

National Foundation for American Policy

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New Research: Immigrants Crucial to U.S. Economy; 88% of U.S. Labor Force Growth Since 2019 Due To Immigrant Workers

The Number of Workers in the U.S. Labor Force Would Have Declined Since 2018 Without Immigrants and Their Children

Arlington, Va. – Immigrant workers are responsible for 88% of the labor force growth in America since 2019, according to a National Foundation for American Policy [analysis](#). Over the last five years, only 479,000 U.S.-born workers were added to the U.S. labor force, compared to 3.6 million foreign-born workers. This significant development was accelerated by immigration, the continued slowdown in the growth of the U.S.-born working-age population and pandemic-related deaths and retirements among U.S.-born workers. The research is based on the National Foundation for American Policy's analysis of the Bureau of Labor Statistics Current Population Survey.

The study "Immigrants and America's Labor Force Growth" can be found at <https://nfap.com/>.

A country's economic growth relies on growth in the labor force and its productivity. Labor force growth is crucial to economic growth, which advances a country's living standards. With the U.S.-born population aging and growing slower, immigrants have become an essential part of American labor force growth. During his 2024 presidential election campaign, Donald Trump has pledged to reduce the number of immigrants in the United States, including by deporting current foreign-born workers.

In each of the past three decades, the foreign born have accounted for more than half of America's labor force growth. The number of immigrants in the labor force grew by 19.1 million over the past 30 years, while the U.S. born in the labor force grew by only 16.8 million.

NFAP projects the total number of U.S. born in the labor force will reach its peak in 2052 at 146.7 million (only 8% more than in 2024). After 2052, immigrant workers will be the only source of U.S. labor force growth.

Even before then, we will see a peak in U.S. born between 25 and 54. Both the U.S.-born population and the U.S. born of prime working age (25-54) are projected to peak in 2042.

Immigrants and the children of immigrants are essential sources of population and labor force growth. Future workers are vital to servicing U.S. debt and other existing obligations.

Over the last ten years, the number of workers in the labor force who had U.S. parents grew by only 1.6 million, while immigrants and the children of immigrants in the labor force grew by 10.1 million. Over the last 20 years, immigrants and their children accounted for 77% of the labor force growth in the United States.

U.S. labor force growth would have been nonexistent during the last five years without immigrants and their children. Between 2018 and 2024, the number of workers with U.S. parents declined by 1.3 million, while the number of immigrants and children of immigrants in the U.S. labor force grew by 5.4 million, based on an analysis of U.S. Census Bureau data. In other words, instead of a decline in the labor force of over one million, with all the negative implications for inflation, growth, taxes and Social Security, because of immigrants and their children, the U.S. labor force grew by over four million.

The importance of immigrants to labor force growth will increase as the U.S. population ages and the U.S.-born population begins to decline. This year, in 2024, according to U.S. Census Bureau projections, the population of U.S.-born 18–24-year-olds peaks.

Among the findings in the research: Among the other findings in the research:

- The foreign-born percentage of the U.S. labor force increased from 9.8% to 19.1% between 1994 and 2024.
- Although the foreign born have provided workers to the U.S. economy across the skill spectrum, much of the immigrant flow has been highly educated. Over the last 20 years, between 1994 and 2024, the foreign-born percentage of the U.S. labor force with graduate degrees has nearly doubled, increasing from 11.1% in 1994 to 21.6% in 2024. (First six months of 2024.)
- Immigrants as a percentage of doctorate holders in the U.S. labor force increased from 16.4% in 1994 to 25.8% in 2024. (First six months of 2024.) Most of the increase in foreign-born Ph.D.'s has been in high-demand science, technology, engineering and math (STEM) fields.
- Some have suggested the American labor force could have grown the same with U.S.-born workers alone. That is improbable since when controlling for age, the labor participation and employment rates of the U.S. born are at or near all-time highs.
- Examining vital sectors and occupations of the U.S. economy demonstrates that the U.S. economy needs workers today and into the future. This can be seen in manufacturing, health care, construction, hospitality, finance and other areas.
- A 10-percentage point increase in the less-educated immigrant population in an area reduces by 29% the probability someone 65 years or older would live in a nursing home or other institutional setting, according to research by economists Kristin F. Butcher (Wellesley College), Kelsey Moran (MIT) and Tara Watson (Williams College).
- More physicians and nurses would improve Americans' health outcomes. States that increased the supply of foreign doctors with J-1 visas [improved the life expectancy](#) of their residents.
- Consumers pay for labor shortages with subpar service, including fewer hours and higher prices. A lack of workers has shuttered nursing homes in rural areas and impeded energy projects, home construction and remodeling. Pharmacies have limited hours due to a need for more pharmacists.
- "By 2030, manufacturers will need to fill 4 million jobs, 2.1 million of which could go unfilled if we do not inspire more people to pursue modern manufacturing careers," according to the Manufacturing Institute and Deloitte. According to Deloitte, failure to fill those jobs could cost \$1 trillion in 2030.
- U.S. lawmakers have pushed companies to produce more semiconductors on U.S. soil. However, fewer than 30% of full-time graduate students in electrical engineering at U.S. universities are U.S. students.
- The Association of American Medical Colleges (AAMC) forecasts a severe shortfall in doctors in America. "Physician demand will grow faster than supply, leading to a projected total physician shortage of between 37,800 and 124,000 physicians by 2034."¹

¹ <https://www.aamc.org/media/54681/download>.

- A 2023 national survey by AMN Healthcare states, “Nearly 9 in 10 nurses say the nursing shortage is worse than 5 years ago.”

By 2052 or earlier, immigration will be the only source of U.S. labor force growth, according to NFAP estimates. The estimates are consistent with Congressional Budget Office projections that show net immigration will account for all population growth beginning in 2042. Increasing the supply of workers through immigration and temporary work visas will [reduce illegal immigration](#), enhance labor force growth and improve Americans’ daily lives.

About the National Foundation for American Policy

Established in 2003, the National Foundation for American Policy (NFAP) is a 501(c)(3) nonprofit, nonpartisan public policy research organization based in Arlington, Virginia focusing on trade, immigration and related issues. The Advisory Board members include Columbia University economist Jagdish Bhagwati, Ohio University economist Richard Vedder, Cornell Law School professor Stephen W. Yale-Loehr and former INS Commissioner James W. Ziglar. Over the past 24 months, NFAP’s research has been written about in the *Wall Street Journal*, the *New York Times*, the *Washington Post* and other major media outlets. The organization’s reports can be found at www.nfap.com. Twitter: [@NFAPResearch](https://twitter.com/NFAPResearch)

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