



# THE INTEGRATION OF IMMIGRANTS AND THEIR FAMILIES IN MARYLAND:

*The Contributions of Immigrant Workers  
to the Economy*







**THE INTEGRATION OF IMMIGRANTS  
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## FOREWORD

Immigrants from around the world are increasingly integral to the nation's workforce. Between 1990 and 2000, over 50 percent of the growth in the U.S. labor force came from new, foreign-born immigrants. More recent data show that immigrants will account for all of the net growth in workers who are 25 to 54 years old in the next two decades. This national trend is mirrored locally in urban, suburban, and rural communities where policymakers and community leaders are struggling to integrate immigrants in ways that promote social, political, and economic well-being for both newcomer and established residents alike.

Given that immigrants are a rapidly growing segment of families and children living in our home state of Maryland, the Annie E. Casey Foundation decided to commission a two-part report looking at immigrant integration in the context of workforce and community. In this first report, the authors were asked to focus on labor force characteristics of sub-populations of immigrants across countries of origin, education levels, wages, and English language ability. They were also asked to take a special look at the impact of immigrants on labor force participation by native-born workers. Finally, they were asked to look at factors that affect the ability of immigrant workers to advance from low-wage, low-skill jobs and to provide recommendations on policies and practices to close the gap on economic opportunity for all low-income workers, including immigrants.

A key finding from the research is that the dramatic increase in immigrant workforce participation does not appear to have displaced significant numbers of native-born workers regardless of race, ethnicity, or socioeconomic status. Another is that Maryland's immigrant population and workforce differ from the national profile – with equal numbers from countries in Asia, Africa, Latin America, the Caribbean, and Europe. Finally, Maryland's immigrants are more highly skilled than the national average but also include large numbers of workers with limited formal schooling; literacy; and ability to read, write, and speak English. A key recommendation is that investments in education and training to bridge the literacy and language divide for immigrants and native-born workers will be critical to help Maryland remain competitive in the 21st century.

We are indebted to the study's authors – Randy Capps and Karina Fortuny – for their willingness to undertake this analysis. It started out as a brief for the Governor's Workforce Summit in February 2008 and grew to a more comprehensive report over the summer. We believe the findings and recommendations in this research report deserve the attention of Maryland's policymakers; employers; workforce development boards; and civic, community, and philanthropic leaders. We are committed to using the report to inform the Foundation's efforts to advance family strengthening and family economic success as priorities for public support, political will, civic action, and investment.

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## EXECUTIVE SUMMARY

Immigrants are a rapidly growing component of Maryland's population and an increasingly integral part of the state's workforce. Immigrants accounted for more than half of the state's total population and workforce growth from 2000 to 2005–06.<sup>1</sup>

Immigrants are neighbors, parents, and consumers. And they are even more likely than other Maryland residents to be workers. In 2006, 12 percent of all Marylanders were born outside the United States, but a higher share of workers (15 percent) were immigrants.<sup>2</sup> This includes both legal and unauthorized immigrants, and those working in all sectors of the economy—including agriculture.

Immigrants are a substantial share of Maryland's growing workforce, and despite the recent economic downturn, the state's economy is still creating new jobs and experiencing relatively low unemployment. According to the U.S. Bureau of Labor Statistics, Maryland's employment is continuing to grow in 2008, albeit more slowly than in the most recent years. In May 2008 Maryland had the 12th lowest unemployment rate (4.0 percent) among the states. The national rate was 5.5 percent.

This report focuses on recent growth in the immigrant population and workforce in Maryland and compares this growth to trends in the native-born workforce. The report outlines some of the unusual features of the immigrant workforce in Maryland: its diversity of origins, relatively high educational attainment, high bilingual share, concentration in high-skilled sectors of the economy, and for some groups, high wages and tax contributions. The report also focuses on less-skilled immigrants, who compose a large share of immigrants, especially those from Latin America.

In addition, the report describes the geographic dispersion of immigrant workers across the state and their commuting patterns. Recommendations are drawn up for integrating immigrants and providing upward mobility for all workers in Maryland.

Following are key findings from the report.

### **Maryland's Labor Market Is Expanding for Immigrants and U.S.-Born Workers**

The number of workers in Maryland is growing rapidly, among both immigrants and natives, and across racial and ethnic groups:

- Between 2000 and 2006, immigrants contributed more to Maryland's workforce growth than natives, as the number of immigrants grew by 120,000 versus 100,000 for natives.
- The number of younger immigrant workers (ages 25 to 34) increased 28 percent, while the number of younger native-born workers decreased 11 percent. An overall decline in the number of younger workers of 5 percent portends labor shortages in the near future.
- The labor force participation rate increased for both immigrants (from 75 to 80 percent) and natives (from 79 to 80 percent).

<sup>1</sup> In this report, 2006 data are averaged between the 2005 and 2006 American Community Survey Public Use Microdata Samples (PUMS), and 2000 data are taken from the 2000 Census of Population and Housing 5 percent PUMS, unless otherwise noted.

<sup>2</sup> Workers are people age 18 to 64 that are in the civilian workforce, worked at least 25 weeks or 700 hours during the prior year, and reported positive wage, salary, or self-employment earnings.



- The number of African Americans in Maryland's labor force grew by over 79,000, and their labor force participation rate rose from 73 to 78 percent.
- Labor force participation rose for all native-born adults without high school degrees (from 58 to 60 percent), including African Americans without high school degrees (from 52 to 57 percent).

The data do not suggest that rapid recent immigration has displaced significant numbers of native-born workers regardless of their race, ethnicity, or socioeconomic status. The state's low unemployment rate and growing labor force participation of natives from all major racial and ethnic groups show that immigration coexists with increasing economic opportunity for all Marylanders.

### **Immigrant Workers Are Highly Concentrated, but Their Numbers Are Increasing Rapidly throughout the State**

Two-thirds of Maryland's immigrant workers live in Montgomery and Prince George's counties, but immigrant populations are growing most rapidly in Frederick, Howard and Baltimore counties.

- In 2006, immigrants were about one of three workers living in Montgomery County, one of four workers in Prince George's County, and one of five workers in Howard County, but only 11 percent of workers in Baltimore County and 8 percent in Baltimore City. Immigrants were 6 percent or less of the workers living in the rest of the state.
- Between 2000 and 2006, the fastest growth in the number of immigrant workers occurred in Frederick and other western counties (90 percent), Howard County (50 percent), Baltimore County (45 percent), Prince George's County (42 percent), and Anne Arundel and other southeastern counties (41 percent). Montgomery County experienced the slowest growth (21 percent).

### **Immigrants Are More Likely than U.S.-Born Workers to Commute Outside Maryland for Work**

The number of immigrants commuting out of the state is about three times as high as the number commuting in, but the number of natives commuting out of the state also greatly exceeds the number that commute in from other states.

- In 2006, 23 percent of immigrant workers living in Maryland were employed in another state (mostly the District of Columbia or Virginia); this was higher than the share for U.S.-born workers (17 percent). Only 9 percent of Maryland's immigrant workers and 8 percent of U.S.-born workers commuted in from another state.
- On the other hand, U.S.-born workers were slightly more likely than immigrants residing in Maryland to commute to another county within the state (28 versus 25 percent).

Residential concentration and commuting patterns suggest that immigrant workers live near where they find the greatest employment opportunities: Washington, D.C., and its suburbs. While other regions of the state are experiencing rapid growth in immigrant populations, the Washington suburbs drive our findings for the state.

## Maryland's Immigrants Are Diverse

Maryland's diverse workforce is a key asset in the increasingly competitive global economy, and immigrants from a wide variety of origins are contributing to the state's diversity:

- In 2006, almost equal shares of the state's immigrant workers were Hispanic (29 percent), Asian (28 percent), and black (25 percent). A slightly lower share (18 percent) was white.
- Mexico accounted for almost a third of immigrant workers in the United States, but in Maryland no country accounted for over 10 percent.

Nationally, Hispanics are over half of all immigrant workers, but in Maryland no single ethnic group predominates.

## A Large Share of Maryland's Immigrant Workers Is Highly Skilled

Maryland's immigrants have higher levels of education than the national average for immigrants. They fill many vital jobs in the scientific, high-tech, and health sectors:

- A much higher share of immigrant workers in Maryland than nationally had a four-year college degree or more education in 2006 (43 versus 28 percent). Maryland ranked seventh among all the states on this indicator.
- Maryland's immigrant workers were also more likely than the state's native-born workers to have college degrees (43 versus 36 percent); this is the opposite of the national pattern.
- Many of Maryland's immigrants are bilingual and represent an important communication resource in a competitive global economy. In 2006, 40 percent of all immigrant workers in the state were bilingual. Bilingual shares ranged from 68 percent among immigrant workers from the Middle East and South Asia to 19 percent among workers from Mexico and 23 percent among those from Central America.
- A disproportionately high share of immigrants work in highly skilled occupations such as doctors, nurses, teachers, computer specialists, and researchers. In 2006, 27 percent of Maryland's scientists, 21 percent of health care practitioners, and 19 percent of mathematicians and computer specialists were foreign-born.
- Despite their high levels of education, significant shares of immigrants work in unskilled occupations that require minimal on-the-job training. In 2006, more than 40 percent of recent immigrants from Africa and Latin America who had received college degrees before they immigrated worked in unskilled occupations. More than a quarter of college-educated immigrants from Africa and Latin America who had been in the United States for more than 10 years worked in these occupations, as did 15 percent of those from Asia and 11 percent of those from Europe.<sup>3</sup>

The high shares of college-educated workers from Africa and Latin America in unskilled occupations suggest that Maryland has not taken full advantage of the education and skills of immigrant workers from these origins.

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<sup>3</sup> These figures are taken from Batalova, Fix, and Creticos (forthcoming).

### Immigrants with Less Education Fill Important Blue-Collar Jobs

Maryland's immigrants who lack high levels of education fill many important service-sector and blue-collar jobs:

- Seventeen percent of immigrant workers lacked high school degrees in 2006—above the share of U.S.-born workers in Maryland (7 percent) but far below the national average for immigrants (28 percent).
- About half of workers from Mexico and Central America lacked a high school degree, far higher than for any other group of immigrants.
- In 2006, immigrants were a third of Maryland building and grounds maintenance workers, a quarter of construction and agricultural workers, and almost a quarter of food preparation and health care support workers.

Large numbers of immigrants work alongside native-born Marylanders in key jobs that support the economy and help build the state's infrastructure, for instance building and maintaining homes and office parks, growing and serving food, driving trucks and buses, and providing health care in homes, clinics, and hospitals.

### Immigrants without Higher Education, English Proficiency, or Citizenship Fare Worse in the Labor Market

Education greatly influences the labor force participation and earnings of both immigrants and U.S.-born workers. But immigrants face additional barriers to advancement due to limited English proficiency (LEP) and lack of citizenship. These barriers are much more prevalent among immigrants from Mexico and Central America than other groups.

- In 2006, the labor force participation rate was over 87 percent for natives with college educations, but only 60 percent for natives without high school educations in Maryland. By contrast, 76 percent of immigrants without a high school education were in the labor force.
- Both native and foreign-born workers earned more than twice as much if they had college degrees than if they lacked high school degrees.
- In 2005, median earnings were \$24,000 for LEP immigrant workers with high school degrees but not college degrees, but just as high for English-proficient immigrants *without* high school degrees.<sup>4</sup> English-proficient immigrants with a college degree or more education out-earned LEP immigrant workers by \$15,000: \$55,000 versus \$40,000.
- In 2005, noncitizens with high school degrees actually earned *less* than citizens without high school degrees (\$23,000 versus \$25,000). The gap in earnings between citizens and noncitizens with four-year college degrees was \$17,000: \$60,000 versus \$43,000.

Thus English proficiency and citizenship appear to be as important as education for immigrants when it comes to earnings.

<sup>4</sup> Median personal earnings were calculated based on wage, salary, and self-employment earnings for the prior year. Data were averaged between 2004 and 2005, using the 2005 and 2006 American Community Survey PUMS.

### **Investments in Education and Training Are Needed for Maryland to Maximize the Contributions of Immigrant and Native-Born Workers**

Education and training programs, if effective and tailored to the needs of Maryland's employers, could help tap the potential and raise the incomes of workers, both immigrants and natives. Many immigrants may need a combination of English instruction, adult education, and job training to improve their job prospects. Further, acquisition of citizenship leads to higher earnings and helps immigrants incorporate socially. Unfortunately, the high cost and large backlog of citizenship applications present significant hurdles to citizenship among eligible immigrants. Others remain ineligible for citizenship because of lack of legal status.

Nearly three-quarters of all immigrant workers without high school educations are from Mexico and Central America, suggesting that adult education services should be targeted toward these populations. Mexican and Central American immigrants are also the least likely to be naturalized citizens and therefore most in need of citizenship services. However, many are also unauthorized and ineligible for citizenship as well as many federally funded programs.

Maryland receives a higher share of well-educated immigrants than the United States as a whole, but many of these immigrants work in jobs that are significantly below their skill levels. Some immigrants have high levels of formal education and training from their home country but not the requisite English language ability to apply their skills in Maryland, while others work in unskilled jobs despite English proficiency. These immigrants may need assistance in obtaining U.S. credentials, and in some cases assistance overcoming labor market discrimination.

A recent study of tax payments in the Washington, D.C., suburbs showed that households headed by college graduates—whether they are immigrants or natives—not only have substantially higher incomes but also pay substantially higher federal, state, and local taxes than those headed by workers without college or high school degrees.<sup>5</sup> Overall, immigrants paid 18 percent of the personal state taxes collected in the Maryland suburbs in 2000. This suggests that investments in education and training—for both immigrant and U.S.-born workers—would yield higher incomes and tax revenues for state and local governments. In an increasingly competitive world and an uncertain economic future, Maryland cannot afford to leave behind any workers, regardless of where they were born.

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<sup>5</sup> The Maryland suburban counties included in this analysis are Calvert, Charles, Frederick, Montgomery, Prince George's and St. Mary's. See Capps et al. (2006).

## RECENT TRENDS IN THE FOREIGN-BORN POPULATION AND WORKFORCE IN MARYLAND

Maryland, because of its strong state economy, is experiencing increasing demand for workers, and immigrants are increasingly filling this demand. Despite the current economic downturn, Maryland's overall economy and workforce continue to grow, and unemployment in the state remains relatively low. Between May 2007 and May 2008—the latest month for which data are available—Maryland's nonfarm payroll employment increased by about 1 percent, and the state ranked 14<sup>th</sup> in terms of employment growth. Only two states experienced an increase of more than 2 percent— Wyoming and Texas.<sup>6</sup> Maryland's unemployment stood at 4 percent in May 2008, the 12th lowest among the states and well below the national average of 5.5 percent.<sup>7</sup>

Many factors are supporting Maryland's current economic and workforce growth, but perhaps chief among these is the large number of stable, well-paying, and capital-intensive government and government contractor jobs. Twenty percent of Maryland residents work in government jobs, and the state is home to 50 federal agencies and 70 of the nation's 100 largest federal contractors. Maryland has the second-highest share of per capital federal research and development spending of any state. The federal investment in Maryland's economy and workforce is likely to increase substantially in the near future through the Department of Defense's Base Realignment and Closure (BRAC) process, which will close facilities in other states and move federal government and contractor personnel to Maryland. It has been estimated that starting in 2009, the BRAC process will create 15,000 federal jobs in Maryland, and up to a total of 60,000 jobs when contractor, support, and service sector jobs are included.<sup>8</sup>

Maryland may be unusual in its large number of federal government jobs, but the state has much in common with other states when it comes to the aging of its population and workforce. Like most northeastern states, Maryland is experiencing a decline in the number of adults in the younger working age range. In fact, Maryland is one of the 10 states with the fastest declines in the young adult population in the country; Pennsylvania and the New England states are also among the top 10 (Gittell 2007). Between 1990 and 2005, the number of adults in Maryland's labor force age 20 to 24 dropped 6 percent, while the number age 25 to 29 dropped 34 percent and the number age 30 to 34 dropped 24 percent. During the same 15-year period, the number of adults in the state's labor force age 45 to 49 increased 55 percent and the number age 50 to 55 percent by a whopping 78 percent. The large drop in the number of younger workers (age 20 to 34) suggests that in the near future, the number of older workers will decline as well, and projections by the Maryland Department of Planning indicate such drops starting in 2010. At the same time, those workers who are already in their older working years (age 45 to 60), will be retiring and leaving the workforce altogether.<sup>9</sup>

The population of younger workers is critical to ensuring future workforce growth, and to the vitality and creativity of the workforce. Without some replacement of those younger workers, the state will experience labor force shortages in the coming years, even without the jobs added by BRAC and other possible federal employment expansions. In short, the Maryland economy is likely to continue to create job opportunities for all workers, native and foreign-born, for years to come.

<sup>6</sup> See U.S. Department of Labor, Bureau of Labor Statistics, "Regional and State Employment and Unemployment Summary: May 2008," available at <http://www.bls.gov/news.release/pdf/laus.pdf>.

<sup>7</sup> See U.S. Department of Labor, Bureau of Labor Statistics, "Table 5. Employees on nonfarm payrolls by state and selected industry sector, seasonally adjusted: May 2008," available at <http://www.bls.gov/news.release/pdf/laus.pdf>.

<sup>8</sup> See Maryland Department of Planning, 2007, "Planning for BRAC: Status, Background and Next Steps," Annapolis, MD. Available at [http://www.mdp.state.md.us/brac/planning\\_for\\_brac.pdf](http://www.mdp.state.md.us/brac/planning_for_brac.pdf).

<sup>9</sup> These figures are based on data from the 1990 U.S. Census and population projections obtained from the Maryland Department of Planning.

***Immigrants are a rapidly growing component of Maryland's population and an increasingly integral part of the state's workforce.*** Immigrants, including both legal and unauthorized populations, accounted for almost two-thirds of the state's total population growth from 2000 to 2005–06.<sup>10</sup> Between 2000 and 2006, the state's "immigrant" or foreign-born population grew by 28 percent or 147,000 (figure 1). During the same period, the number of U.S.-born residents or "natives" living in Maryland grew by just 2 percent or 88,000.<sup>11</sup> Rapid growth in foreign-born populations alongside slow growth or decline in native-born populations is typical of most states. Nationally, the number of immigrants increased 18 percent between 2000 and 2006, while the number of natives grew just 3 percent. Thus Maryland fits the overall national pattern, although the state's growth rate for immigrants is somewhat higher than the national average.

Without immigration, the state would have experienced a much greater drop in the number of younger workers. Between 2000 and 2006, the number of younger workers (age 25 to 34) dropped 5 percent overall and the number of younger native-born workers dropped 11 percent. But the number of immigrant workers in this age range rose 28 percent during this period.

***Immigrants are overrepresented in Maryland's workforce, especially among lower-skilled and lower-earning workers.*** Immigrants are more likely than other Maryland residents to be workers. In 2006, there were 664,000 immigrants, representing 12 percent of Maryland's total population of 5.5 million. This was similar to the share of immigrants in the United States—also about 12 percent. Immigrants were a higher share of workers in Maryland than in the total population (15 versus 12 percent), where workers are defined as people working at least half time during the course of the year, in either agricultural or nonfarm employment.<sup>12</sup> The higher share of immigrants among workers than among the general population also fits the national pattern, and is due to immigrants' generally high labor force participation and tendency to immigrate during the younger working years, in their teens, twenties, and thirties (Capps et al. 2007a).

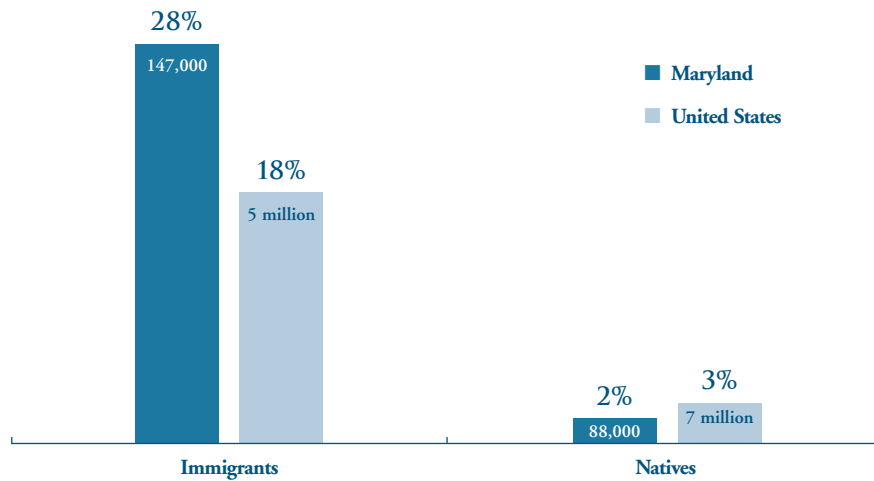
Immigrants are greatly overrepresented among workers earning low wages and those with limited formal education, and their shares of these groups are rising rapidly. Foreign-born shares grew fast between 2000 and 2006: from 10 to 12 percent in the total population and from 12 to 15 percent among workers (figure 2). The foreign-born share of workers earning low wages—defined here as less than twice the state's minimum wage—was higher and rose even more rapidly, from 15 to 20 percent between 2000 and 2006. The foreign-born share of low-skilled workers—those with less than high school educations—rose from 23 to 32 percent during this time.

<sup>10</sup> In this report, 2006 data are averaged between the 2005 and 2006 American Community Survey Public Use Microdata Samples (PUMS), and 2000 data are taken from the 2000 Census of Population and Housing 5 percent PUMS, unless otherwise noted.

<sup>11</sup> Using conventional census definitions, "immigrants" or the "foreign-born" are people who were born outside the United States or its territories to noncitizen parents. Some are noncitizens and others have become citizens through the naturalization process. The noncitizens include unauthorized immigrants, although they may be undercounted by up to 10 percent in the census and ACS data (Passel 2006). "Natives" or the "U.S.-born" are people who were born inside the United States and its territories (e.g., Puerto Rico and Guam) or abroad to U.S. citizen parents.

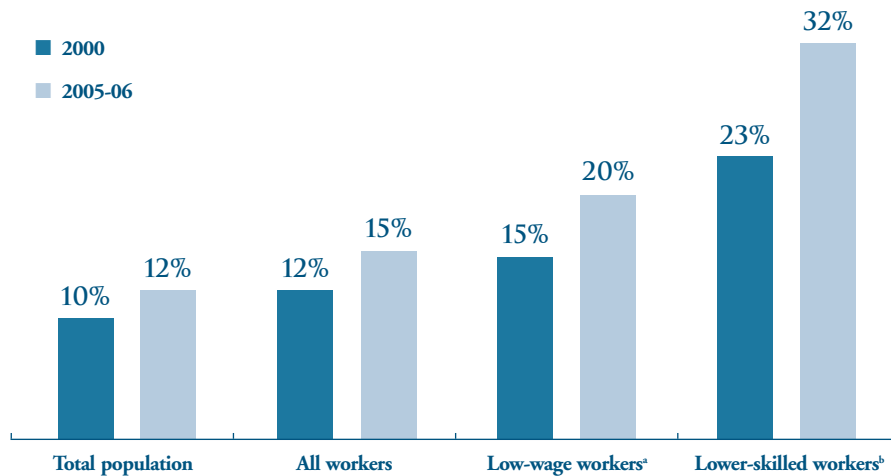
<sup>12</sup> Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks). Workers include both those in agricultural and nonfarm employment. This is the definition of "workers" used throughout the report unless noted otherwise.

**Figure 1: Growth Rate of Immigrant and Native-Born Populations in Maryland and the United States, 2000 to 2005–06**



Source: Urban Institute tabulations of 2000 U.S. Census of Population and Housing, 5 percent Public Use Microdata Sample; and 2005 and 2006 American Community Survey.

**Figure 2: Foreign-Born Shares of the Total Population, All Workers, Low-Wage Workers, and Lower-Skilled Workers, Maryland, 2000 and 2005–06**



Source: Urban Institute tabulations of 2000 U.S. Census of Population and Housing, 5 percent Public Use Microdata Sample; and 2005 and 2006 American Community Survey.

Note: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

a. Low-wage workers earned less than twice the minimum wage in 1999 or in 2004–05. Self-employed workers are excluded from this tabulation.

b. Lower-skilled workers have less than a high school education.

***Immigrants accounted for just over half the growth in Maryland's labor force between 2000 and 2006.***

When all people working or looking for work are taken into account, the number of immigrants in the workforce is growing more rapidly than the number of natives. Between 2000 and 2006, Maryland's labor force grew by 121,000 immigrants and by 102,000 natives. The growth rate for immigrants (39 percent) was about 10 times as high as that for natives (4 percent). These trends suggest that in the near future immigrants will begin to account for the vast majority, if not all, of the growth in the state's labor force.

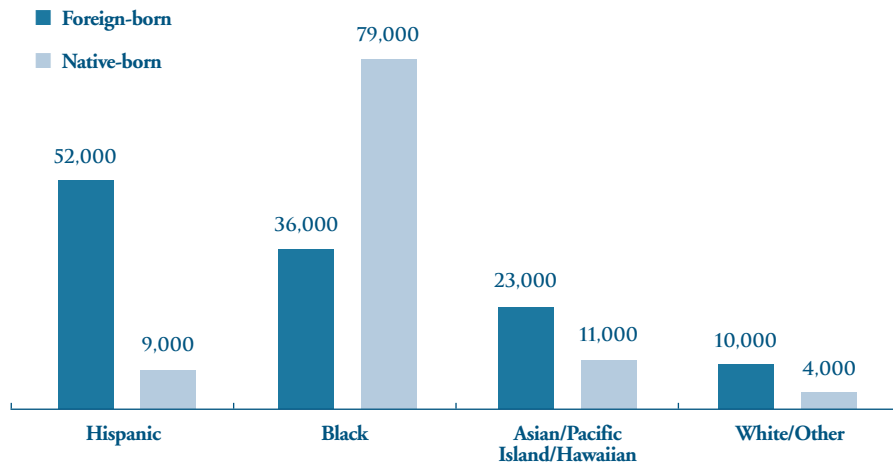
Maryland's trends reflect those nationally, where immigrants account for an increasingly large share of workforce growth. Nationally, between 2000 and 2005, new immigrants (those who had entered the U.S. after 2000 and were still residing here during 2005) accounted for 86 percent of the total increase in employment (Harrington 2006). Among men, new immigrants accounted for the entire rise in employment from 2000 to 2005; for the first time since World War II, there was no net gain in native-born male employment over a five year period nationally. Thus, if Maryland catches up with national trends, before long immigrants will account for all or almost all of the state's employment growth.

***Maryland's labor force continues to grow substantially for all major racial and ethnic groups except non-Hispanic whites.*** Between 2000 and 2006, Maryland's labor force added significant numbers of Hispanic, black, and Asian workers—both immigrants and natives. The only group that did not grow significantly was native-born non-Hispanic whites. Hispanic immigrants had the fastest growth rate of any group in the labor force (71 percent), followed by Asian and black immigrants (58 and 50 percent, respectively). The absolute number of African Americans in the labor force increased the most (by 79,000), followed by Hispanic immigrants (52,000), and black immigrants (36,000). The number of white natives in the labor force only grew by 4,000, or less than 1 percent (figure 3). Thus, the labor force is increasing in diversity from growth in both immigrant and native-born minority populations.

***The number of less-educated natives in the labor force is declining, but the numbers of better-educated natives and immigrants at all levels of educational attainment are increasing.*** The number of native-born adults in the labor force who lack high school educations declined by 19 percent, or 40,000, from 2000 to 2006 (figure 4). During the same period, the number of foreign-born adults in the labor force without high school degrees rose by 34 percent or 19,000. This drop in the number of native-born workers without a high school education follows a pattern observed nationally (Capps et al. 2007a), as well as in states as different as Arkansas and Connecticut. At the same time, however, the number of better-educated workers rose *faster* than the number of less-educated workers, the opposite of the national pattern. There were substantial increases in the numbers of immigrants with high school degrees but no college degrees, as well as college degrees or more education—both groups registered an increase of about 50,000 adults in the labor force between 2000 and 2006. The number of native-born adults in these two categories also increased substantially during these years.



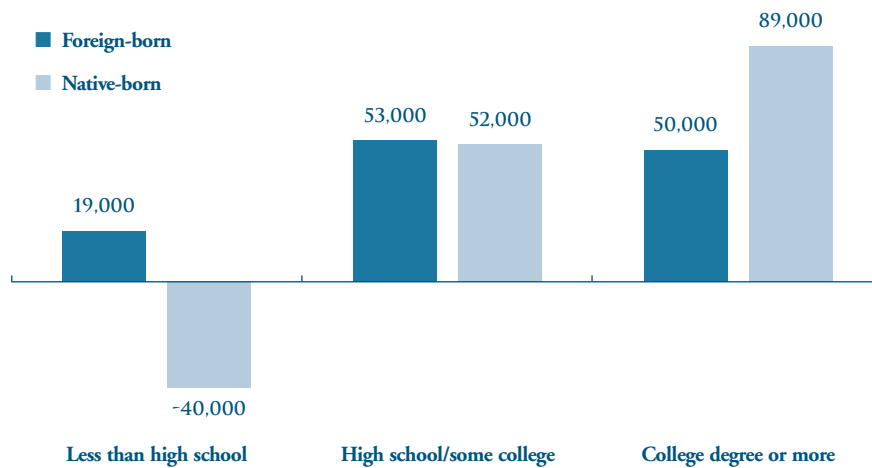
**Figure 3: Growth of Maryland Labor Force, Age 18 to 64, by Nativity and Race/Ethnicity, 2000 to 2005–06**



Source: Urban Institute tabulations of 2000 U.S. Census of Population and Housing, 5 percent Public Use Microdata Sample; and 2005 and 2006 American Community Survey.

Note: A very small share, less than 0.5%, identified themselves as Native Americans among native and foreign-born. These survey respondents are excluded.

**Figure 4: Growth of Maryland Labor Force, Age 18 to 64, by Nativity and Educational Attainment, 2000 to 2005–06**



Source: Urban Institute tabulations of 2000 U.S. Census of Population and Housing, 5 percent Public Use Microdata Sample; and 2005 and 2006 American Community Survey.

Note: A very small share, less than 0.5%, identified themselves as Native Americans among native and foreign-born. These survey respondents are excluded.

***Labor force participation is increasing for both immigrants and natives in almost all racial, ethnic, and socioeconomic groups.*** In addition to an expanding workforce, Maryland experienced rising labor force participation among almost all demographic groups over the period of study.<sup>13</sup> From 2000 to 2006, labor force participation rose slightly among natives from 79 to 80 percent, but it increased more rapidly among immigrants (from 75 to 80 percent) to reach parity with natives (table 1). These labor force participation rates are a few percentage points higher in Maryland than nationally, and national figures showed slight declines between 2000 and 2005 (Capps et al. 2007a). Maryland's relatively high labor force participation and low unemployment may result from the stability of the state's many government and government contractor jobs. In addition, with the BRAC process expected to create more federal and contractor jobs in the near future, labor force participation and unemployment rates are likely to remain relatively strong.

In 2006, labor force participation among foreign-born men (88 percent) was higher than among native-born men (85 percent), while participation among immigrant women (72 percent) was lower than among native women (76 percent). There was little variation in labor force participation by race or ethnicity among either immigrants or natives, but labor force participation increased substantially with educational attainment. Among natives, both men and women without high school degrees were considerably less likely to participate in the labor force (at 67 and 52 percent, respectively) than were men and women with more education. The trend was the same among immigrant women but not men. Immigrant men without high school educations had a labor force participation rate of 86 percent, comparable to that for better-educated men, both immigrants and natives. This group of men also experienced one of the greatest increases in labor force participation—of 14 percentage points—between 2000 and 2006.

African American men had the lowest labor force participation rate of any gender/race group: 78 percent in 2006 (not shown). Their labor force participation, however, increased 5 percentage points from 2000 to 2006. Thus, even the native-born groups with the lowest labor force participation experienced an improvement between 2000 and 2006.

***Implications.*** Taken together, the data in this section of the report indicate the growing importance of immigrant workers in Maryland. Immigrant workers are a rising share of workers at all levels of educational attainment, and the labor force participation of immigrant men and women from various racial and ethnic backgrounds is increasing. These findings suggest that immigrants are an increasingly important part of Maryland's economic output and tax base.

The dramatic increase in immigrant workforce participation does not appear to come at the expense of any major group of native-born workers. Labor force participation is increasing virtually across the board among native-born adults, and native-born adults with less than high school degrees represent the only group with declining numbers in the labor force. This group's decreasing share of the labor force appears to be due to a decline in their overall number, not in their labor force participation.

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<sup>13</sup> Labor force participation is defined as the number of people working or looking for work, divided by the total number of people age 18 to 64 within each demographic group.

**Table 1: Labor Force Participation Rates, Adults Age 18–64, by Nativity, Gender, Race/Ethnicity, and Educational Attainment, Maryland, 2000 and 2005–06**

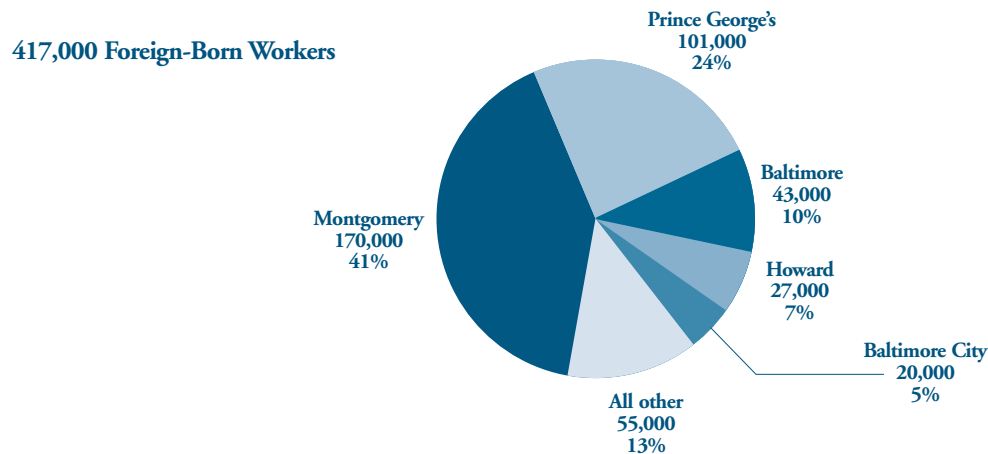
|                                       | Native-born |         | Foreign-born |         |
|---------------------------------------|-------------|---------|--------------|---------|
|                                       | 2000        | 2005–06 | 2000         | 2005–06 |
| <b>Overall</b>                        | 79%         | 80%     | 75%          | 80%     |
| <i>Gender</i>                         |             |         |              |         |
| Male                                  | 83%         | 85%     | 82%          | 88%     |
| Female                                | 75%         | 76%     | 68%          | 72%     |
| <i>Race/Ethnicity</i>                 |             |         |              |         |
| Hispanic                              | 78%         | 80%     | 70%          | 81%     |
| Black                                 | 73%         | 78%     | 82%          | 85%     |
| Asian                                 | 74%         | 82%     | 74%          | 77%     |
| White                                 | 81%         | 81%     | 75%          | 78%     |
| <i>Education</i>                      |             |         |              |         |
| Less than high school                 | 58%         | 60%     | 64%          | 76%     |
| High school/some college              | 79%         | 80%     | 74%          | 79%     |
| College degree or more                | 88%         | 87%     | 82%          | 83%     |
| <i>Gender &amp; Education</i>         |             |         |              |         |
| Male                                  |             |         |              |         |
| Less than high school                 | 63%         | 67%     | 72%          | 86%     |
| High school/some college              | 83%         | 84%     | 81%          | 87%     |
| College degree or more                | 92%         | 93%     | 89%          | 91%     |
| Female                                |             |         |              |         |
| Less than high school                 | 52%         | 52%     | 55%          | 63%     |
| High school/some college              | 75%         | 76%     | 69%          | 73%     |
| College degree or more                | 84%         | 83%     | 75%          | 76%     |
| <i>Race/Ethnicity &amp; Education</i> |             |         |              |         |
| Hispanic                              |             |         |              |         |
| Less than high school                 | 59%         | 66%     | 65%          | 80%     |
| High school/some college              | 78%         | 80%     | 74%          | 83%     |
| College degree or more                | 89%         | 87%     | 80%          | 81%     |
| Black                                 |             |         |              |         |
| Less than high school                 | 52%         | 57%     | 67%          | 67%     |
| High school/some college              | 76%         | 80%     | 81%          | 84%     |
| College degree or more                | 87%         | 89%     | 89%          | 91%     |
| Asian                                 |             |         |              |         |
| Less than high school                 | 51%         | 83%     | 62%          | 68%     |
| High school/some college              | 69%         | 75%     | 71%          | 74%     |
| College degree or more                | 86%         | 88%     | 80%          | 80%     |
| White                                 |             |         |              |         |
| Less than high school                 | 63%         | 62%     | 56%          | 66%     |
| High school/some college              | 80%         | 80%     | 71%          | 72%     |
| College degree or more                | 88%         | 87%     | 82%          | 83%     |
| <i>Citizenship</i>                    |             |         |              |         |
| Not a citizen                         | N/A         | N/A     | 72%          | 78%     |
| Citizen                               | N/A         | N/A     | 80%          | 83%     |
| <i>Length of Residency in US</i>      |             |         |              |         |
| Less than 10 years                    | N/A         | N/A     | 70%          | 77%     |
| 10 years and more                     | N/A         | N/A     | 78%          | 83%     |

Source: Urban Institute tabulations of 2000 U.S. Census of Population and Housing, 5 percent Public Use Microdata Sample; and 2005 and 2006 American Community Survey.

## DISTRIBUTION OF IMMIGRANT WORKERS ACROSS THE STATE AND COMMUTING PATTERNS

*Two-thirds of Maryland's immigrant workers live in Montgomery and Prince George's counties, but immigrant populations are growing more rapidly in Frederick, Howard and Baltimore counties.* In 2006, 41 percent of the state's immigrant workers resided in Montgomery County and 24 percent in Prince George's County (figure 5). Baltimore County was home to another 10 percent, Howard County 7 percent, and Baltimore City 5 percent. The rest of the state only accounted for 13 percent, or about 55,000 immigrant workers.

**Figure 5: Foreign-Born Workers Living in Maryland, by County, 2005–06**

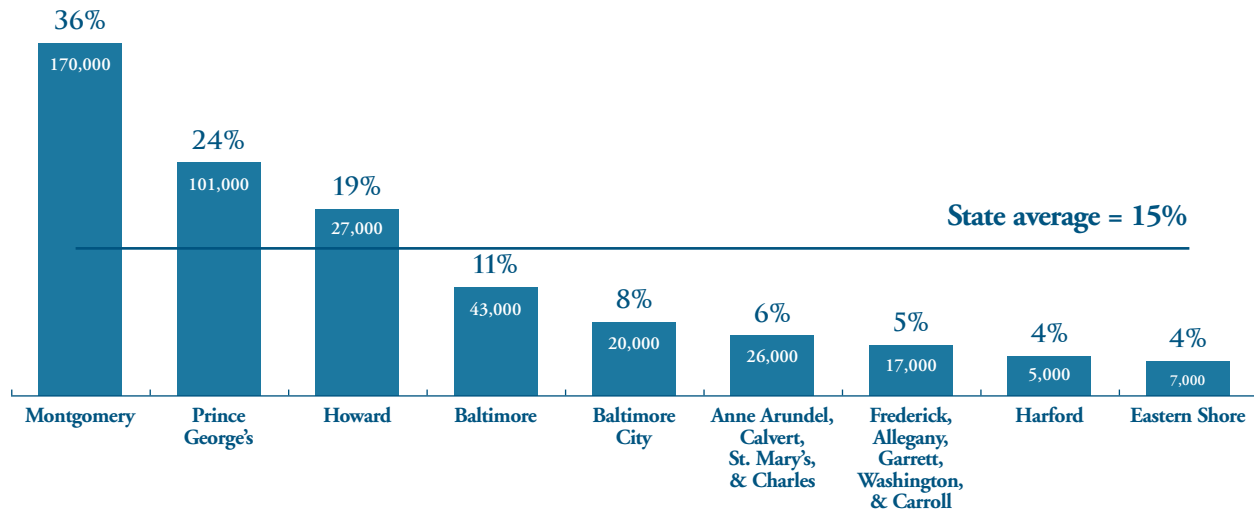


Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks). Numbers are rounded to the nearest thousand. Percentages are calculated before rounding.

Montgomery, Prince George's, and Howard counties were the only counties with immigrant shares of workers above the statewide average. Montgomery County had the highest share of workers that were foreign born in 2006: 36 percent (figure 6). Prince George's had the second-highest share (24 percent) and Howard the third-highest share (19 percent). The rest of the counties had foreign-born shares below the statewide average (15 percent), with the lowest shares of foreign-born workers in Harford County and the group of counties on the Eastern Shore (both 4 percent).<sup>14</sup>

<sup>14</sup> The 2005–06 American Community Survey PUMS datasets include limited geography below the state level. Some counties were combined into regional groupings due to available geography and sample sizes in the PUMS data. "Eastern Shore" represents Cecil County and the counties east of Chesapeake Bay. For the full list of county groupings employed in this report, see appendix table 1.

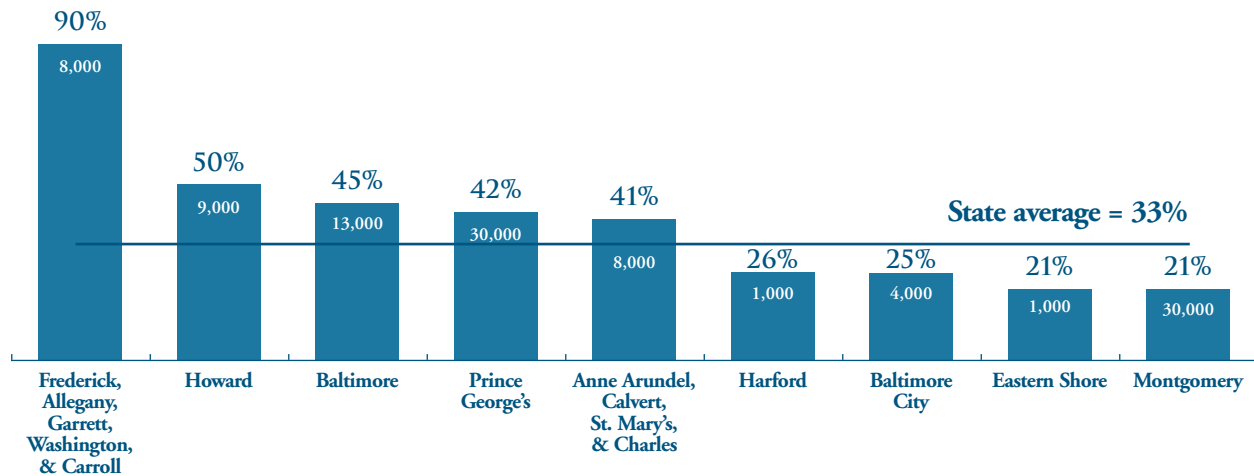
**Figure 6: Foreign-Born Shares of Maryland Workers, by County/County Group, 2005–06**

Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks). "Eastern Shore" includes Cecil, Kent, Queen Anne's, Talbot, Caroline, Dorchester, Wicomico, Somerset, and Worcester counties.

The pattern of growth in immigrant populations differs from the pattern of their concentration, with the highest growth rate in the western part of the state. Between 2000 and 2005–06, the number of immigrant workers almost doubled in Frederick and the other western counties, but this represented an absolute growth of only 8,000 workers (figure 7). Growth rates for Howard, Baltimore, Prince George's, Anne Arundel, and other southeastern counties grew more than the statewide average (33 percent). Montgomery County had the lowest growth rate, tied with the Eastern Shore counties at 21 percent. Nonetheless, the absolute number of immigrant workers grew the most in Montgomery and Prince George's counties: 30,000 each. This pattern suggests that while counties such as Frederick and Howard may be experiencing the most rapid growth *rates* of their immigrant populations, Montgomery and Prince George's counties will continue to attract the majority of immigrants for some time to come.

**Figure 7: Growth Rates, Foreign-Born Workers, by County/County Group, Maryland, 2000 to 2005–06**



Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks). "Eastern Shore" includes Cecil, Kent, Queen Anne's, Talbot, Caroline, Dorchester, Wicomico, Somerset, and Worcester counties.

***Immigrants Are More Likely than U.S.-Born Workers to Commute Outside Maryland for Work.*** In 2006, a total of 86,000 immigrants lived in Maryland and worked in other states—the majority of them in the District of Columbia and some in Virginia (table 2). This was about three times the number of immigrants who lived in other states but worked in Maryland: 28,000 (table 3). These figures suggest a net loss of about 58,000 immigrant workers as commuters, when those commuting in are subtracted from those commuting out. Among the native born, 347,000 workers commuted out of Maryland to other states and 163,000 commuted in, for a larger net loss of 184,000 commuters. The share of workers living in Maryland and commuting to jobs outside the state, however, was higher for immigrants than natives (23 versus 17 percent). The share of workers living in Maryland and commuting to another county within the state was *lower* for immigrants than natives (25 versus 28 percent).

***Implications.*** Residential concentration and commuting patterns suggest that immigrant workers live near where they find the greatest employment opportunities: Washington, D.C., and its suburbs. Montgomery and Prince George's counties have by far the largest immigrant concentrations, and populations are growing fastest there in absolute number. Some of the outer-ring suburban counties of Washington—Frederick, Howard, and Anne Arundel—are growing the fastest in terms of their growth rates. The Washington, D.C., suburbs are the wealthiest jurisdictions in the state. Baltimore City, one of the poorest jurisdictions, continues to lag behind the rest of the state in its immigrant population, both in absolute number and in growth rate. The Eastern Shore and Harford County also have relatively small immigrant populations with low growth. Thus, as observed in research on other states such as Arkansas (Capps et al. 2007b), immigrants appear to be moving toward the more prosperous and economically vital areas of the state. This also means that immigrants contribute more to local economic output and tax bases in areas of the state that are already strong along these dimensions.

Commuting patterns suggest that more workers are leaving the state each day as commuters than are commuting into the state. This commuting deficit represents a net job loss for Maryland but the size of the imbalance (about 58,000 or 15 percent of immigrants residing in the state, and 242,000 or 10 percent workers overall) is not that great.

**Table 2: Place of Work of Workers\* Residing in Maryland, by Nativity, 2005–06**

| Place of Work                     | Immigrant Workers |            | Native Workers   |            | All Workers      |            |
|-----------------------------------|-------------------|------------|------------------|------------|------------------|------------|
|                                   | Number            | Share      | Number           | Share      | Number           | Share      |
| <i>Maryland</i>                   |                   |            |                  |            |                  |            |
| Same county                       | 197,000           | 53%        | 1,160,000        | 55%        | 1,357,000        | 55%        |
| Different county                  | 92,000            | 25%        | 593,000          | 28%        | 685,000          | 28%        |
| <b>Subtotal</b>                   | <b>289,000</b>    | <b>77%</b> | <b>1,753,000</b> | <b>83%</b> | <b>2,042,000</b> | <b>83%</b> |
| <i>Commuters outside Maryland</i> |                   |            |                  |            |                  |            |
| District of Columbia              | 58,000            | 15%        | 211,000          | 10%        | 269,000          | 11%        |
| Virginia                          | 23,000            | 6%         | 91,000           | 4%         | 114,000          | 5%         |
| Pennsylvania                      | 1,000             | 0%         | 10,000           | 0%         | 11,000           | 0%         |
| Delaware                          | 1,000             | 0%         | 19,000           | 1%         | 20,000           | 1%         |
| New York                          | 1,000             | 0%         | 2,000            | 0%         | 3,000            | 0%         |
| Other                             | 2,000             | 0%         | 15,000           | 1%         | 17,000           | 1%         |
| <b>Total commuters</b>            | <b>86,000</b>     | <b>23%</b> | <b>347,000</b>   | <b>17%</b> | <b>433,000</b>   | <b>17%</b> |
| <b>Total</b>                      | <b>375,000</b>    |            | <b>2,100,000</b> |            | <b>2,475,000</b> |            |

Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

\*Excluded are workers for whom the place of work is not known—10% of foreign-born and 9% of native-born workers residing in Maryland.

**Table 3: Place of Residence of Workers\* Employed in Maryland, by Nativity, 2005–06**

| Place of Work                | Immigrant Workers |            | Native Workers   |            | All Workers      |            |
|------------------------------|-------------------|------------|------------------|------------|------------------|------------|
|                              | Number            | Share      | Number           | Share      | Number           | Share      |
| <i>Maryland</i>              |                   |            |                  |            |                  |            |
| Same county                  | 197,000           | 62%        | 1,160,000        | 61%        | 1,357,000        | 61%        |
| Different county             | 92,000            | 29%        | 593,000          | 31%        | 685,000          | 31%        |
| <b>Subtotal</b>              | <b>289,000</b>    | <b>91%</b> | <b>1,753,000</b> | <b>92%</b> | <b>2,042,000</b> | <b>91%</b> |
| <i>Commuters to Maryland</i> |                   |            |                  |            |                  |            |
| District of Columbia         | 6,000             | 2%         | 29,000           | 2%         | 35,000           | 2%         |
| Virginia                     | 16,000            | 5%         | 39,000           | 2%         | 55,000           | 2%         |
| Pennsylvania                 | 2,000             | 1%         | 50,000           | 3%         | 52,000           | 2%         |
| Delaware                     | 1,000             | 0%         | 14,000           | 1%         | 16,000           | 1%         |
| West Virginia                | 1,000             | 0%         | 18,000           | 1%         | 18,000           | 1%         |
| Other                        | 2,000             | 1%         | 12,000           | 1%         | 14,000           | 1%         |
| <b>Total Commuters</b>       | <b>28,000</b>     | <b>9%</b>  | <b>163,000</b>   | <b>8%</b>  | <b>191,000</b>   | <b>9%</b>  |
| <b>Total</b>                 | <b>318,000</b>    |            | <b>1,916,000</b> |            | <b>2,233,000</b> |            |

Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

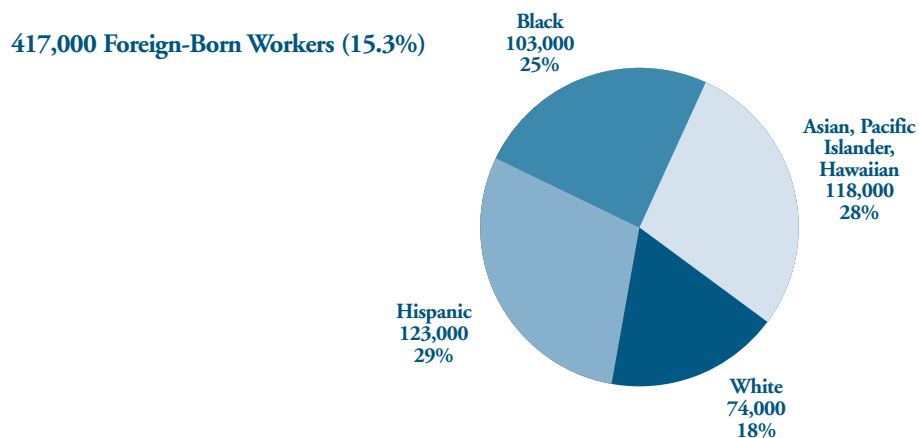
Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

\*Excluded are workers for whom the place of work is not known.

## CHARACTERISTICS OF IMMIGRANT WORKERS LIVING IN MARYLAND

*Maryland's immigrant population and workforce are unusually diverse.* Maryland's diverse workforce is a key asset in the increasingly competitive global economy, and immigrants from a wide variety of origins are contributing to the state's diversity. In 2006, immigrant workers in Maryland were spread almost equally among the four major racial and ethnic groups: 29 percent Latino or Hispanic; 28 percent Asian, Pacific Islander, or Hawaiian; 25 percent black; and 18 percent white (figure 8). Nationally, the share of immigrant workers that was Hispanic was much higher (49 percent); the Asian share was slightly lower (24 percent); the white share was similar (19 percent), and the black share was much lower (8 percent). Thus, while Latinos represent about half of all immigrant workers nationally, they account for under a third of immigrant workers in Maryland.

**Figure 8: Race and Ethnicity of Foreign-Born Workers in Maryland, 2005–06**



Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

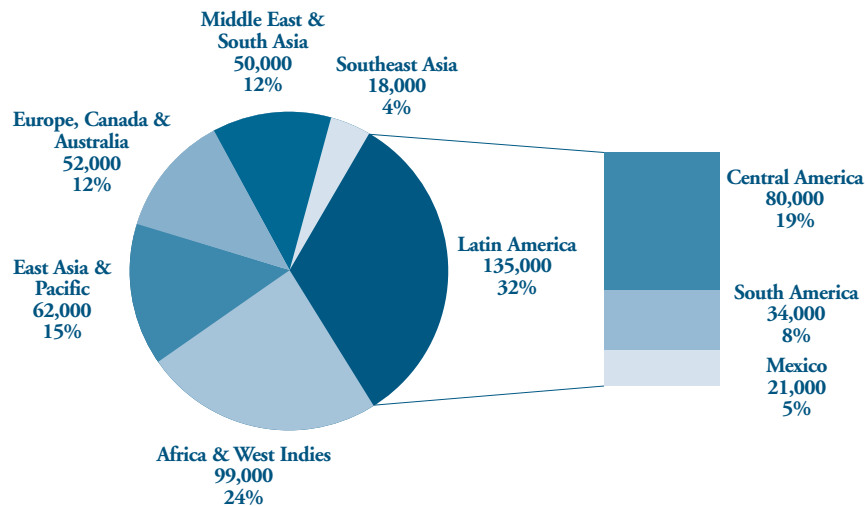
Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks). Numbers are rounded to the nearest thousand. Percentages are calculated before rounding.

Unlike the national foreign-born population, no single country or region of the world predominates among Maryland's foreign-born workers. Mexico accounted for only 5 percent of immigrant workers in 2006 (versus over 30 percent nationally). About a third of immigrant workers were from Latin America (versus 51 percent nationally), another third from Asian countries, and a quarter from Africa and the West Indies (figure 9). Maryland had greater shares of immigrant workers from Africa, the West Indies, and Asia—particularly South Asia and the Middle East—than was the case nationally. Nationally, only 26 percent of immigrants were from Asia and 9 percent were from Africa and the West Indies.



Most of these groupings are based on continents of origin and/or race ethnicity. African and West Indians are categorized together based on race. Asian immigrants are divided into different regional groups because of their great diversity. Southeast Asians are a separate group because they are mostly from refugee countries such as Vietnam, Cambodia, and Laos. A full list of the countries in each region of analysis in the report is included in appendix table 2.

**Figure 9: Regions of Birth of Foreign-Born Workers in Maryland, 2005–06**

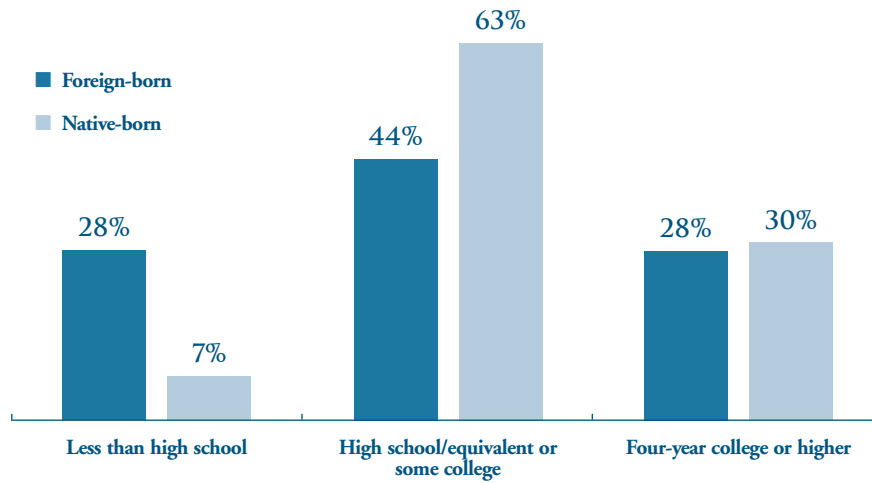


Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Note: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks). Numbers are rounded to the nearest thousand. Percentages are calculated before rounding.

***A relatively large share of Maryland's immigrant workers is highly skilled.*** Despite common stereotypes, many Maryland immigrants are highly skilled and well educated. Nationally, immigrant workers were less likely than U.S.-born workers to have four-year college degrees or more education (28 versus 30 percent) in 2006 (figure 10). But Maryland's immigrant workers were *more likely* than U.S.-born workers to have college educations (43 versus 36 percent, figure 11). In fact, Maryland ranked seventh in the share of immigrants with college educations, behind West Virginia, District of Columbia, New Hampshire, North Dakota, Ohio, and Vermont. Both nationally and in Maryland, immigrant workers were more likely than U.S.-born workers to have less than high school educations; however the gap in high school completion between native and immigrant workers was twice as large nationally (21 percentage points) as in Maryland (10 percentage points). The share of workers in the middle range of education—those with high school degrees but not four-year college degrees—was substantially lower among immigrants than U.S.-born workers both nationally and in Maryland. In short, immigrant workers in Maryland are relatively highly educated compared with the rest of the country.

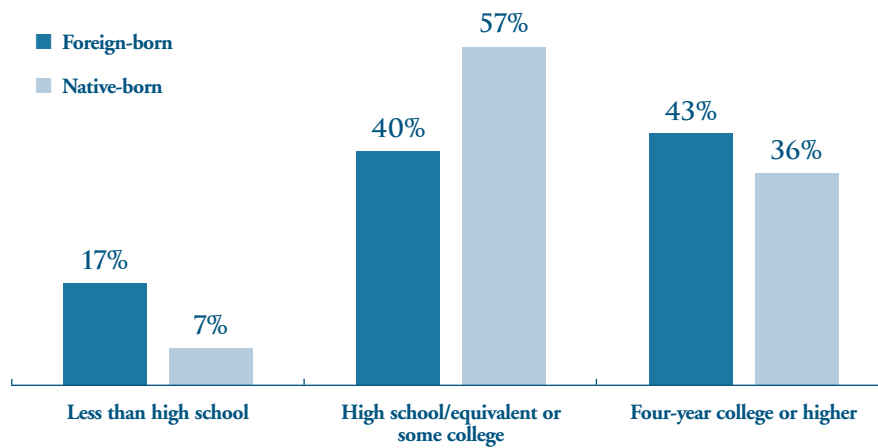
**Figure 10: Educational Attainment of Foreign- versus Native-Born Workers, United States, 2005–06**



Source: Urban Institute tabulations of 2005 and 2006 American Community Survey

Note: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

**Figure 11: Educational Attainment of Foreign- versus Native-Born Workers, Maryland, 2005–06**

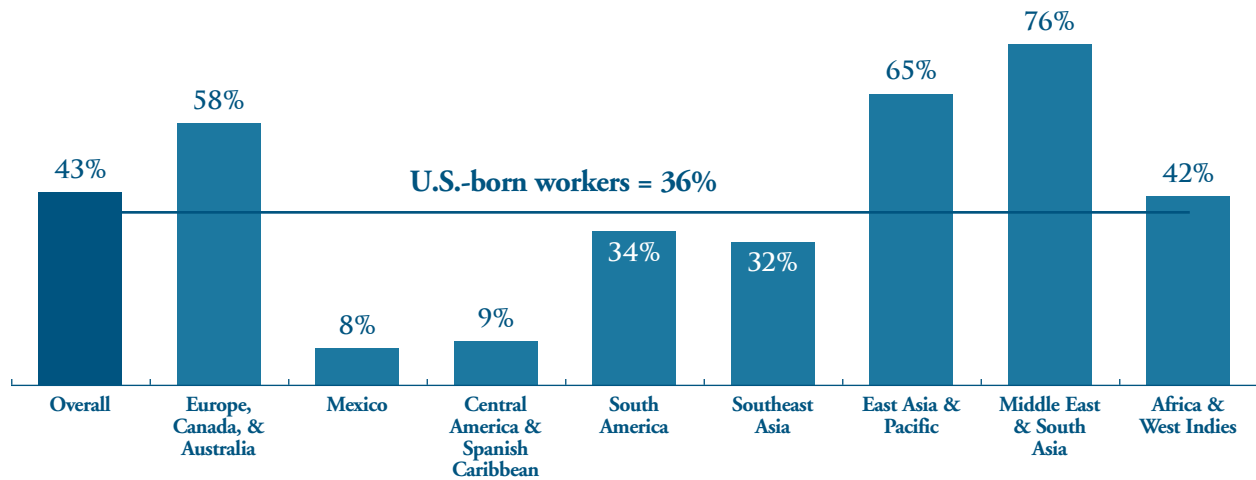


Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Note: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

*Education and skill levels vary widely among immigrants depending on their origins.* The shares of workers that have completed four-year college degrees are comparable to or substantially higher among most immigrant groups than natives, with the only exceptions being immigrants from Mexico and Central America. In 2006, two-thirds of immigrant workers from East Asia and the Pacific, and three-quarters of immigrants from the Middle East and South Asia had completed four years of college or more education, compared with just 36 percent of U.S.-born workers (figure 12). Middle Easterners and Asians are also the best educated groups of immigrants nationally. African, West Indian, South American, and Southeast Asian immigrant workers had college completion rates near the rate for natives, while Mexican and Central American immigrant workers had far lower rates (8 and 9 percent, respectively). Nationally, just 5 percent of Mexican immigrant workers and 14 percent of those from Central America had four-year college degrees.

**Figure 12: Shares of Foreign-Born Workers in Maryland with Four-Year College Degrees or More Education, by Region of Birth, 2005–06**

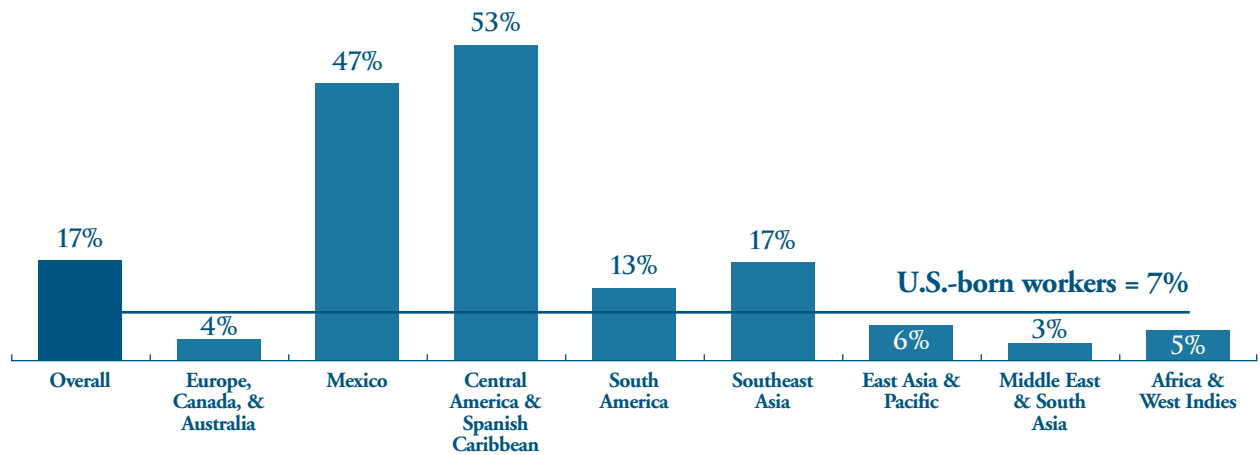


Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

At the other end of the spectrum, immigrants from Mexico and Central America are by far the most likely to have not completed high school. In 2006 about half of foreign-born workers from Mexico and Central America had not completed high school, compared with only 7 percent of U.S.-born workers (figure 13). In fact, 72 percent of all immigrant workers without high school educations were from Mexico or Central America. Southeast Asian and South American immigrant workers were only slightly more likely to lack high school educations than natives. Immigrant workers from Europe, East Asia and the Pacific, the Middle East and South Asia, and Africa and the West Indies were all more likely to complete high school educations than natives.

**Figure 13: Shares of Foreign-Born Workers in Maryland with Less than High School Educations, by Region of Birth, 2005–06**



Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

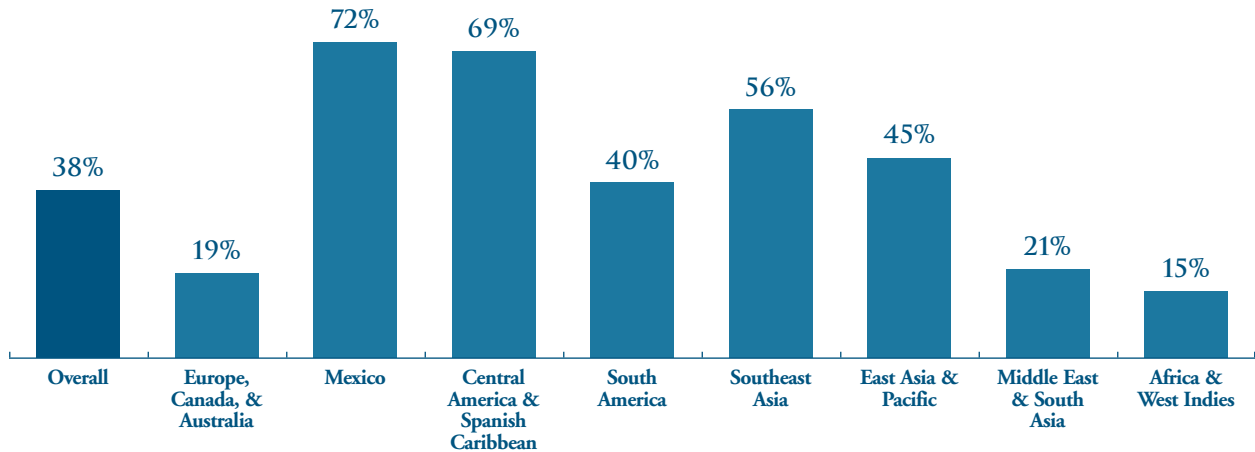
Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

***Limited English proficiency varies among immigrants by origin and is highly correlated with education.***

In 2006, 38 percent of foreign-born workers in Maryland were limited English proficient (LEP)—that is, they spoke a language other than English at home and did not speak English very well (figure 14). The LEP share of immigrant workers in Maryland was substantially below that for the United States as a whole (51 percent). Large majorities of immigrant workers from Mexico and Central America (72 and 69 percent, respectively) were LEP, as were over half (56 percent) from Southeast Asia. Immigrant workers from Europe, the Middle East, South Asia, and Africa and the West Indies had the lowest LEP shares. Nationally, the same pattern prevails, with the highest LEP shares among workers from Mexico, Central America, and Southeast Asia. LEP shares, however, are higher among almost all groups of immigrants nationally than in Maryland.

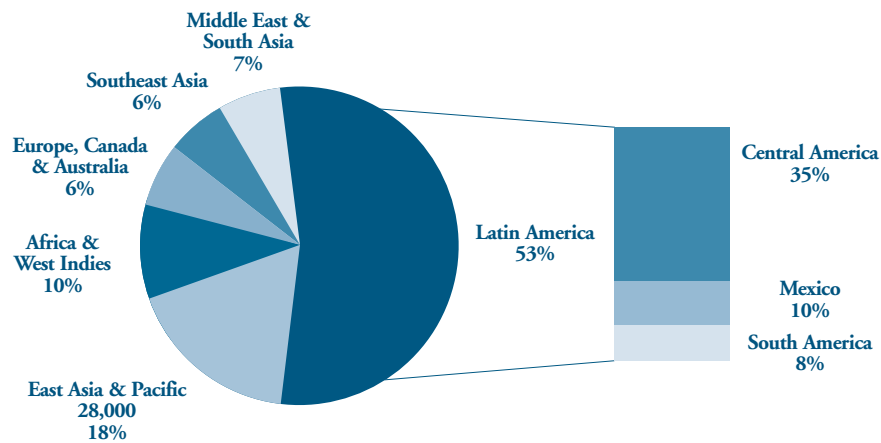
The relatively high LEP share among immigrants from Mexico and Central America means these groups are overrepresented among the state's LEP workers. In 2006, over half (53 percent) of LEP foreign-born workers were from Latin America (figure 15). Another 31 percent were from various Asian regions. But only 10 percent of LEP immigrant workers were African or West Indian, and only 6 percent were European. Thus, the distribution of LEP immigrant workers is much more heavily Latino and less heavily African and European than the distribution of immigrant workers overall (figure 9).

**Figure 14: Limited English Proficient Shares of Foreign-Born Workers in Maryland, by Region of Birth, 2005–06**



Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

**Figure 15: Region of Birth of Limited English Proficient Foreign-Born Workers in Maryland, 2005–06**

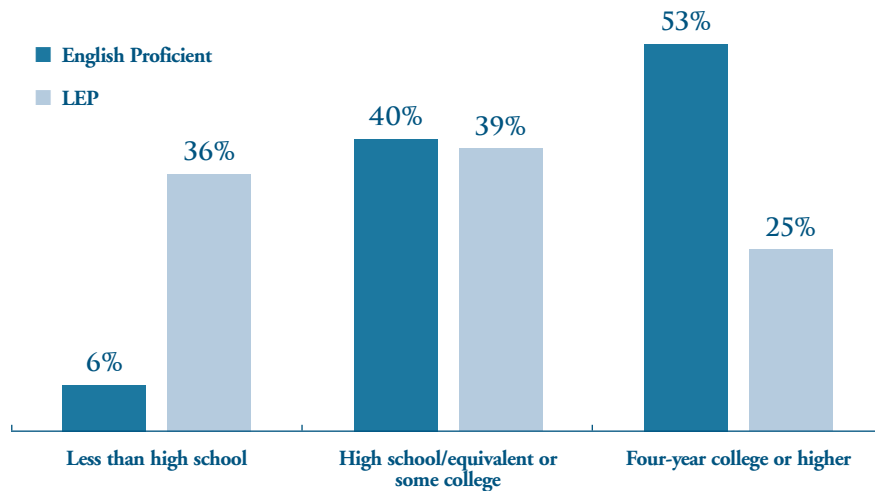
Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

***Most limited English proficient workers are also relatively less educated.*** In 2006, only 25 percent of Maryland's LEP immigrant workers had completed four-year college degrees, compared with 53 percent of those who were English proficient (figure 16). At the other end of the spectrum, 36 percent of LEP immigrant workers in the state had not completed high school, compared with only 6 percent of English-proficient immigrants. Shares completing high school but not four-year college programs were similar between LEP and English-proficient immigrants.

The high correlation between limited English proficiency and low educational attainment explains why, as shown above, the same immigrant groups with the lowest levels of formal education—Mexican and Central American immigrants—are also the most likely to be LEP. Similarly, those immigrants with the highest levels of formal education are generally less likely to be LEP. Nonetheless, significant shares of immigrants from different regions of the world, especially Asia, are both well educated and LEP.

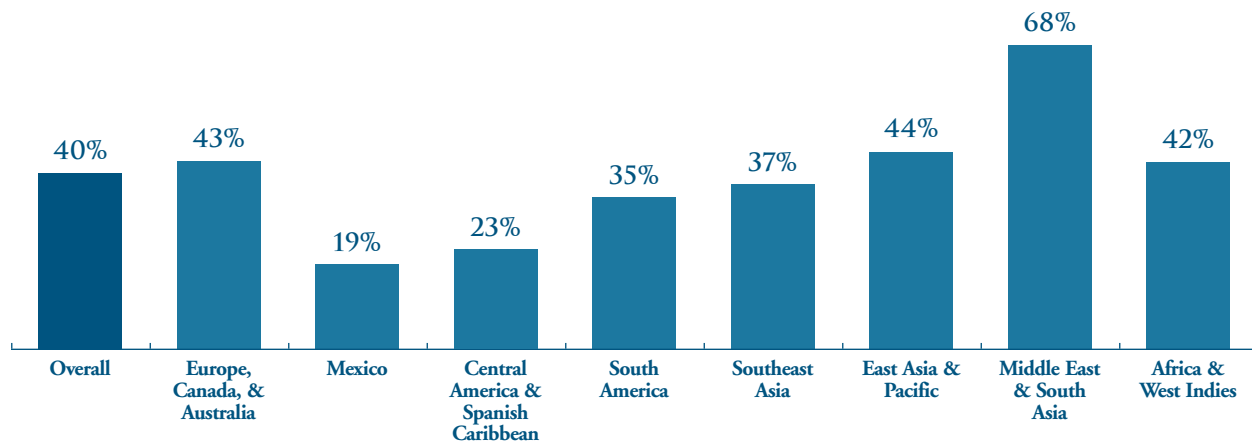
**Figure 16: Educational Attainment of English Proficient versus Limited English Proficient Immigrant Workers in Maryland, 2005–06**



Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

*Many of Maryland's immigrant workers are fluent in both English and another language.* Bilingual workers represent an important resource for Maryland's position in a global economy, where it is increasingly important to be able to communicate with both business partners and competitors in foreign countries. Those immigrants with the highest levels of formal education are also generally the most likely to be bilingual—defined here as speaking a language other than English at home but also speaking English very well. In 2006, 40 percent of all foreign-born workers in Maryland were bilingual, as were 68 percent of immigrant workers from the Middle East and South Asia, 44 percent of those from East Asia and the Pacific, and 43 percent of those from Europe (figure 17). Lower but significant shares of immigrant workers from Mexico and Central America (19 and 23 percent, respectively) were bilingual.

**Figure 17: Bilingual Shares of Foreign-Born Workers in Maryland, by Region of Birth, 2005–06**

Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

***Almost half of immigrant workers in Maryland are citizens, but naturalization rates for Mexican and Central American workers are very low.*** Citizenship is the gateway to voting and other forms of civic participation, as well as better jobs. Most legal immigrants are generally eligible to naturalize after five years of legal permanent residency, or three years in the case of those with spouses who are already U.S. citizens. In order to naturalize and become a citizen, immigrants must also pay a substantial application fee and pass an oral English and civics test.

Research at the national level has suggested that the vast majority of immigrants from Europe and Asia naturalize soon after they become eligible, but that immigrants from Latin America are much less likely to do so for many reasons (Passel 2007). First, they may be unauthorized immigrants or temporary residents who do not qualify for citizenship. Second, they may have limited English skills or formal education that makes it more difficult to pass the test. Third, they may have limited financial resources. Fourth, they may be hesitant to apply for citizenship because they plan on returning to their home countries. Finally, they may attempt to apply but face paperwork processing delays, backlogs, or other hurdles to their application process. For instance, in April 2007, the U.S. Citizenship and Immigration Services office in Baltimore—which processes all naturalization applications in the state—had a 14-month backlog, among the longest in the country.<sup>15</sup>

<sup>15</sup> See U.S. Citizenship and Immigration Services, “USCIS Releases Projected Naturalization Processing Times for Local Offices,” press release, April 22, 2008. Available at [http://www.uscis.gov/files/article/processing\\_update\\_042208.pdf](http://www.uscis.gov/files/article/processing_update_042208.pdf).

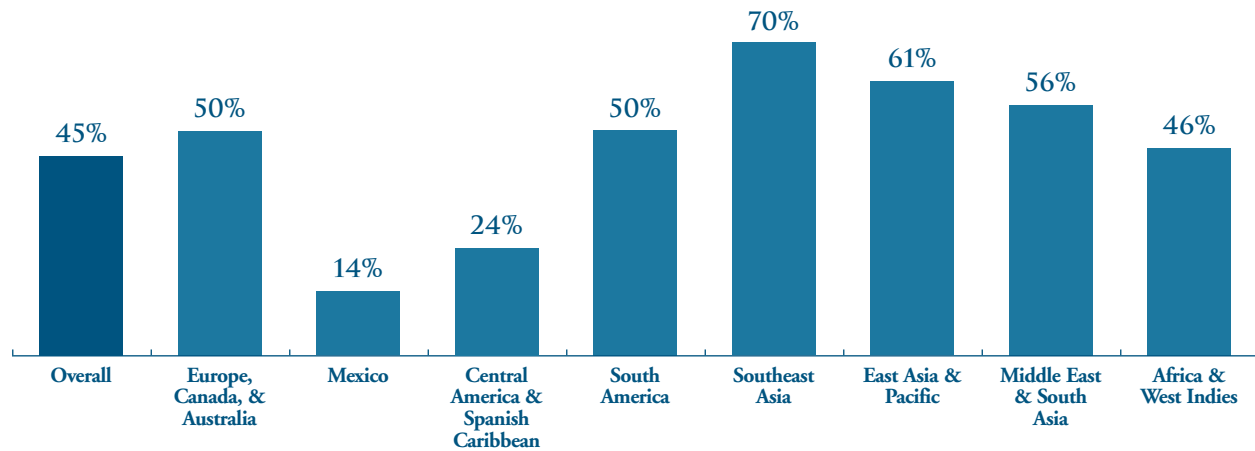


Overall, according to the Pew Hispanic Center (Passel 2007), in 2006 there were 274,000 naturalized immigrants in Maryland and 114,000 immigrants who were eligible but had not yet become citizens. Maryland's naturalization rate among eligible immigrants (71 percent) was substantially above the national average (59 percent). In fact only five states—Ohio, Indiana, Wyoming, Maine, and Pennsylvania—had higher naturalization rates than Maryland, and all but Pennsylvania had much smaller immigrant populations. Regionally, the northeast and midwest had the highest naturalization rates, and states in these regions generally have more immigrants from high naturalization regions (i.e., Europe and Asia) and fewer from low naturalization regions (i.e., Latin America) than the rest of the country. Additionally, the northeast and midwest tend to have lower shares of immigrants who are recent arrivals and unauthorized—characteristics which disqualify immigrants from becoming citizens—than the rest of the nation.

Naturalization patterns for immigrants in Maryland fit the national pattern in many respects. Overall, almost half (45 percent) of all foreign-born workers in Maryland were citizens in 2006 (figure 18). As nationally, the naturalized share was much lower for immigrant workers from Mexico (14 percent) and Central America (24 percent). The workers most likely to be citizens were those from Asia, especially Southeast Asia (70 percent). Southeast Asians are mostly refugees, who receive additional assistance in applying for citizenship from federally funded refugee resettlement programs. Other Asian immigrants tend to be very highly educated and have relatively high earnings, giving them the resources necessary to negotiate the naturalization process easily. Immigrants from Mexico and Central America, as shown earlier, are the most likely to be LEP and less educated. Additionally, many of Maryland's immigrant workers from Mexico and Central America tend to be unauthorized, and many from El Salvador have Temporary Protected Status (TPS)—a form of legal residency that allows them to work but not apply for citizenship. Nationally, about three-quarters of all unauthorized immigrants are from Mexico and other Latin American countries, and over 80 percent of recent Mexican immigrants are unauthorized (Passel 2006). Without some resolution of the legal status of unauthorized immigrants or extension of permanent residency to immigrants with TPS, many Mexican and Central Americans will remain ineligible for citizenship.

**Implications.** The diversity of Maryland immigrants represents a major strength for the state's workforce and economy. Owing in part to the diversity of its immigrant workforce, Maryland has a higher share of college-educated immigrants and a lower share that are LEP than the United States overall. There are well-educated, English-proficient immigrants from all over the world in the state, but those from the Middle East, South Asia, and East Asia and the Pacific have particularly high levels of formal education. Almost half of the state's immigrant workforce is bilingual, and because of their diverse origins, bilingual immigrants speak a wide range of foreign languages. Maryland can count on a growing and increasingly diverse immigrant workforce to help drive growth in high-skilled industries, promote technological change, and communicate with business partners and competitors across the globe.

**Figure 18: Share of Foreign-Born Workers in Maryland That Are Naturalized Citizens, by Region of Birth, 2005–06**



Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

At the same time, Maryland, like the rest of the country, is experiencing growth in the number of lower-skilled and LEP immigrant workers, especially among those from Latin America. Since about half of the state's LEP workers are from Latin America, Spanish is the predominant second language in many lower-skilled industries and occupations. While clearly in need of education and English language services, the large lower-skilled immigrant workforce is also an important resource to help meet demand for important blue-collar and service sectors such as construction, agriculture, manufacturing, transportation, and trade. Finally, Maryland's relatively low share of immigrants from Mexico likely means that relatively few of the state's immigrants (even those who are lower skilled or LEP) are unauthorized, as over half of all unauthorized immigrants nationally are from Mexico (Passel 2006).

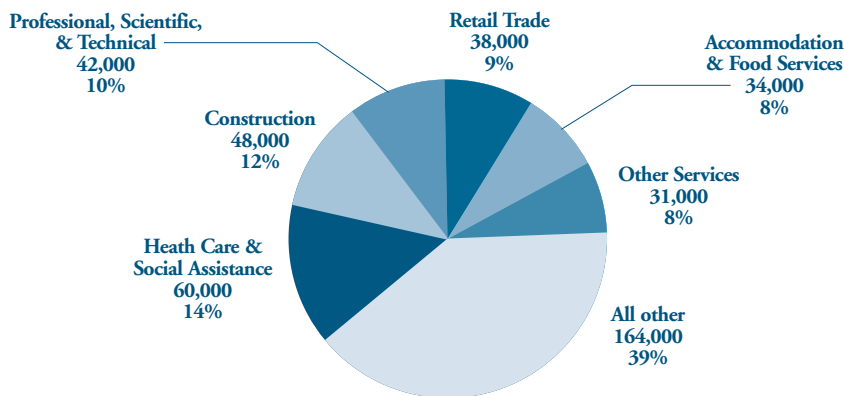
## INDUSTRIES, OCCUPATIONS, AND EARNINGS OF MARYLAND'S IMMIGRANT WORKERS

*Immigrant workers are broadly distributed across Maryland's industries but overrepresented in the sciences, health care, agriculture, construction, and several other key sectors.* In 2006, health care and social assistance industries employed the most immigrants—60,000, or 14 percent of all foreign-born workers (figure 19).<sup>16</sup> The health care industry is vital to Maryland's future as it will offer support to growing numbers of aging baby boomers as they retire and seek health services. Ten percent of immigrants—or 42,000 workers—were employed in professional, scientific, and technical industries. These industries are critical to building the state's competitive advantage in the global economy.

The other three largest groups of industries in immigrant employment generally offer lower-skilled jobs. Construction (with 48,000 or 12 percent of all workers) has been critical to building the state's infrastructure and to the housing boom, although that boom has now ended. Given current trends in the employment of immigrants, especially Latino immigrants, it is likely that employment in this sector has declined significantly since these data were collected in 2005–06.<sup>17</sup> The other two largest industries of lower-skilled immigrant employment—retail trade and accommodation and food services—are somewhat more resistant to the current economic downturn, but they could be affected by declining consumer confidence in the long run.

Despite their large presence in health care and other higher-skilled industries, immigrants are primarily overrepresented in lower-skilled industries. In 2006, the top four industries in terms of foreign-born shares of workers (all about one-quarter) were accommodation and food, administration and support, construction, and other services (figure 20). Immigrants were overrepresented in all four of these industries relative to their share of all Maryland workers (15 percent). Health care and social assistance was the only high-skilled industry group in which immigrants were overrepresented (18 percent). Immigrants were equally represented—that is, their share was similar to their share across all industries—in the professional, scientific, technical, manufacturing, and retail trade industries. In all other industries, immigrants composed significantly less than 15 percent of all workers. Immigrants' concentration in this wide array of industries shows their importance as part of the backbone of the state's blue-collar and service-sector workforces.

**Figure 19: Industrial Distribution of Foreign-Born Workers in Maryland, 2005–06**

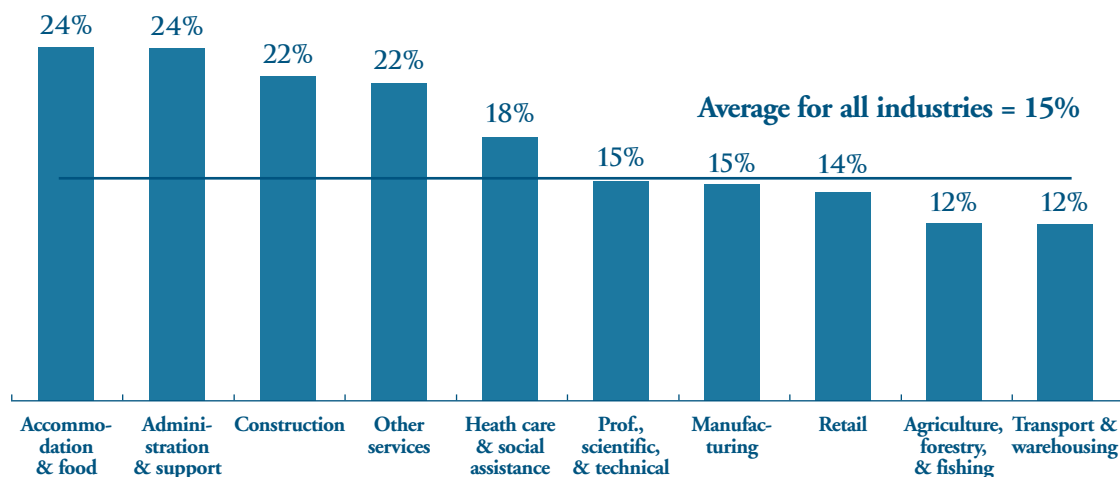


Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks). Numbers are rounded to the nearest thousand. Percentages are calculated before rounding.

<sup>16</sup> The analysis in this section is based on the major industrial classifications offered by the Census Bureau for the American Community Survey data.

<sup>17</sup> For a recent report on the decline in construction employment among Latino immigrants nationally, see Kochhar (2008).

**Figure 20: Maryland Industries with Highest Immigrant Worker Shares, 2005–06**

Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Note: Workers are people ages 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

***Immigrant workers are also broadly distributed across higher- and lower-skilled occupations.***

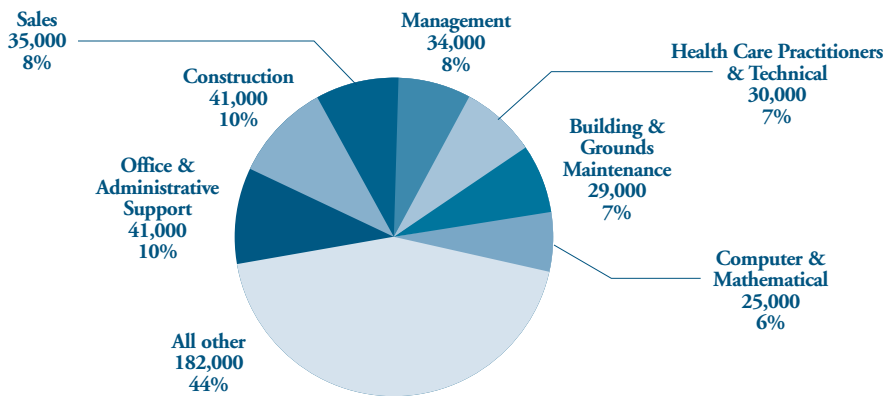
Immigrants are doctors, nurses, teachers, computer specialists, and researchers at important facilities such as the National Institutes of Health and Johns Hopkins University. In 2006, there were 30,000 foreign-born doctors and other skilled health professionals in Maryland (figure 21). There were also 34,000 foreign-born managers and 25,000 immigrants working in computer and technical occupations. Twenty-seven percent of Maryland's scientists, 21 percent of health care practitioners, and 19 percent of mathematicians and computer specialists were foreign-born (figure 22). Thus, immigrants were overrepresented in some of the state's key high-skilled occupations.<sup>18</sup>

Large numbers of immigrants work also alongside native-born Marylanders in important jobs that support the economy and help build the state's infrastructure, such as building and maintaining homes and office parks; growing and serving food; driving trucks and buses; and providing health care in homes, clinics, and hospitals. In 2006 there were 41,000 immigrants working in construction, 35,000 in sales, and 29,000 in buildings and grounds maintenance (figure 21). Immigrants were 32 percent of buildings and grounds maintenance workers, 25 percent of construction and agricultural workers, 24 percent of personal care workers, and 23 percent of food preparers and servers (figure 22). These are common occupations for immigrants nationally, but more so in other states than in Maryland.

<sup>18</sup> The occupational categories taken from the Census Bureau are more detailed than the major industry categories. The concentration of immigrants in the narrower occupations shows more variation than in the broader industrial categories, and thus the most common occupations have substantially higher foreign-born shares than the most common industries.

With its relatively broad distribution of immigrant workers across higher- and lower-skilled industries and occupations, Maryland differs from the United States as a whole. Nationally, smaller shares of immigrants were employed in higher-skilled industries and occupations in 2006. For example, 5 percent of immigrant workers nationally were employed in the professional/scientific/technical industries, compared with 10 percent in Maryland, and 11 percent were employed in the health care and social assistance industries, compared with 14 percent in Maryland. Nationally, computer and mathematical occupations employed 3 percent of immigrant workers compared with 6 percent in Maryland, and health care practitioners and technical occupations employed 4 percent of immigrant workers, compared with 7 percent in Maryland. The benefit of Maryland's diverse and relatively well-educated immigrant workforce can be seen in their substantial contributions to the economy through work in many highly skilled and high-tech jobs throughout the state.

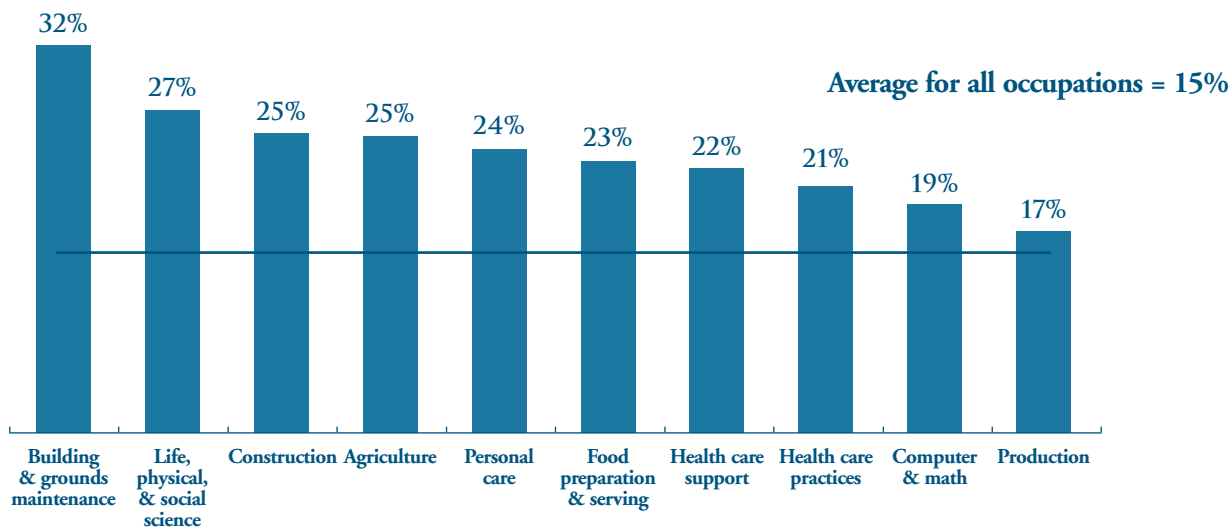
**Figure 21: Occupational Distribution of Immigrants in Maryland, 2005–06**



Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Notes: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks). Numbers are rounded to the nearest thousand. Percentages are calculated before rounding.

**Figure 22: Maryland Occupations with Highest Immigrant Worker Shares, 2005–06**



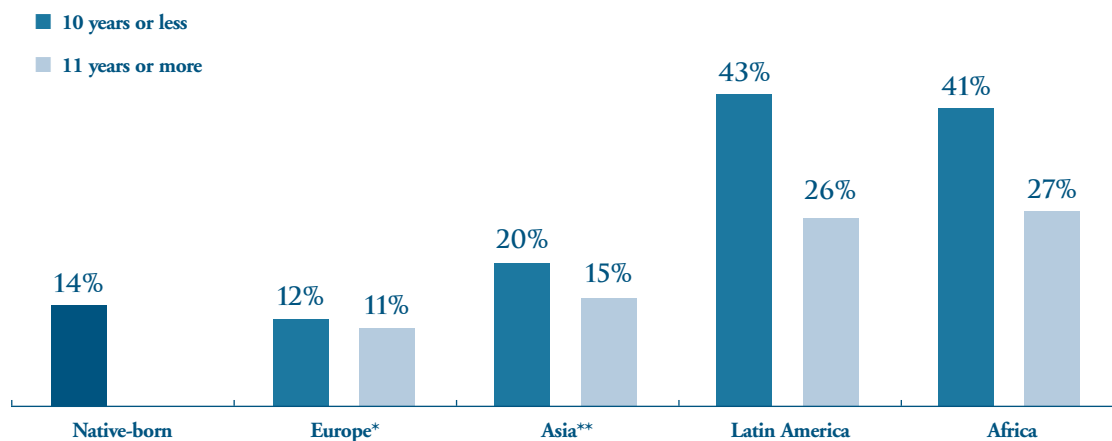
Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Note: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

*Some highly skilled immigrants are overconcentrated in unskilled occupations in Maryland.* Maryland is not taking full advantage of the education and skills of all workers residing in the state. In many cases, especially when they first arrive, immigrants take jobs that are far below their skill levels. This may be due to their lack of legal status, limited English skills, inability to transfer education and credentials from home countries, lack of familiarity with the U.S. labor market, discrimination, or other factors.

According to a forthcoming analysis by the Migration Policy Institute in Washington, D.C. (Batalova, Fix, and Creticos forthcoming), significant shares of immigrants who have completed higher education outside the United States cannot find employment in high-skilled jobs when they first arrive. Many highly skilled immigrants—especially those from Africa and Latin America—continue to work in unskilled jobs even after they have been in the country for more than 10 years. Maryland fits the national pattern. In 2006, only 14 percent of native-born workers with college educations worked in unskilled jobs (figure 23). But the share working in unskilled jobs was over 40 percent for highly skilled immigrants from Latin America and Africa who had been in the country for 10 years or less. Even among those Latin American and African immigrants who had college degrees from outside the United States and had been in the country for at least 11 years, more than a quarter worked in unskilled jobs. Shares working in unskilled jobs were much lower for immigrants from Europe and Asia, although the absolute number of highly-skilled Asians in unskilled-occupations is relatively large because of Asian immigrants' high level of educational attainment in general.<sup>19</sup>

**Figure 23: Share of Immigrants Age 25 and Older with College or Professional Degrees Earned Abroad Employed in Unskilled Occupations, by U.S. Tenure, 2005–06**



Source: Migration Policy Institute analysis of 2005 and 2006 American Community Survey.

Note: "Europe" refers to Europe, Canada, and Oceania.

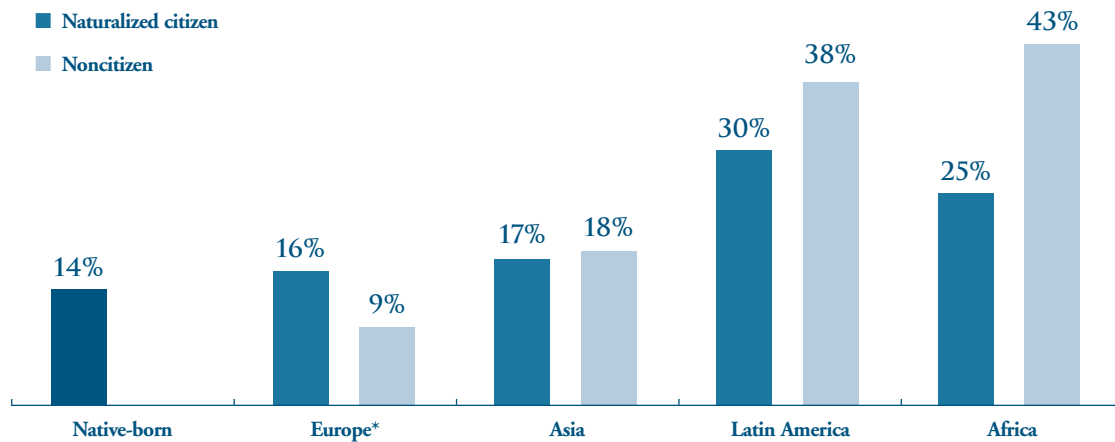
\* The shares of immigrants from Europe regardless of tenure are not statistically different from that of native workers.

\*\* The share of immigrants from Asia, 11 years or more in the U.S., are also not statistically different from that of native workers.

<sup>19</sup> In their analysis, the Migration Policy Institute authors define "highly skilled" immigrants as those who earned a four-year college or higher degree outside the United States. "Unskilled" occupations are those that require only short- to moderate-term on-the-job training, for instance construction laborers, customer service representatives, child care workers, and file clerks. The geographic classification of immigrant origins into Europe, Asia, Latin America, and Africa and the definition of "workers" are also somewhat different from those categories used in this report. For details see Batalova, Fix and Creticos (forthcoming).

*Noncitizen immigrants are more likely to be overconcentrated in unskilled occupations.* Among those immigrants who have completed a college education outside the United States, naturalized U.S. citizens are generally less likely to work in unskilled occupations than noncitizens. This is especially true for Latin American and African immigrants. In 2006, according to the Migration Policy Institute, 38 percent of highly skilled noncitizens from Latin America and 43 percent of those from Africa were working in unskilled jobs in Maryland (figure 24). Among immigrants who were naturalized citizens, these shares were 30 percent for Latin Americans and 25 percent for Africans. Shares of highly skilled immigrants working in unskilled jobs were much lower for Europeans and Asians regardless of citizenship. Thus citizenship appears to be part but not all of the explanation for the relatively high shares of highly skilled immigrants from Latin America and Africa working in unskilled jobs. Additionally, many of the noncitizen workers from Latin America may be unauthorized (Passel 2006).

**Figure 24: Share of Immigrants Age 25 and Older with College or Professional Degrees Earned Abroad Employed in Unskilled Occupations, by Citizenship, 2005–06**



Source: Migration Policy Institute analysis of 2005 and 2006 American Community Survey.

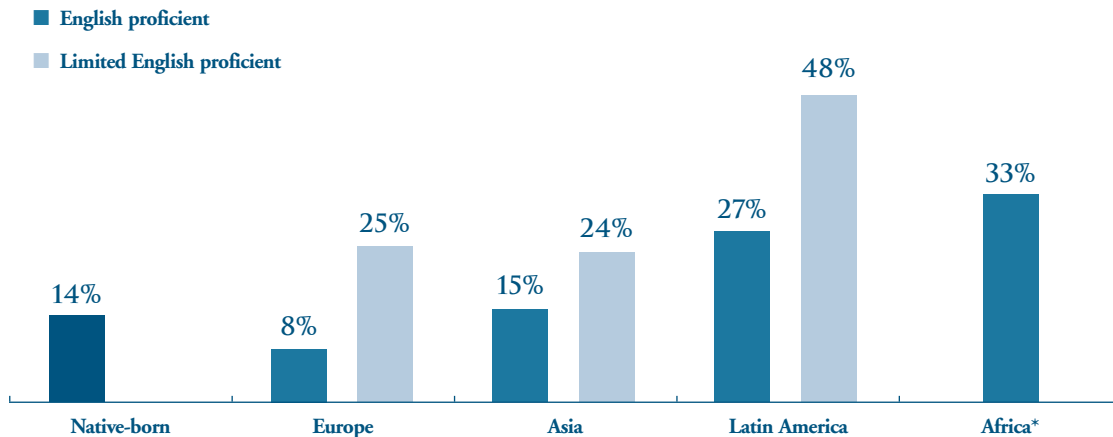
Note: "Europe" refers to Europe, Canada, and Oceania.

\* The shares of European-born immigrants working in unskilled jobs are not statistically different from that of native workers.

***Limited English proficient immigrants are also more likely to be overconcentrated in unskilled jobs.***

Immigrants with high levels of education from outside the United States were much more likely to work in unskilled occupations if they were LEP than if they were English proficient. In 2006, according to the Migration Policy Institute, 48 percent of LEP Latin American immigrants with college educations or more outside the United States were employed in unskilled occupations in Maryland (figure 25). This was nearly twice the rate for comparably educated English-proficient immigrants from Latin America (27 percent). The share of highly skilled workers who were employed in unskilled occupations was also substantially higher for LEP than English-proficient immigrants from Europe and Asia. Thus, for most immigrant groups—particularly Latin Americans—limited English skills appear to reduce job options even for well-educated workers. This is not an important explanation for African immigrants, however, as there were virtually no LEP highly skilled African immigrants in Maryland in 2006, and the share of English-proficient workers in unskilled occupations was a substantial 33 percent. Factors other than language skills—perhaps difficulties transferring credentials or labor market discrimination—are more important explanations for the relatively high share of unskilled jobs held by well-educated African immigrants. This report does not include an assessment or measurement of discrimination—which is difficult to measure in any event—and the findings are not intended to imply that labor market discrimination is limited to Africans.

**Figure 25: Share of Immigrants Age 25 and Older with College or Professional Degrees Earned Abroad Employed in Unskilled Occupations, by English Proficiency, 2005–06**



Source: Migration Policy Institute analysis of 2005 and 2006 American Community Survey.

Notes: “Europe” refers to Europe, Canada, and Oceania. Limited English proficient (LEP) refers to worker who reported speaking English “not at all,” “not well,” or “well” on their survey questionnaire. Workers who speak only English or who report speaking English “very well” are considered proficient in English.

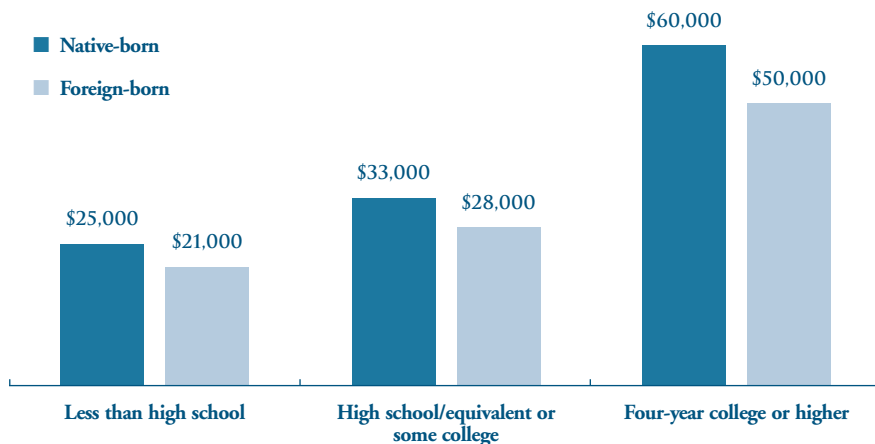
\* The sample of LEP foreign-educated immigrants from Africa is insufficient for the analysis.



*Immigrants with higher levels of formal education, English proficiency, and citizenship have higher earnings.* Education greatly influences the labor force participation and earnings of both immigrants and U.S.-born workers. But immigrants face additional barriers to finding higher-paying jobs when they are limited English proficient or lack U.S. citizenship. In fact, immigrants' earnings show just as much or more variation by English proficiency and citizenship as they do by educational attainment.

Overall, in 2004–05 native-born workers in Maryland had 20 percent higher annual median personal earnings than foreign-born workers: \$40,000 versus \$32,000.<sup>20</sup> Both native and foreign-born workers earned more than twice as much if they had a college degree than if they had less than a high school degree. Immigrants earned less than natives at all levels of education, but the gap in median annual earnings rose from \$4,000 for workers with less than high school educations to \$10,000 for workers with four-year college degrees or more education (figure 26).

**Figure 26: Median Personal Earnings of Foreign- versus Native-Born Maryland Workers, by Educational Attainment, 2004–05**



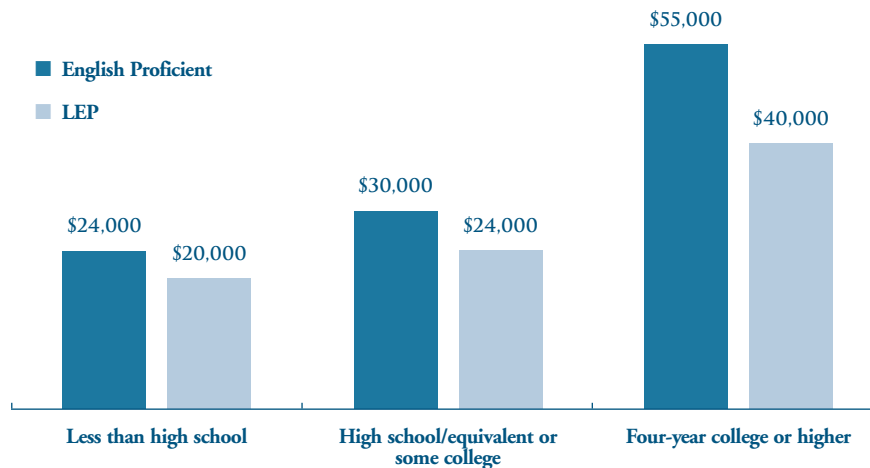
Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Note: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

<sup>20</sup> Median personal earnings include income from salaried employment as well as self-employment. Earnings are reported for 2004–05 because the earnings data were collected for the 12 months prior to when the ACS was administered (2005–06).

Among immigrant workers, those with four-year college degrees or more education earned about twice as much as those with less than high school educations, regardless of English proficiency. But the median earnings gap between English-proficient and LEP immigrants increased with educational attainment, from just \$4,000 for those with less than high school educations to \$15,000 for those with four-year college degrees or more education (figure 27). These findings most likely reflect the higher concentration of LEP than English-proficient immigrants with college educations in unskilled occupations, as shown earlier.

**Figure 27: Median Personal Earnings of English-Proficient versus Limited English Proficient Immigrant Workers in Maryland, by Educational Attainment, 2004–05**



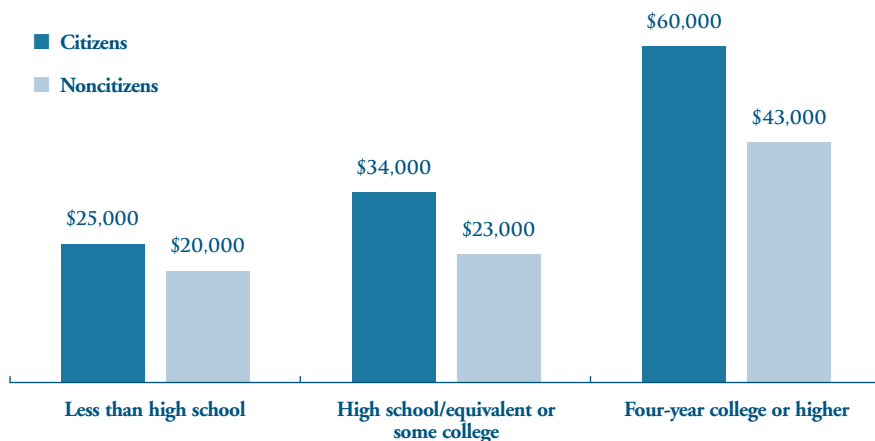
Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Note: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

Variations in immigrants' earnings by educational attainment and citizenship show a similar pattern: the gap between citizens and noncitizens increases with educational attainment. In 2005, citizens (i.e., immigrants who were naturalized U.S. citizens) with less than high school educations earned \$5,000 more annually than noncitizens, but the gap between citizens and noncitizens increased to \$17,000 among immigrants with four-year college degrees (figure 28). Lower earnings for highly skilled immigrants who are noncitizens may in part reflect their high employment rate in unskilled occupations relatively to citizens. Many noncitizens—especially those from Mexico and Central America—may be unauthorized and face barriers to work in some formal, better-paying sectors of Maryland's economy. For instance, it is very difficult for unauthorized immigrants to work for the federal government or federal contractors, especially in the defense sector.

*Immigrants earn more over time as they integrate into Maryland's economy, and after 10 years of U.S. tenure, they earn almost as much as native-born workers at all levels of educational attainment.* In 2005, immigrants without high school educations earned only \$18,000 annually if they had 10 years or less of tenure in the United States, but \$24,000 if they had more than 10 years of tenure (figure 29). Native-born workers with less than high school educations earned about the same amount annually in 2005 (\$25,000, figure 26). There was more progression in median earnings by length of U.S. residency for immigrants with high school but not college educations: from \$20,000 to \$31,000, and again those immigrants with 10 years of residency earned almost as much as natives (\$33,000). Finally, college-educated immigrants with at least 10 years of U.S. residency earned \$60,000 on average in 2005—the same as natives.

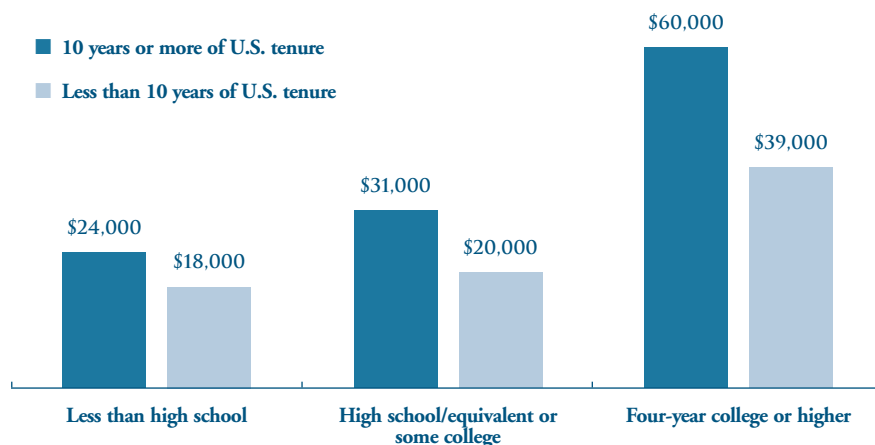
**Figure 28: Median Personal Earnings of Citizen versus Noncitizen Immigrant Workers in Maryland, by Educational Attainment, 2004–05**



Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Note: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

**Figure 29: Median Personal Earnings of Recent versus Long-term Immigrant Workers in Maryland, by Educational Attainment, 2004–05**



Source: Urban Institute tabulations of 2005 and 2006 American Community Survey.

Note: Workers are people age 18 to 64 who are in the civilian workforce, report positive wage and salary earnings or self-employment earnings if self-employed for the prior 12 months, and have worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks).

**Implications.** Immigrant workers contribute strongly to Maryland's workforce and economy through a variety of higher- and lower-skilled jobs. Owing to their relatively high levels of educational attainment, Maryland's immigrants are more likely to work in higher-skilled industries and occupations than immigrants nationally. There are high concentrations of immigrants in key high-skilled occupations such as scientists, health care providers, and computer technicians. But immigrants are also highly concentrated in lower-skilled jobs in Maryland, just as they are nationally. Immigrants are a vital part of the state's workforces in the construction, agriculture, retail trade, and service industries. Additionally, almost half of all immigrant workers in the state are bilingual, and their facility with more than one language represents an important resource for Maryland's competitiveness in the global economy.

Immigrants' earnings increase dramatically with education, just as they do for natives. But well-educated immigrants earn substantially less if they are recent arrivals, limited English proficient, or noncitizens. College-educated immigrants without citizenship, English proficiency, or long tenure in the United States also often work in unskilled jobs. This is especially true for immigrants from Latin America and Africa. Many immigrants from Latin America—even those with substantial educations—are unauthorized and/or LEP, and this may impede their economic advancement. Immigrants from Africa, however, are virtually all English proficient, and very few are unauthorized. The overconcentration of well-educated African immigrants in unskilled jobs is therefore likely to be attributed to other factors, such as unfamiliarity with the U.S. labor market, difficulty transferring credentials, and, possibly, discrimination. Of course, it is possible that immigrant groups other than Africans and Latin Americans face labor market discrimination in Maryland, but measuring the extent of discrimination is difficult and beyond the scope of this report.

Despite any potential barriers posed by lack of citizenship or English proficiency, overall Maryland's immigrants earn almost as much as natives once they have been in the United States for at least 10 years. This is true at all levels of education, though it may not be true for immigrants from every region of the world. The strong earnings progression over time for both high- and low-skilled immigrants suggests that Maryland continues to offer newcomers great opportunities for economic advancement.

## CONCLUSIONS AND RECOMMENDATIONS FOR WORKFORCE DEVELOPMENT PROGRAMS

Maryland's workforce continues to grow despite the current economic downturn, and the state has one of the lowest unemployment rates in the country. Strong federal investment in the state's economy is likely to continue driving strong workforce growth, particularly with the creation of up to 60,000 jobs following the closure of military bases in other states and the realignment and transfer of associated jobs to Maryland. Like the rest of the country, Maryland's workforce is aging rapidly, generating demand for younger workers. Without immigration, the state would have experienced a drop in the number of younger workers since 2000, and would be experiencing a drop in the overall number of workers in the coming years. The state has a very dynamic and growing job market that will continue to generate demand for skilled and unskilled workers—especially younger workers—in the future.

Education and training programs, if effective and tailored to the needs of Maryland's employers, could help tap the potential and raise the incomes of workers, both immigrants and natives. Both immigrants and U.S.-born workers earn more than twice as much with a four-year college degree or more education as they do if they have not completed high school. Thus increasing high school graduation rates and providing adult basic education to help workers receive General Equivalency Diplomas are critical strategies to increase earnings and reduce poverty. Since such a high and increasing share of workers without high school educations in Maryland are immigrants, and in particular immigrants from Mexico and Central America, it is essential to target education programs to these populations.

Geographic targeting may also be warranted, as such a high share of immigrants work and live in the Washington, D.C., suburbs—especially Montgomery, Prince George's and Howard counties. But with the significant expansion of the immigrant workforce statewide and especially rapid growth in outlying suburban counties such as Frederick, Anne Arundel, and Charles, high schools and adult basic education programs across the state are likely experiencing higher demand for services and demographic changes in their service populations.

Basic education and job training may not be enough to help immigrant workers advance economically and fully contribute to Maryland's economy. Many immigrants will need a combination of English instruction, adult education, and job training to improve their job prospects. Others may have high levels of formal education and training from their home country but not the requisite English language ability to apply their skills in Maryland; many of these immigrants will also need assistance in obtaining U.S. credentials.

Further, acquisition of citizenship leads to higher earnings and helps immigrants integrate socially. Unfortunately, the high cost and large backlog of citizenship applications present significant hurdles to citizenship among eligible immigrants, while others remain ineligible due to lack of legal status. Mexican and Central American immigrants also have the lowest levels of naturalization, suggesting they may also need targeted citizenship services.

There may also be some labor market discrimination against some highly educated immigrants—particularly those from Latin America and Africa. Research by the Migration Policy Institute demonstrates that about a quarter of highly educated Latin American and African immigrants are employed in unskilled occupations, even after more than 10 years of U.S. tenure. But discrimination is difficult to measure and is not addressed comprehensively in this report. Employer education about these immigrants' skills and vigilance by the state against discriminatory employment practices are therefore warranted.

A recent study of tax payments in the Washington, D.C., suburbs (Capps et al. 2006) showed that households headed by college graduates—whether they are immigrants or natives—not only have substantially higher incomes but also pay substantially higher federal, state, and local taxes than those headed by workers without college or high school degrees.<sup>21</sup> Overall, immigrants paid 18 percent of the personal state taxes collected in the Maryland suburbs in 2000. This suggests that investments in education and training—for both immigrant and U.S.-born workers—would yield higher incomes and tax revenues for state and local governments. In an increasingly competitive world and uncertain economic future, Maryland cannot afford to leave behind any workers, regardless of where they were born.

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<sup>21</sup> The suburban Maryland counties included in this analysis are Calvert, Charles, Frederick, Montgomery, Prince George's and St. Mary's.

## METHODS

The primary data sources for this report are the 2000 U.S. Census, 5 percent sample, and the combined 2005 and 2006 American Community Survey (ACS)—which together compose a 2 percent sample of the nation's population.

“Workers” are defined as people age 18 to 64, in the civilian workforce, who worked at least 25 weeks or 700 hours (i.e., the full-time equivalent for 20 weeks), and reported positive wage and salary earnings or self-employment earnings during the prior 12 months. This definition, which has been used in previous national-level analysis of the immigrant workforce by the Urban Institute (Capps et al. 2007a), is designed to include only adults with significant part-time work and exclude occasional and seasonal workers. Students may be included, but only if they meet the weeks/hours of work and earnings requirements. Workers include both those in agricultural and nonfarm employment.

The “labor force” includes all adults age 18 to 64 that were either working or looking for work at the time that the Census and ACS were taken, as opposed to the narrower definition of “workers” described above.

“Immigrants” or “foreign-born workers” are born outside the United States and its territories. Those born in Puerto Rico and other territories or born abroad to U.S. citizen parents are included in the native-born group. Immigrants include both legal and unauthorized immigrants—though the latter are somewhat undercounted in official Census and ACS data. Demographers have estimated that the unauthorized are undercounted by about 10 percent in these data sources (Passel 2006).

The state was divided geographically based on the largest counties and groups of smaller counties (appendix table 1). The Census and ACS have “public use microdata areas” that are based on county boundaries, groups of counties, and, in some cases, subdivisions within the larger counties. Counties were grouped based on sample sizes—using 100 as our threshold. Cross-tabulations of immigrant workers (e.g., by English proficiency and educational attainment or by immigrant origin and occupation) reduced the sample size further, and so these analyses were only conducted at the statewide level.

Commuters are identified using the place of work variable in the ACS.

“Limited English proficient” workers are defined as those who responded to the Census or ACS that they speak a language other than English at home and speak English “well,” “not well,” or “not at all.” Those speaking English at home or another language but also speaking English “very well” are considered “English proficient.” Those speaking another language and speaking English “very well” are considered “bilingual.” The analysis of English proficiency is limited to foreign-born workers, because only 9.7 percent of LEP workers in Maryland in 2005–06 were native-born.

Occupations and industries are based on the broad categories defined by the ACS; more detail on smaller industries is available, although sample sizes are limited as the categories become more precise.

“Personal earnings” are wage and salary income along with self-employment income for individual workers and are reported for the year before the survey was taken (i.e., 2004–05 for the 2005–06 ACS).

The analysis of “unskilled occupations” was conducted by researchers at Migration Policy Institute. For a full description of their methods see Batalova and colleagues (forthcoming).

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## APPENDIX TABLES

**APPENDIX TABLE 1:  
County and County Groups, Maryland**

**Anne Arundel, Calvert, St. Mary's, and Charles**

Anne Arundel  
Calvert  
Charles  
St. Mary's

**Baltimore City**

Baltimore City

**Baltimore**

Baltimore

**Eastern Shore**

Caroline  
Cecil  
Dorchester  
Kent  
Queen Anne's  
Somerset  
Talbot  
Wicomico  
Worcester

**Frederick, Allegany, Garrett, Washington, and Carroll**

Allegany  
Carroll  
Frederick  
Garrett  
Washington

**Harford**

Harford

**Howard**

Howard

**Montgomery**

Montgomery

**Prince George's**

Prince George's

Note: These counties and groups are categorized based on geographic identifiers available in the 2005 and 2006 ACS PUMS as well as sample sizes.

APPENDIX TABLE 2:

Region and Country of Birth of Immigrants, Maryland, 2005–06

|                                      |   |                                   |                               |
|--------------------------------------|---|-----------------------------------|-------------------------------|
| <b>Europe, Canada, and Australia</b> | Uzbekistan  | <b>Southeast Asia</b>             | <b>Africa and West Indies</b> |
| Albania                              | Yugoslavia  | Cambodia                          | Algeria                       |
| Armenia                              | Bermuda   | Laos                              | Cameroon                      |
| Austria                              | Canada  | Myanmar                           | Cape Verde                    |
| Azerbaijan                           |   | Thailand                          | Egypt                         |
| Belarus                              | Australia   | Vietnam                           | Eritrea                       |
| Belgium                              | New Zealand   |                                   | Ethiopia                      |
| Bosnia and Herzegovina               |   | <b>East Asia and Pacific</b>      | Ghana                         |
| Bulgaria                             |   | China                             | Guinea                        |
| Croatia                              | <b>Mexico</b>   | Fiji                              | Kenya                         |
| Czech Republic                       | Mexico  | Hong Kong                         | Liberia                       |
| Czechoslovakia                       |   | Indonesia                         | Morocco                       |
| Denmark                              |   | Japan                             | Nigeria                       |
| Estonia                              | <b>Central America and Spanish-speaking Caribbean</b> | Korea                             | Senegal                       |
| France                               | Belize  |                                   | Sierra Leone                  |
| Georgia                              | Costa Rica  | Malaysia                          | Somalia                       |
| Germany                              | Cuba  | Micronesia                        | South Africa                  |
| Greece                               | Dominican Republic                                    | Philippines                       | Sudan                         |
| Hungary                              | El Salvador   | Samoa                             | Tanzania                      |
| Iceland                              | Guatemala   | Singapore                         | Uganda                        |
| Ireland                              | Honduras  | Taiwan                            | Zimbabwe                      |
| Italy                                | Nicaragua   |                                   | Antigua & Barbuda             |
| Kazakhstan                           | Panama  | <b>Middle East and South Asia</b> | Bahamas                       |
| Latvia                               |   | Afghanistan                       | Barbados                      |
| Lithuania                            | <b>South America</b>                                  | Bangladesh                        | Dominica                      |
| Moldova                              | Argentina   | India                             | Grenada                       |
| Montenegro                           | Bolivia   | Iran                              | Haiti                         |
| Netherlands                          | Brazil  | Iraq                              | Jamaica                       |
| Norway                               | Chile   | Israel                            | St Vincent & The Grenadines   |
| Poland                               | Colombia  | Jordan                            | St. Kitts-Nevis               |
| Portugal                             | Ecuador   | Kuwait                            | St. Lucia                     |
| Romania                              | Guyana  | Lebanon                           | Trinidad & Tobago             |
| Russia                               | Paraguay  | Nepal                             |                               |
| Slovakia                             | Peru  | Pakistan                          |                               |
| Spain                                | South America   | Saudi Arabia                      |                               |
| Sweden                               | Uruguay   | Sri Lanka                         |                               |
| Switzerland                          | Venezuela   | Syria                             |                               |
| Ukraine                              |   | Turkey                            |                               |
| United Kingdom                       |   | Yemen                             |                               |
| USSR                                 |   |                                   |                               |





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