible immigrants—raising wages for men and increasing labor force participation for women. We conclude with a number of policy recommendations aimed at expanding legal avenues to accommodate immigrant flows from Central America while regularizing those already in the U.S.

- 03 **Introduction**
- 04 **The current make-up of the Central American population in the U.S.**
- 05 **The changing characteristics and labor market outcomes of Central American migrants**
- 07 **The changing U.S. immigration policy environment**
- 10 **Effects of E-Verify mandates on Central American labor market outcomes**
- 13 **Effects of Temporary Protected Status (TPS)**
- 13 **Benefits of TPS**
- 15 **Conclusion**
- 17 **Policy recommendations**

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Central Americans make up the fastest-growing segment of Latin American migration to the United States in recent years, with 52 percent population growth between 2000 and 2013. The large and growing flow of Central American migrants described in this policy brief raises several questions, among the most important of which is how they fare in the U.S. labor market. Employment and wage outcomes are determined by a number of factors, including immigrant characteristics and U.S. demand for immigrant labor, which has been influenced in recent years by a number of conflicting federal and state policies. This policy brief first describes the characteristics and labor market outcomes of Central American immigrant workers in the United States, comparing them with Mexicans. We then review major changes in immigration policy and consider how they affect immigrant workers, particularly those who lack legal status. Lastly, we look at how two important policy changes—state E-Verify mandates and Temporary Protected Status (TPS)—have affected Central Americans. We conclude with policy recommendations.

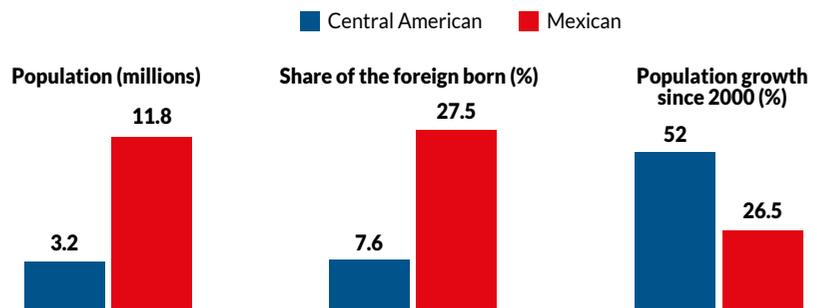
Central Americans make up the fastest-growing segment of Latin American migration to the United States in recent years



The current make-up of the Central American population in the U.S.

There are over 3.2 million people born in Central America living today in the U.S.² About 84 percent are from El Salvador, Guatemala and Honduras. Central Americans make up 7.6 percent of the nation's foreign-born population. While this is a far cry from the number and share of Mexican immigrants—11.8 million and 27.5 percent, respectively—the Central American immigrant population has grown much faster than its Mexican counterpart since 2000 (Figure 1). The Central American population in the U.S. grew at almost twice the rate of the Mexican population there during 2000-2013. Among Central American immigrants in the U.S. in 2013, 1.4 million have arrived since 2000. This compares to 808,000 in the 1990s, 700,000 in the 1980s, and 350,000 who came prior to 1980 (Figure 2).

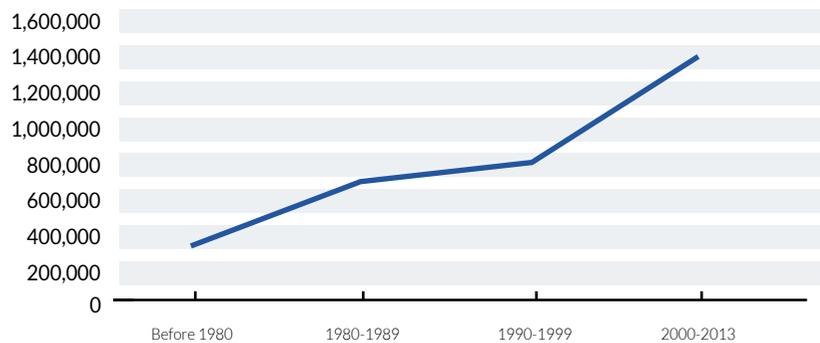
Figure 1: Central American immigrant population grows fastest



Sources: 2000 Census; 2013 American Community Survey.

Figure 2: Central American immigration picks up after 2000

NEW ARRIVALS BY DECADE



Source: 2013 American Community Survey.

Central American immigrants have much in common with Mexicans, but there are important differences. Civil wars and drug-related violence have played a much more prominent role than

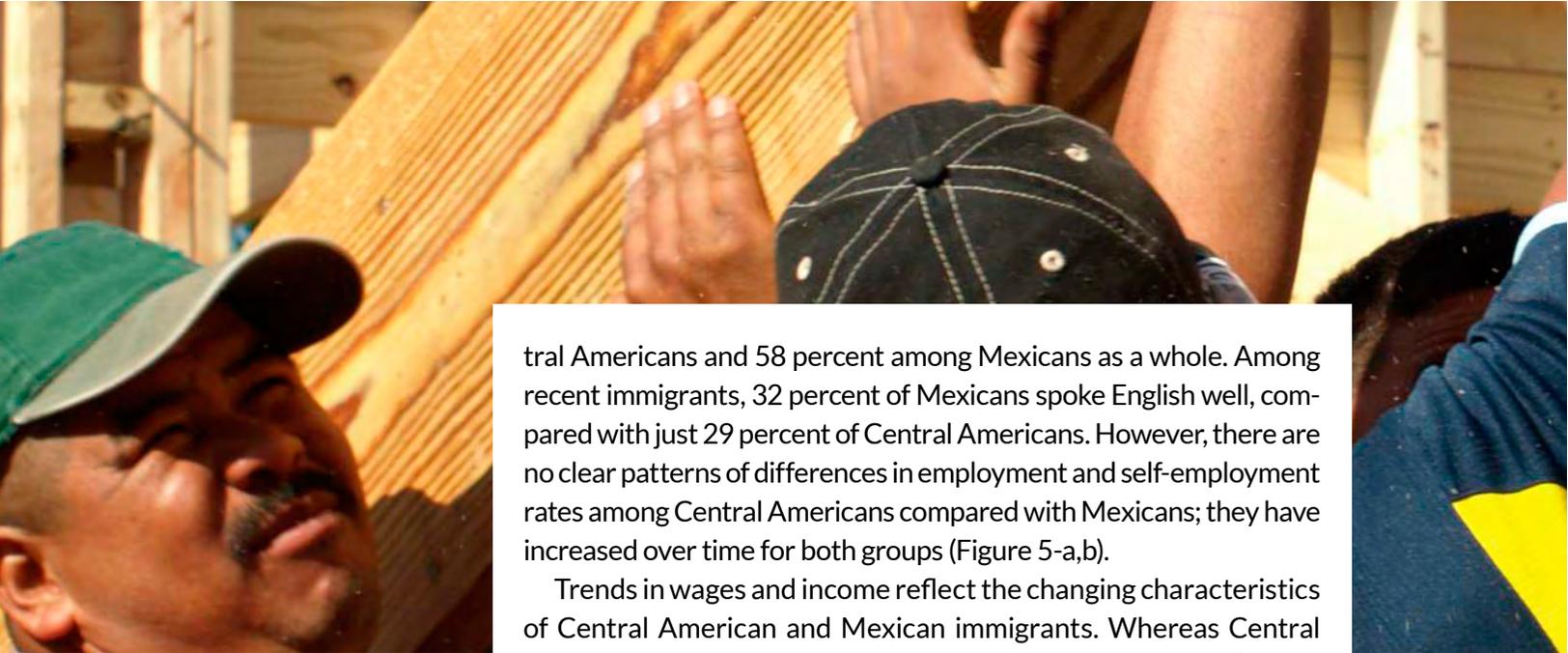
economic forces in driving migration out of Central America. The existence of migration networks, combined with rising violence and growth in human trafficking, particularly in Honduras, helps explain the recent resurgence in Central American migration. Mexican immigration, in contrast, has declined in both relative and absolute terms since the mid-2000s. In a stunning reversal of longstanding trends, Border Patrol data indicate that Mexicans no longer make up the majority of unauthorized border crossers; less than half of the migrants apprehended along the Southwest border were from Mexico in fiscal year 2014.³ What are the implications of these trends in Central American immigration for labor market outcomes in the U.S.?

The changing characteristics and labor market outcomes of Central American migrants

The growing Central American migration flows differ from past inflows coming from this region. While in the past Central American immigrants were much more likely than Mexican migrants to have legal status in the U.S., that is less likely to be the case today.⁴ Earlier legal protections granted in the 1980s and 1990s were a U.S. response to the region's civil wars and their aftermath. The responses included deferred deportation, temporary protected status (TPS) and humanitarian protection (asylum). Central American migrants who arrived in the 1980s and 1990s compared favorably in terms of education and income with Mexicans who arrived then, an advantage that appears to have disappeared among immigrants who came after 2000 (Figures 3, 4 and 5). In 2013, among men ages 16-54, recent Central American immigrants were more likely to lack a high school diploma and less likely to have some college or a Bachelor's degree than recent Mexican immigrants (Figure 3, bars 6, 8).⁵ Of this group, 58 percent never finished high school compared with 54 percent of Mexicans. However, due to the influence of earlier cohorts, the stock of Central American immigrants is still relatively well-educated when compared with Mexicans. This can be seen when comparing educational outcomes in bars 2 and 4 of Figure 3.

Education and English proficiency are the two most important predictors of labor market outcomes such as employment and wages. As with educational attainment, rates of English fluency among Central American immigrants have deteriorated across cohorts. Sixty percent of Central American immigrants spoke English well, very well, or fluently in 2000, compared with 50 percent of Mexicans (Figure 4-c). In 2013, the shares were 56 percent among Cen-



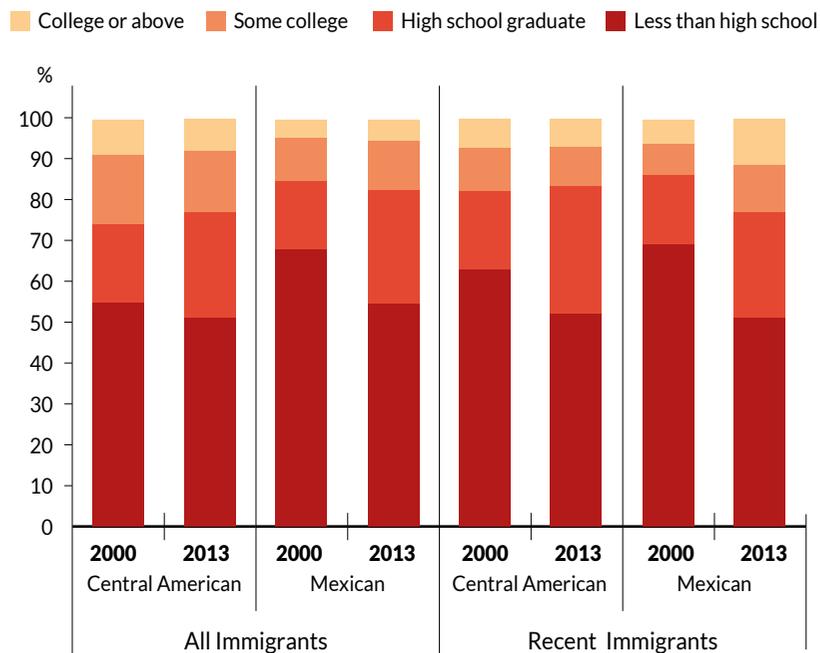


In 2013, all groups experienced lower median family income than in 2000, likely a result of the 2007-2009 recession, which disproportionately hurt immigrant workers

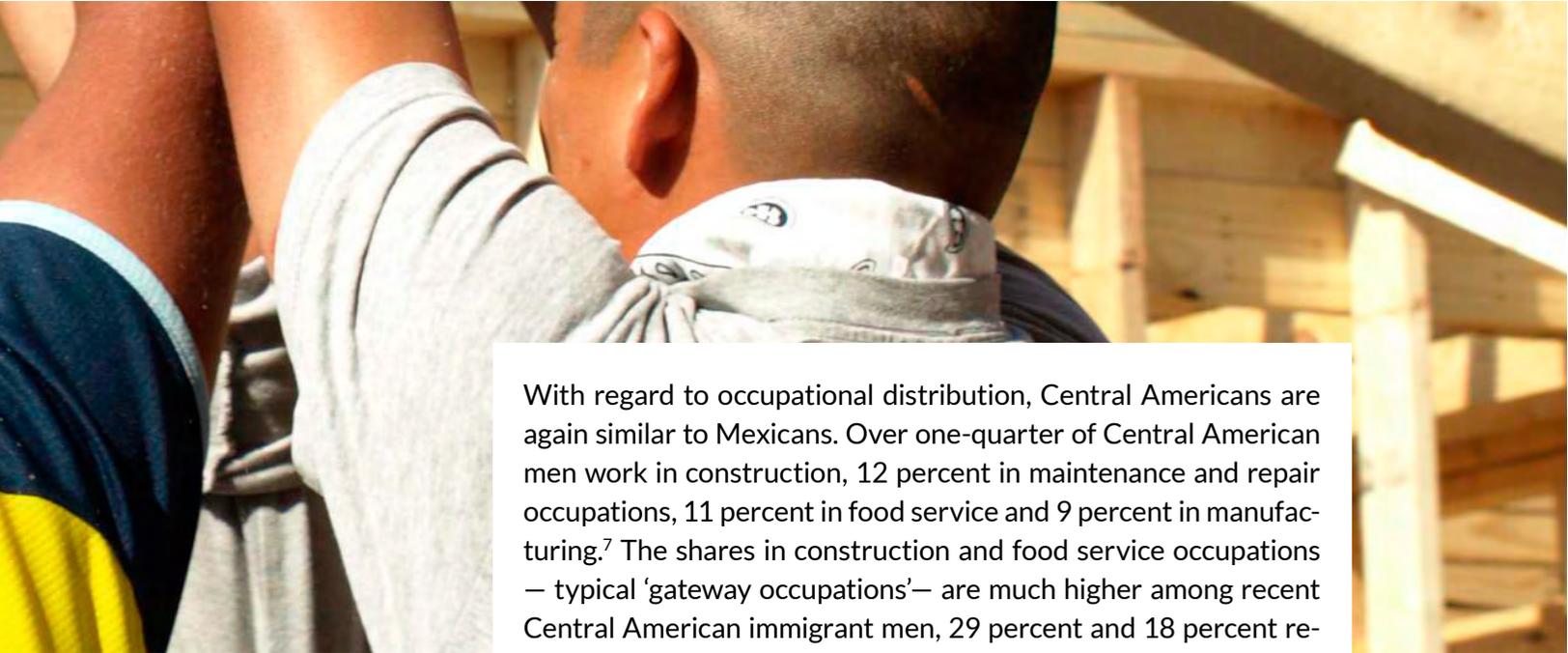
tral Americans and 58 percent among Mexicans as a whole. Among recent immigrants, 32 percent of Mexicans spoke English well, compared with just 29 percent of Central Americans. However, there are no clear patterns of differences in employment and self-employment rates among Central Americans compared with Mexicans; they have increased over time for both groups (Figure 5-a,b).

Trends in wages and income reflect the changing characteristics of Central American and Mexican immigrants. Whereas Central American immigrants had median annual wages that were \$2,300 higher than Mexican immigrants in 2000 (Figure 5-c), this difference was erased by 2013, when Mexicans and Central Americans in the U.S. both earned around \$24,000. Meanwhile, recent Mexican immigrants out-earned their Central American counterparts in 2013 by \$2,200. The two groups had the same median family income of \$39,000 in 2013, although among recent arrivals it was slightly lower for Mexicans (Figure 5-d). It is worth noting that in 2013 all groups experienced lower median family income than in 2000, likely a result of the 2007-2009 recession, which disproportionately hurt immigrant workers, particularly in construction.⁶

Figure 3. Educational characteristics of the Hispanic immigrant workforce



Note: Data for men ages 25-54. Recent immigrants arrived in the U.S. in the prior five years. Sources: 2000 Census, 2013 American Community Survey.



With regard to occupational distribution, Central Americans are again similar to Mexicans. Over one-quarter of Central American men work in construction, 12 percent in maintenance and repair occupations, 11 percent in food service and 9 percent in manufacturing.⁷ The shares in construction and food service occupations – typical ‘gateway occupations’ – are much higher among recent Central American immigrant men, 29 percent and 18 percent respectively. The differences likely reflect not only the lower skill levels and greater share of unauthorized persons among recent immigrants compared with established immigrants, but also the integration of immigrants over time. As migrants accumulate work experience and networks, they naturally move away from these gateway occupations.

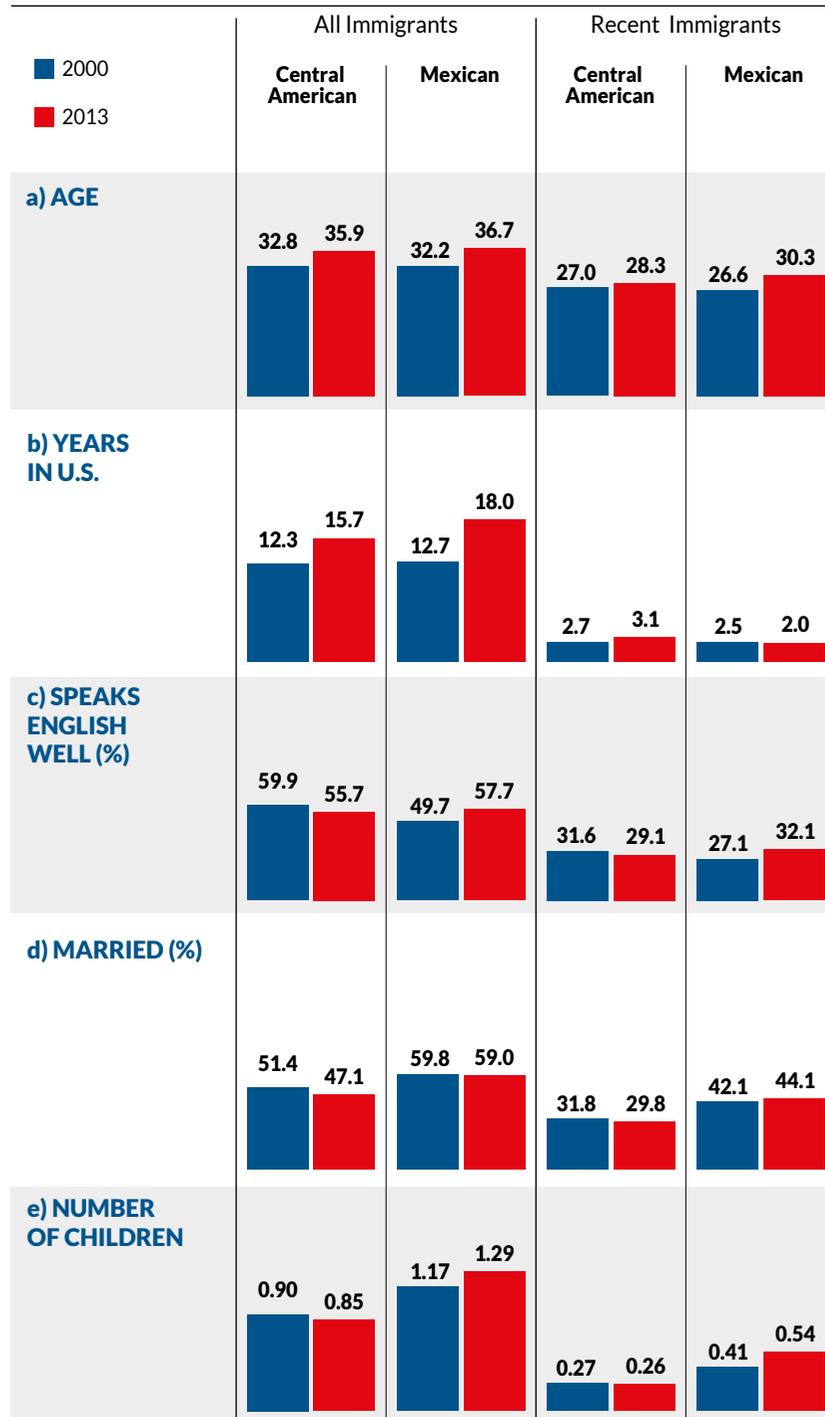
The changing U.S. immigration policy environment

The changing policy environment in the United States has likely exacerbated the rising vulnerability of Central American migrants. The most relevant policy changes of the last 30 years are highlighted along the bottom of pages 10-11. The 1986 Immigration Reform and Control Act (IRCA) legalized 2.7 million unauthorized immigrants – 200,000 of them from Central America – and modified a seasonal farm worker program. IRCA also made it a federal crime to knowingly hire unauthorized workers and required employers to complete and retain Form I-9, which mandated that new hires present two forms of government-issued identification. Document fraud was rampant and there was little enforcement of the new laws. Unauthorized immigrant inflows grew to record highs in the 1990s and early 2000s.

The U.S. government responded in two ways: by increasing border enforcement to thwart the growing inflows with targeted crackdowns such as Operations Hold the Line and Gatekeeper in 1993 and 1994, and by passing the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) in 1996, which set the stage for the intensification of interior immigration enforcement that was to come in the 2000s. IIRIRA is perhaps best known for establishing re-entry bars for previously unauthorized immigrants,



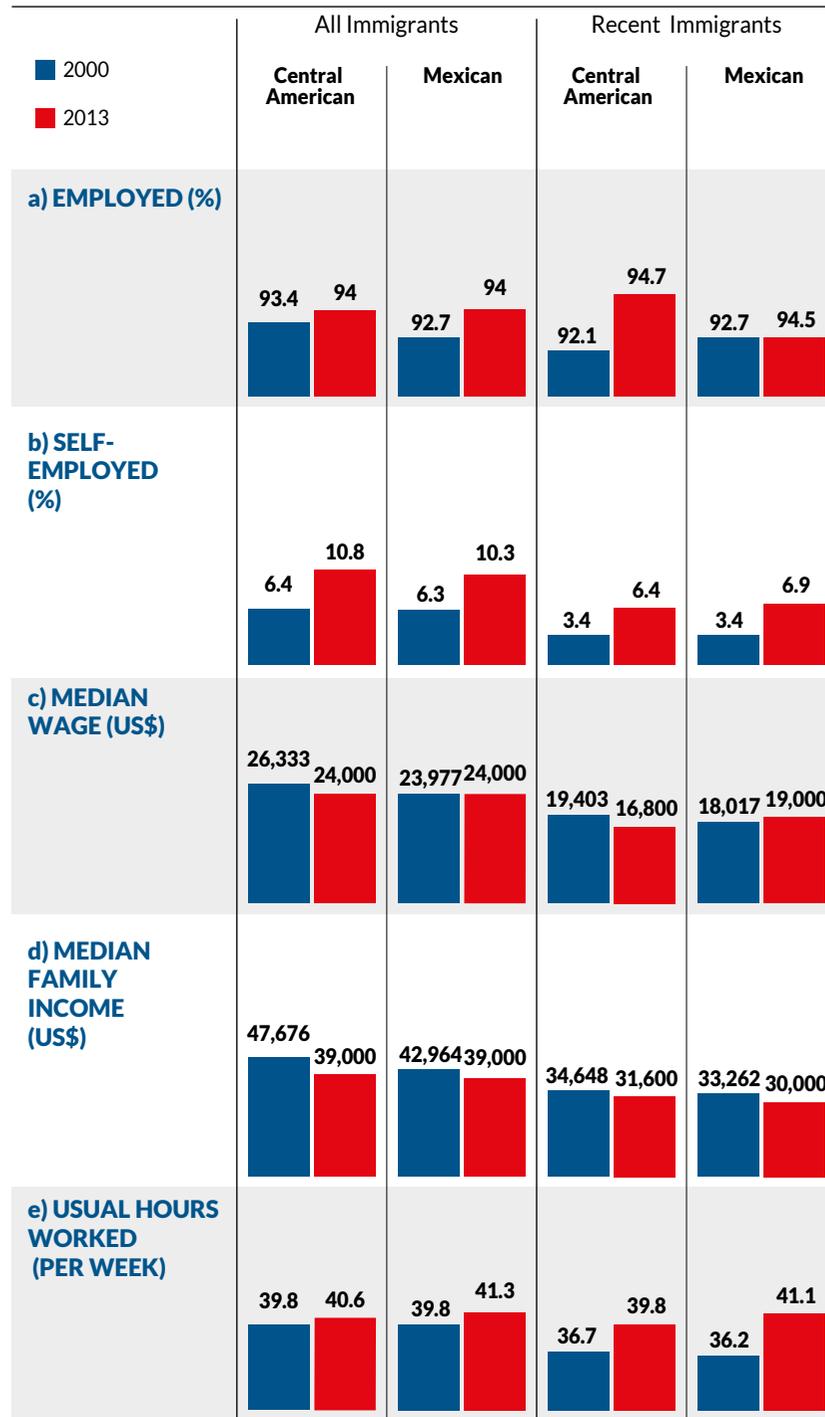
Figure 4. Demographic characteristics of the Hispanic immigrant workforce



Note: Recent immigrants arrived in the U.S. in the prior five years.
Sources: 2000 Census, 2013 American Community Survey.

which prevent them from adjusting status to legal permanent resident despite many of them being eligible, for example through sponsorship by a U.S. citizen spouse or adult child. IIRIRA also established Basic Pilot, the precursor to E-Verify, which electronically verifies workers' employment authorization and is now universally mandated by seven states. The 1996 law put in place the 287(g) program, which trained state and local police to enforce

Figure 5. Labor market outcomes of the Hispanic immigrant workforce



Note: Recent immigrants arrived in the U.S. in the prior five years.
Sources: 2000 Census, 2013 American Community Survey.

immigration laws during routine traffic stops and arrests. IIRIRA also established expedited removal, which eliminated the need for immigration courts to implement removal orders for certain types of immigrants.

Enforcement efforts intensified during the 2000s, a development related to the 9/11 terrorist attacks, which had deep repercussions for a range of U.S. policies. Following the failure of



attempts to pass a comprehensive immigration reform in 2006 and 2007, several states began to implement their own immigration policies, with some mandating that employers use E-Verify to check workers' employment authorization. Furthermore, U.S. border enforcement intensified, with efforts such as the Secure Fence Act, lateral repatriation (moving deportees to different border sections than where they were arrested), interior repatriation (transporting deportees to their origin communities) and zero tolerance policies that involve arresting, detaining and prosecuting first-time border crossers. Secure Communities, a program where Department of Homeland Security officers checked the immigration status of persons arrested by local law enforcement, helped push deportations to record highs.

The tide of restrictive policies began to turn in 2012 when President Obama announced the Deferred Action for Childhood Arrivals (DACA) program. DACA gave work permits and reprieves from deportation to over half a million unauthorized immigrants who were brought to the U.S. as children. Obama went on to dismantle enforcement programs such as 287(g) and Secure Communities. He also tried (but failed) to implement the Deferred Action for Parents of Americans (DAPA) program, which aimed to provide DACA-type benefits to more than 3.7 million parents of U.S. citizens and lawful permanent resident children.⁸

Effects of E-Verify mandates on Central American labor market outcomes

Since 2007, seven states have adopted laws that require all employers to use the federal government's E-Verify program to check new hires' eligibility to work legally in the U.S. Several studies have suggested that E-Verify mandates harm Hispanic immigrant workers who tend to be disproportionately unau-

SELECT IMMIGRATION POLICIES AND LAWS ENACTED SINCE 1986

1986	1990	1993	1996	2000	2003	2003
Immigration Reform and Control Act (IRCA)	Immigration Act of 1990	Targeted border enforcement	Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA)	Trafficking Victims and Violence Protection Act	E-Verify available	Lateral and interior repatriation programs
Required Form I-9, strengthened border enforcement, initiated worksite raids and audits, created H-2A and H-2B visas	Created H-1B visas and Temporary Protected Status	Operation Hold-the-Line (Gatekeeper and many more followed)	Created 287(g), Basic Pilot (precursor to E-Verify), expedited removal and re-entry bars	Increased rights of trafficking victims	Program employers use to verify employment eligibility of new hires	Returns Mexican migrants to border towns away from the initial crossing point or to their homes

E-Verify mandates significantly reduce employment, labor force participation rates and turnover among likely unauthorized Central American immigrant men

STUDY DESIGN – ANALYSIS OF E-VERIFY EFFECTS

We use data from the Current Population Survey (CPS) from 2002-2012. The CPS is the primary source of labor force statistics in the U.S. We examine employment, unemployment, wages, labor force participation and turnover among men aged 20-64.

We use a regression analysis to to examine labor market outcomes in the seven states that adopted a universal E-Verify mandate (AL, AZ, GA, MS, NC, SC and UT). The regressions include state fixed effects, year fixed effects and state-specific time trends. They also include controls for state-level business cycle conditions. We account for individual characteristics that are likely to be related to labor market outcomes. These include age, marital status, number of own children living in the household, and education of worker. We also include years in the U.S. The estimates in Table 1 show how much labor market outcomes changed, on average, after E-Verify for immigrants who lived in states that adopted a universal mandate.

thorized.⁹ In a prior study, we look specifically at Mexicans,¹⁰ and here follow the same methodology but focus on Central Americans.

Using data from the Current Population Survey (CPS), we examine how universal E-Verify laws affect the labor market outcomes of Central American immigrant men who are likely to be unauthorized. We expect E-Verify mandates will reduce employment and wages among the targeted undocumented immigrants; fewer employers will hire them, so the demand for their labor falls. However, there may also be a labor supply response since immigrants may fear remaining in the labor force after the mandates are implemented. If both labor demand and labor supply fall, it is not clear whether wages will decline. If labor supply changes relatively little compared with the change in labor demand, wages are likely to fall. In addition, since E-Verify mandates only target new hires, the mandates may result in reduced turnover as immigrants become trapped in their existing jobs, unable to readily seek new employment and hence less likely to experience upward occupational or wage mobility.

2006-2009 Zero tolerance policy	2006 Secure Fence Act	2007-2011 E-Verify: Legal Arizona Workers Act (and others)	2009 E-Verify: Federal contractors	2008 Secure Communities	2012 Deferred Action for Childhood Arrivals (DACA)	2014 Deferred Action for Parents of Americans (DAPA)
Subjects migrants apprehended at border to criminal prosecution in federal courts	Construction of 700 miles of high-security fencing along the Mexico-U.S. border	Mandates use of employment verification systems for all employers; adopted by several states	Requires federal contractors to use E-Verify	Enabled federal government to identify immigrants in local jails deportable under immigration law	Gives temporary legal status and work permits to certain unauthorized immigrants	(Not yet implemented) Would give temporary legal status and work permits to certain unauthorized immigrants





Indeed, we find evidence that universal E-Verify mandates significantly reduce employment, labor force participation rates and turnover among likely unauthorized Central American immigrant men (Table 1). Employment rates are 7.3 percentage points lower among this immigrant group in states with universal E-Verify mandates than in other states. Labor force participation is 5.9 percentage points lower, and turnover is 3 percentage points less.

Taken together, these results suggest that E-Verify mandates have discouraged work and job transitions in this population of Central Americans. In contrast, similar Mexican men who live in states with E-Verify mandates experience no change in employment or labor force participation rates, but instead large decreases in wages (Table 1, column 2).¹¹ The wages of likely unauthorized Mexican men are 7.5 percentage points lower in states with E-Verify mandates compared with states without such mandates. It appears to be the case that unauthorized Mexican immigrant men still work, but end up in worse jobs that pay lower wages, presumably with small employers who disregard the law or do not properly check workers' identities.¹² Furthermore, the E-Verify mandates appear to lead to better labor market outcomes among authorized workers likely to compete with unauthorized immigrants. Employment and earnings rise among male Hispanic immigrants who are naturalized citizens in states that adopt E-Verify mandates (Table 1, column 3), and earnings rise among U.S.-born Hispanic men (Table 1, column 4).

Table 1. The effect of E-Verify mandates on labor market outcomes

	Unauthorized Central American Immigrants	Unauthorized Mexican Immigrants	Naturalized Hispanic Immigrants	U.S.-Born Hispanics
Employed	-0.073***	0.006	0.036	-0.019
Employed, wage & salary	-0.058	0.014	0.087***	-0.022
Self-employed	-0.015	-0.008	-0.048**	0.001
Unemployed	0.014	-0.008	-0.029	0.047**
In labor force	-0.059**	-0.001	0.008	0.029
Real hourly earnings	0.034	-0.075***	0.065***	0.090***
Switched employers	-0.030**	-0.004	-0.018*	0.008*

* p<0.1; ** p<0.05; *** p<0.01.

Notes: Each number represents a separate regression and is the coefficient on a variable indicating that a person lives in a state with a universal E-Verify mandate. Latin America refers to Mexico and Central America. For details, see endnote 10.

Source: Columns 2, 3 and 4 are from Orrenius and Zavodny (2015).



The population of likely unauthorized Central American immigrants in states that passed E-Verify mandates between 2007 and 2011 fell by 27 percent relative to states that did not pass such a mandate



Effects of Temporary Protected Status (TPS)

The state-level analysis is further complicated by migration flows into and out of states. For example, other research has suggested that the Hispanic population fell drastically in Arizona after mandatory E-Verify was implemented there in 2007.¹³ In other words, it could be that Central American employment rates fall in Table 1 because some workers stop migrating to or move out of states that implement E-Verify. Using the American Community Survey (ACS), we looked more broadly at states' population makeup and migration flows before and after the passage of mandatory E-Verify laws.¹⁴ On average, the population of likely unauthorized Central American immigrants in states that passed E-Verify mandates between 2007 and 2011 fell by 27 percent relative to states that did not pass such a mandate. The bulk of the effect was among new arrivals, suggesting that migrant inflows were diverted away from E-Verify states. In addition, likely unauthorized Central American immigrants who moved between U.S. states were significantly less likely to choose a state with an E-Verify mandate.

Benefits of TPS

As of early 2014, the U.S. provided Temporary Protected Status (TPS) to more than 340,000 immigrants from eleven countries. TPS is typically granted if dangerous conditions prevail in the home country due to armed conflict, disease or a natural disaster. Individuals with TPS cannot be deported and are allowed to stay and work in the U.S. temporarily. Despite the increased use of TPS



in recent years, little is known about how TPS affects labor market outcomes for beneficiaries, most of whom are unauthorized prior to receiving TPS.

Migrants from El Salvador were the first group granted TPS as a result of the passage of the 1990 Immigration Act. More recently, Salvadorans were granted TPS in 2001 following two earthquakes. That status has since been renewed 10 times. We examined how migrants from El Salvador who are likely to have received TPS in 2001 (i.e., those who arrived in 1999-2000) fare in the labor market compared with other migrants.¹⁵ The results suggest that TPS eligibility leads to a number of improved labor market outcomes, including higher earnings (13 percent increase) among less-educated men and higher employment rates (17 percentage points) among less-educated women (Table 2, columns 1 and 2).

TPS-eligible men experienced a 6 percentage point drop in their employment rate and an equivalent rise in their unemployment rate. We interpret this as indicating that some men left their current jobs to pursue better options — such as higher-paying or safer jobs — after they received legal status. Among immigrants with at least some college (Table 2, columns 3 and 4), TPS eligibility resulted in large increases in labor force participation for men and higher earnings for women.

The results presented here have implications for programs such as DACA and DAPA since they also apply to unauthorized immigrants and grant temporary permission to remain and work in the U.S. Comparing our findings to the predicted effects in a recent government study¹⁶ suggests that the Obama Administration has underestimated the impact on women’s labor force participation, which we show to be very large (14.9 percentage points) among less-educated women.

Table 2: The effect of TPS on labor market outcomes of immigrants from El Salvador

	LESS-EDUCATED		MORE-EDUCATED	
	Men	Women	Men	Women
Employed	-0.060*	0.173***	0.101	-0.046
Unemployed	0.060***	-0.024	0.029	0.055
In labor force	-0.0002	0.149***	0.131*	0.009
Usual weekly hours	0.346	5.564**	4.182	5.300
Annual weeks worked	0.905	7.485***	7.656*	-1.716
Real weekly earnings	0.131***	0.033	0.191	0.477**

* p<0.1; ** p<0.05; *** p<0.01.

Notes: Each number represents a separate OLS regression and is the coefficient on an interaction term between a dummy variable for Salvadorans and a dummy variable for migrating to the U.S. in 1999-2000. The sample includes Salvadoran and Mexican immigrants who migrated in 1999-2000 or 2002-2003. Robust standard errors in parentheses.

Sources: 2005-2006 American Community Survey; Orrenius and Zavodny (2015).

○ Conclusion

- Recent trends suggest that immigration from Central America is increasing while Mexican immigration is tapering off. There are a number of implications for the U.S.
- **First**, in terms of managing the unauthorized flow: Whereas policy and practice vis-à-vis Mexican migrants are well established, there are many more questions and responsibilities associated with Central American migrants. Unauthorized Mexican border crossers are typically young men who do not seek asylum and who are readily returned to Mexico. In contrast, since Central Americans may be victims of persecution at home or be trafficked, they may qualify for asylum or fall under the Trafficking Victims Protection Act, respectively. They also are increasingly made up of family units or unaccompanied minors. All of these scenarios require more resources for the agencies and courts charged with caring for migrants and processing their petitions.
- **A second implication** of the changing trends is the drying up of the low-skilled labor flows that the U.S. economy has come to rely on after decades of steady Mexico-U.S. migration. While Central American migration has increased, net migration from Mexico is much lower than it used to be, and the flows are more diverse than in the past. The dearth of low-skilled workers has begun to show up in the macroeconomic statistics, with unemployment rates in border states such as Texas hovering near 4.5 percent and the U.S. unemployment rate coming in at 5 percent. Demographic changes, such as population aging, and labor market trends, such as falling labor force participation, may lead to a tradeoff for the U.S. economy: more immigration or slower economic growth.



- Robust employment and wage growth make a good backdrop for immigration reform. Missteps and missed opportunities over the last three decades have created the need for a number of necessary adjustments and realignments. As we detail in our policy recommendations below, immigration reform should start with creating a legal pathway for low-skilled workers to enter the U.S. labor market when they have a job offer from a U.S. employer. Programs similar to TPS will result in better job matches, higher labor force participation and less worker exploitation. Furthermore, a process should be created that allows the existing unauthorized immigrant population to attain legal residence as long as they have committed no other crimes.

- **Third**, a robust enforcement environment is needed to bolster both legalization and any foreign worker program, but interior enforcement provisions should not be adopted before regularizing the existing unauthorized population to avoid the negative effects demonstrated above that have happened as a result of E-Verify mandates in certain states.

Policy recommendations

- **1)** Expand temporary employment-based migration to include low-skilled workers in year-round employment. Eligible jobs should not be limited to seasonal or temporary work as is the case in the current H-2A and H-2B programs, but should include year-round, permanent work in all sectors where employers can demonstrate a need to hire a foreign worker. Visas should be portable across eligible employers to avoid abuses, and also renewable to lessen bureaucratic steps. Employers should be required to purchase a permit to hire a foreign worker, preferably in an auction where the permits go to the highest bidders (who hence have the highest 'need').¹⁷ The permit price would act as a tax on foreign labor, reducing demand to protect native-born workers while also raising revenue.
- **2)** Expand permanent employment-based migration to include more low-skilled workers than the current worldwide allotment of just 5,000 green cards (out of a total of 140,000 employment-based green cards). If the fear is that such workers will take advantage of welfare programs and publicly funded healthcare, laws could be adopted to further limit immigrants' access to such programs beyond the restrictions imposed in 1996.
- **3)** Improve existing employment- and family-based visa programs by eliminating fixed caps and replacing them with flexible quotas that grow with the economy and/or the population.
- **4)** Remove the re-entry bars for unauthorized immigrants who are otherwise eligible to adjust their status to lawful permanent resident through a sponsoring relative or employer. Alternatively, create other 245(i)-type programs to remove the bars in these select cases. In exchange for expanded access to such programs, parents and adult siblings of adult U.S. citizens could be eliminated from the preference category of immediate relatives who qualify for permanent resident visas.
- **5)** Introduce a version of a "Marshall Plan" in collaboration with migration-source countries to improve economic, social and political conditions in Central America. Focus on implementing institutional reform, assisting law enforcement and initiating economic programs that target new business investment and job training. With improved economic opportunity safer streets and more reliable institutions, Central Americans will feel less need to undergo dangerous journeys north. This initiative will also require working with transit countries (Mexico) to reduce illegal flows while also improving migrants' safety.
- **6)** Make E-Verify mandatory for all employers, but only after or in conjunction with undertaking comprehensive immigration reform that extends legal status (permanent or temporary) to existing unauthorized immigrants who qualify and have committed no other crimes.



NOTES AND REFERENCES

1. The views expressed here are solely those of the authors and do not reflect those of the Federal Reserve Bank of Dallas or the Federal Reserve System. We thank Melissa LoPalo and Emily Gutierrez for research assistance.
2. Central Americans in this policy brief refer to immigrants from Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. The great majority, however, are from El Salvador (39 percent), Guatemala (28 percent) and Honduras (17 percent). Data in this section are based on the 2013 American Community Survey and downloaded from IPUMS-USA, University of Minnesota, www.ipums.org. 'Immigrants' refers to broadly to people who are born abroad and not U.S. citizens at birth regardless of their current legal or U.S. citizenship status.
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4. See Brick, K., Challinor, A.E., & Roseblum, M. R. (2011). *Mexican and Central American immigrants in the United States*. Retrieved from <http://migrationpolicy.org/research/mexican-and-central-american-immigrants-united-states>. In 2009, 46 percent of Salvadorans, 60 percent of Guatemalans and 68 percent of Hondurans were unauthorized immigrants.
5. Recent immigrants are defined as those who have been the in the United States for 5 years or less.
6. Orrenius, P., & Zavodny, M. (2010). Mexican immigrant employment outcomes over the business cycle. *American Economic Review: Papers & Proceedings*, 100(2), 316-320.
7. The occupational data are also from the 2013 ACS. Central American women are less occupationally concentrated than men; about 17 percent are in domestic service, 9 percent in manufacturing, and 11 percent in food service. For both men and women, the shares in manufacturing and food service are much higher among recent immigrants than among the overall stock of immigrants.
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- Institute for Research and Policy Management (INGEP), Rafael Landívar University (Guatemala)
- Simeón Cañas Central American University (El Salvador)
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SUMMARY

Immigration from Central America to the United States is rising rapidly. Much of this inflow is unauthorized. Violence and corruption in Central America is affecting both the volume and composition of current migrants, who are less educated, less likely to speak English, and who face tougher border and interior enforcement than Central Americans who immigrated in the 1980s and 1990s faced. The increasing vulnerability of the new Central American migrants and the U.S.' hardening policy environment is leading to worse labor market outcomes among recent migrants compared with both their co-nationals in the past and other recent arrivals, such as Mexicans. The increase in state-level E-Verify mandates is one example of policies that have adversely impacted Central American migrants. As we show, these mandates have led to lower employment and labor force participation rates among migrants living in states where such mandates have been implemented. In contrast to tough policies at the state level, President Obama announced in late 2014 a measure known as Deferred Action for Parents of Americans (DAPA), which intended to grant temporary legal status and work permits to a large group of unauthorized immigrants. We argue that this measure is similar to the existing provision of Temporary Protected Status (TPS), extended to immigrants from countries in turmoil, and we use the Salvadoran experience with TPS in 2001 to demonstrate how it improves labor market opportunities for eligible immigrants—raising wages for men and increasing labor force participation for women. We conclude with a number of policy recommendations aimed at expanding legal avenues to accommodate immigrant flows from Central America while regularizing those already in the U.S.

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