

It is often said that the United States is a nation of immigrants. Over its history, the country has seen large waves of migrants from very diverse origins merge into American society with limited interventions from public policies at federal or state level. But taking into account the large changes in the composition and scale of migration flows and the current economic environment, how are new Americans faring? Is the US still the best place to settle in?

*This issue of **Migration Policy Debates** looks at the strengths and weaknesses of the American integration model and discusses policy options to promote inclusiveness, social cohesion of immigrants and their children, and economic success for all in the United States. The results included in this note are drawn from the recently published OECD-EU report entitled [Indicators of Immigrant Integration 2015: Settling In](#) which examines the socio-economic performance of immigrants and their children across OECD countries and analyses how countries perform on various sets of indicators (labor market, poverty, education, health, etc.). Direct access to the data and graphs is possible through the links included in the text.*

Is the United States still the land of opportunities for migrants?

New evidence on how immigrants and their children are faring in the United States

- With more than 41 million foreign-born residents in 2013, the United States is the largest immigration country in the world. But relative to the size of its population, the immigrant population in the US (13%) is comparable to, or lower than, that of the other settlement countries (Australia -28%, Canada -20%, New Zealand -25%) and in a number of European countries (e.g. Germany 13%, Ireland 16%, Spain 13% and the United Kingdom 12%).
- The United States receives annually as many new legal permanent immigrants as Europe – excluding intra-European migration (about one million) - but has a much higher share of family migrants (73%).
- A significant portion of immigrants to the United States – particularly recent arrivals – tend to be highly educated, with 37% of those of working age being high-educated, i.e. having at least a college degree, compared to 34% OECD-wide and 26% across the EU. However, a significant portion of the immigrant population also has low levels of education: 27%, compared to only 8% of US native-born
- Despite the recent economic crisis, their employment rate remains relatively high (68%) and unemployment relatively low (7.5%). Migrant women, however, fare less well, as only 57% are employed. The United States has one of the highest gender gaps in terms of the employment of migrants.
- One in two high educated immigrants in the United States is either inactive, unemployed or in a job for which he or she is overqualified. 37% of employed foreign-born with at least a college degree are overqualified for their current job.
- About one in four immigrants in the United States live in an overcrowded dwelling. This is much higher than in the other settlement countries or in Europe.
- 37% of people living in an immigrant household are below the relative poverty threshold (60% of the median income). For children, the figure reaches one in two in the United States, which is the highest rate in the OECD except for Greece and Spain.
- Reading skills of young immigrants are lower than for US native-born but higher than the OECD average. Despite evidence of its strong potential benefits, early school attendance for children of migrants is one of the lowest in international comparisons.
- The percentage of immigrants in the United States who have naturalized is relatively low compared with other countries, notably for low-educated immigrants from lower-income countries.
- Overall, immigrant workers' perception of discrimination in the United States tends to be lower than that of immigrants in most other OECD countries, but this is not the case among low-educated immigrants.

The immigrant population in the United States in international comparison

Despite relatively [low legal permanent migration flows](#) in international comparison, immigrants make a large and increasing share of the US population. In 2013, almost [one in four](#) inhabitants is either foreign born (13%) or has at least one of its parent who was born abroad (11.2%). These figures are close to the OECD average. New permanent immigrants in the United States are however [more likely to come for family reasons](#) than in other OECD countries.

In terms of [educational attainment](#), the foreign-born population in the United States includes both a relatively high share of persons with at least a college degree (36.5% compared to 34% on average in the OECD and 42% for US native-born) and of low-educated (26.6% compared with 29.2% on average in the OECD and 8.3% for US native-born). Overall, 41% of immigrants have no more than basic [literacy skills](#) compared to 14% of the native-born, while the average distribution across OECD countries is 32% (migrants) compared to 13% (native-born).

Out of the 33.5 million foreign-born in working age (15 to 64) living in the United States, [21 million are non-English native speakers](#) and about [60% do not speak English at home](#). The percentage of immigrants who do not speak the host-country language at home is one of the highest in the OECD.

Compared with other OECD countries, immigrants in the United States are more likely [to come from lower-income countries](#) (78% compared with 68% on average in the OECD) and [to live in densely populated areas](#) (95.5% compared to 76% on average in the OECD). The immigrant population in the United States is also characterised by [relatively high fertility rates](#).

Over the past ten years, new immigrants represented [21% of the increase in the highly-educated workforce](#) in the United States (47% of the total workforce) and 22% of entries into strongly growing occupations, including health-care and STEM occupations. Recent OECD work on the fiscal impact of migration has also shown that immigrants [pay more in taxes and social contributions than they receive in terms of benefits](#). This positive economic contribution could, however, be further enhanced with progress on the labor and social integration of migrants.

Immigrants' labor market outcomes are quite favorable...

For immigrants in the United States, labor market outcomes have been declining since the Great Recession. However, in 2012-13, [68% were in](#)

[employment, a rate that](#) is higher than for the native-born (+2.5 percentage points), contrary to what is observed in most other OECD countries). Furthermore, at that time, the [unemployment rate](#) of immigrants was 7.5% compared with 11% on average for immigrants in the OECD. Unemployment has significantly declined in the past two years as well as the gap between immigrants and natives.

Migrants with no more than lower-secondary education, notably men, do particularly well in the United States. The [employment rate of low-educated immigrants](#) reaches 65% which is one of the highest in the OECD and almost 19 percentage points more than their native counterparts.

Breaking into today's still weak job market is [more difficult for recent immigrants](#), to the United States, although they appear to fare relatively well and better than immigrants in Australia, Canada and the EU. Of greater potential concern is the increase in [long-term unemployment among immigrants](#), as about one in four unemployed has been looking for a job for more than one year (three percentage points higher than for US native-born, but still 12 percentage points lower than on average in the OECD).

...but the United States does not make the best of the skills of its immigrants.

Migrant women, with a [labor market participation rate](#) of 62% and an employment rate of 57% (5 percentage points lower than for native-born women for both indicators), are not as integrated into the U.S. labor market as they could be. Their labor market inclusion is at similar levels to that in Europe (64.6%) and Japan (61.7%) and well below that in Australia (65.8%) and Canada (70.2%). The United States is actually one of three OECD countries with the highest gender gap in terms of employment rate for migrants (22 percentage points).

This is observed in spite of the fact that foreign-born women are more likely than men to be high-educated (38% compared with 35% for their male peers and 36% on average in the OECD). Interestingly, however, the United States is one of the few OECD countries where this [gender gap is closed after just one generation](#): native-born offspring of immigrant parents have a similar labor market participation rate as their peers with native-born parents.

Although the US labor market does a good job integrating low-skilled immigrant workers, this does not necessarily hold for the highly-skilled. Out of the 12.1 million high-educated foreign-born aged 15 to 64, 6.1 million (or about 50%) are inactive, unemployed or in a job for which they are

overqualified. On average, [37% of employed foreign-born with higher education are overqualified](#) in their current job, and this percentage reaches [42% for those who have received their degree overseas](#). This is important since 54% of foreign-born college graduates are [foreign-trained](#).

Evidence from other OECD countries shows that immigrants who report language difficulties have over-qualification rates that are up to 25 percentage points higher than otherwise similar immigrants with stronger language skills. Improving their language skills, especially those related to their professional activity, can give a strong boost to migrants in the skilled labor market.

Skills mismatch of immigrants is difficult to address without specific public policies. Improving access to information and streamlining processes regarding the assessment and recognition of foreign credentials is clearly important, but will only make a difference if appropriate bridging offers are available to help people acquire the additional competencies they need to fully utilize their skills (OECD, 2014).

More generally, employers have an important role to play in supporting skills development. In this regard, although immigrants who participated in a training course in the past 12 months value this experience highly, [US employers contribute less than their international counterparts to the financing of training for foreign-born workers](#).

Promoting different forms of labor market inclusion

Despite the evidence of the contribution of immigrants to business development, the [share of immigrants who are self-employed](#) (11%) in the United States is still relatively low in international comparison, notably compared to the United Kingdom or Canada, and [limited progress has been observed for long-settled migrants](#). Identifying the specific obstacles to migrant entrepreneurship (e.g. access to information, credit or networks), would be useful to help migrants unleash their full potential.

The OECD work also shows that after ten years of residence, immigrants are still largely [under-represented in public sector employment](#) (by 7 percentage points, compared to 3.5 in Canada and zero in Australia for example). This difference which is partly explained by a lower naturalization rate, [vanishes with the next generation](#) (i.e. no difference between the native-born children of immigrants and of native-born), which is not the case in European OECD countries (e.g. the United Kingdom and Germany).

Tackling the issues of poor housing conditions and prevalence of poverty among immigrants and their children

Although employment rates of immigrants in the US are high compared to other countries, a job often does not necessarily ensure decent living conditions. In 2012, 37% of people who are living in an immigrant household in the United States are in [relative poverty](#), meaning that they have an income which is below 60% of the median equalized disposable income. This is 14 percentage points higher than for US native-born and 4.5 points higher than on average in the OECD.

In the United States, [in-work poverty](#) stands at 26% (+12 percentage points compared with the native-born) and almost 47% of low-educated immigrants [workers are relatively poor](#) (+8 percentage points compared with the native-born). Even more striking is the fact that [more than one in two children \(52%\) living in an immigrant household is facing poverty](#), which is 20 percentage points more than for native-born households and 12 percentage points more than among children in immigrant households in Europe.

Partly as a result of the above, but also because the [average size of immigrant household](#) in the United States is one of the largest among OECD countries, the likelihood for immigrants to live in [overcrowded dwellings](#) tends to be higher than elsewhere in the OECD. About one in four of immigrants live in such conditions and 9.3% are living in extremely overcrowded dwellings, compared with 7% and 2%, respectively, for US native-born. The question of housing is indeed more acute in the United States than in the rest of the OECD where on average 19% of immigrants live in overcrowded housing (5% in Canada, 16.5% in the EU).

Improving access to early childhood education and education outcomes of children of immigrants

Education outcomes of children of immigrants, whether they were born in the United States or born abroad, tend to be relatively favorable in international comparison. At the age of 15, reading skills of foreign-born students, as measured by the [OECD Programme for International Student Assessment \(PISA\)](#), are slightly lower than for US native-born (about 20 points, corresponding to less than half a year of schooling), but these students score higher than immigrant students in EU OECD countries where the gap with the native-born is of 40 points.

Among immigrant children who arrived before schooling, there is an enormous difference in

outcomes between those who attended preschool education and those who did not – more than 150 PISA points or about 4 years of schooling. Although this effect is larger in the US than elsewhere, the enrollment rate of children of immigrants in [early childhood education](#) is the lowest (58%) in the OECD.

There is [ample evidence from other OECD countries](#) that facilitating pre-school attendance for children of immigrants improves both the school performance of immigrant children and facilitates the labor market access of their mothers. This is typically associated with major short and long-term economic benefits.

Fostering naturalization, social cohesion and exploring new ways to engage with local communities

In principle, most immigrants can access US citizenship after 5 years of legal permanent residence (3 years for spouses of US citizens), provided they meet all other eligibility requirements, yet only [60% of foreign-born are American citizens after ten years of residence](#). This is less than the OECD average despite the fact that many other countries impose more stringent conditions for naturalization. In Canada, 92% of the foreign-born are naturalized after 10 years and in Australia the corresponding figure is 83%.

It is particularly striking to note that, only [34% of low-educated immigrants originating from lower-income countries are US citizens after 10 years](#). Many of these may not be eligible for naturalization. Yet, even those most likely to be eligible – highly-educated immigrants and those from high-income countries – have rates that are much lower than in Australia or Canada. Taking into account the economic benefits associated with naturalization ([OECD 2011](#)), policymakers may wish to consider how immigrants who fully meet requirements may be enabled to complete their integration with citizenship.

Among those who became American citizens after 10 years of residence, only [63% participated in the most recent federal elections](#). This is about 10 percentage points lower than for the native-born and one of the lowest levels of participation across OECD countries.

In the United States, about [one in six immigrants in employment consider themselves members of a group that is discriminated](#) against the ground of ethnicity. This number is broadly in line with what is observed in other OECD countries among all immigrants. However, there are [large differences by education levels](#) that are not observed elsewhere, with more than one in five low-educated immigrants reporting the sentiment of discrimination compared with one in 13 for college graduates. Although the

United States already has a strong anti-discrimination legislation, it would be important to investigate further the factors explaining this difference and assess possible policy responses.

In the United States, local communities are playing an active role in welcoming new migrants and helping them to settle in. [85% of the US population](#) think that their city or area of residence is a good place for migrants from other countries, compared with 73% on average in the OECD and less than 70% in Europe.

This is a strength on which it is important to build, by providing appropriate support to local authorities and communities, as well as by exploring new ways to engage with them in order to reach out to the most vulnerable migrant groups (e.g. low-educated immigrants, long-term unemployed immigrants, single migrant women with children etc.).

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Useful links

www.oecd.org/migration
www.oecd.org/migration/integrationindicators/

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