

Immigrant and Other U.S. Workers a Year into the Pandemic

A Focus on Top Immigrant States

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Executive Summary

Just before the COVID-19 pandemic led to the steepest drop in employment since the Great Depression, immigrants had higher employment levels and lower unemployment rates than their U.S.-born counterparts across the United States. The pandemic has altered these trends, though the extent and nature of its impact has varied across the country.

As of Q1 2021, the share of U.S.-born workers in jobs was closer to pre-pandemic levels than was the case for immigrants, both across the nation and in half of the top immigrant destination states.

Immigrant workers are concentrated in states that have suffered large employment losses. Of the ten states showing the most job losses, five—California, Florida, Illinois, Massachusetts, and New York—are also among the ten states with the largest immigrant populations. At the peak of the economic recession in the second quarter of 2020 (i.e., Q2 2020), immigrants experienced steeper drops in their employment level than U.S.-born workers, both at the national level and in nearly all top immigrant destination states. From the depths of the recession, immigrants' employment levels recovered more quickly

than those of their U.S.-born counterparts. Yet, as of Q1 2021, the share of U.S.-born workers in jobs was closer to pre-pandemic levels than was the case for immigrants, both across the nation and in half of the top immigrant destination states.

Immigrant women have been hit disproportionately hard by the economic downturn. Prior to the pandemic, immigrant men were *more* likely to be employed than U.S.-born men, while immigrant women were *less* likely to be employed than U.S.-born women. At the national level, this pattern remained largely intact throughout 2020, even as employment levels fell and then rose again. However, the gap in employment rates between U.S.- and foreign-born women widened, while the gap for men narrowed. Among the ten states with the largest immigrant populations, both immigrant men and women saw their biggest employment losses early in the pandemic in Massachusetts.

Multiple factors, and their intersections, have shaped the trajectory of immigrant workers' employment throughout the pandemic across the ten states with the largest immigrant populations. These include:

- ▶ **Timing and length of state lockdowns.** States in the northeast, such as New York, New Jersey, and Massachusetts, along with Illinois, were hit earlier by the novel

and poorly understood virus than states in the southern or western parts of the United States. As a result, governments in these states were motivated to address, more quickly and with greater urgency, the pandemic's consequences for the physical, social, and economic well-being of their residents and workers. While stay-at-home orders lasted fewer than 30 days in Florida, Georgia, and Texas, they remained in place for about 80 days in New Jersey, 70 days in Massachusetts and Illinois, and 50 days in New York. In early 2021, local stay-at-home orders were still in place in parts of California. In states with earlier and longer stay-at-home orders, immigrant workers seem to have been particularly affected. Between Q4 2019 and Q2 2020, foreign-born employment rates dropped sharply in California (13 percentage points), New York (15 percentage points), and Massachusetts (22 percentage points). In contrast, immigrant employment rates fell less precipitously in Georgia and Texas (by 4 and 8 percentage points, respectively).

- ▶ **Varied definitions of “essential workers.”** State and local governments designated certain economic sectors or jobs as essential, allowing workers to remain employed in these jobs during lockdowns. (This issue brief focuses on three industries—construction, health care, and leisure and hospitality—that employ large numbers of immigrant workers and illustrate the range of labor market impacts brought by the pandemic.) Nationwide, health care was understandably considered essential in fighting COVID-19. At the peak of job losses in Q2 2020, when lockdowns were in full force in many states, the average unemployment rate of immigrant workers in the industry was 8 percent (versus 15 percent for immigrant workers across all sectors). But in some states, the rate was

much higher: 17 percent in Washington, followed by 15 percent in Georgia, 13 percent in Massachusetts, and 12 percent in Virginia. By Q1 2021, immigrants' unemployment rate in the industry had fallen to 4 percent—similar to the pre-pandemic rate—compared to 7 percent across all sectors. Aside from being considered essential, many health-care professionals were able to transition to telehealth, in some cases providing services remotely to patients in other states. The higher demand for health-care workers and new opportunities in telework greatly enhanced employment options.

In other sectors, the degree to which workers were considered essential varied from state to state. For example, Texas designated its entire construction industry as essential at the end of March 2020, and the state's construction workers had the lowest unemployment rate among those in the top ten immigrant destination states. In contrast, New York designated workers on only certain construction projects as essential. In Q2 2020, immigrant construction workers had an unemployment rate of 32 percent in New York versus just 11 percent in Texas. By Q1 2021, unemployment among immigrant construction workers had dropped in both states, but it remained more than twice as high in New York as in Texas (14 percent versus 6 percent).

- ▶ **The pandemic's varying impact on different industries.** As job losses peaked in Q2 2020, 37 percent of immigrant workers in leisure and hospitality were unemployed; in Q1 2021, 14 percent were still unemployed—twice the rate for immigrant workers across all sectors. While some jobs in leisure and hospitality were deemed essential, the industry overall was not. Leisure and

hospitality establishments were affected in a direct way by policies regarding social distancing and stay-at-home orders on one hand, and by customers' reticence to visit restaurants, bars, and travel destinations on the other.

Among top immigrant destination states, those with early and long lockdowns—including New Jersey, Massachusetts, and Illinois—saw the largest spikes in immigrant unemployment in leisure and hospitality, while those with the shortest lockdowns—Georgia and Texas—saw the smallest. California, along with Illinois and New York, saw relatively high unemployment in leisure and hospitality overall and for immigrant workers in Q3 2020, when these states maintained restrictions on indoor dining even as other states lifted theirs. Florida, which by this time had lifted its restrictions and saw dining rebound, still had high unemployment rates too, perhaps because of the pandemic's general impact on the state's large tourism industry.

Immigrant workers have been disproportionately hit by the pandemic-related economic crisis at the national level and in most of the largest immigrant destinations. As the pandemic abates, public-health restrictions ease, and the U.S. economy recovers, the number of job openings is rising and unemployment is falling—for immigrant and U.S.-born workers alike. Still, it remains to be seen how much the nature of work has shifted during the pandemic, due to factors such as changing consumer preferences and accelerated automation. Pre-pandemic projections suggested strong future demand for jobs that employ many immigrant workers. But what opportunities lie ahead for them will likely continue to vary strongly depending on where they live and their industries of employment.

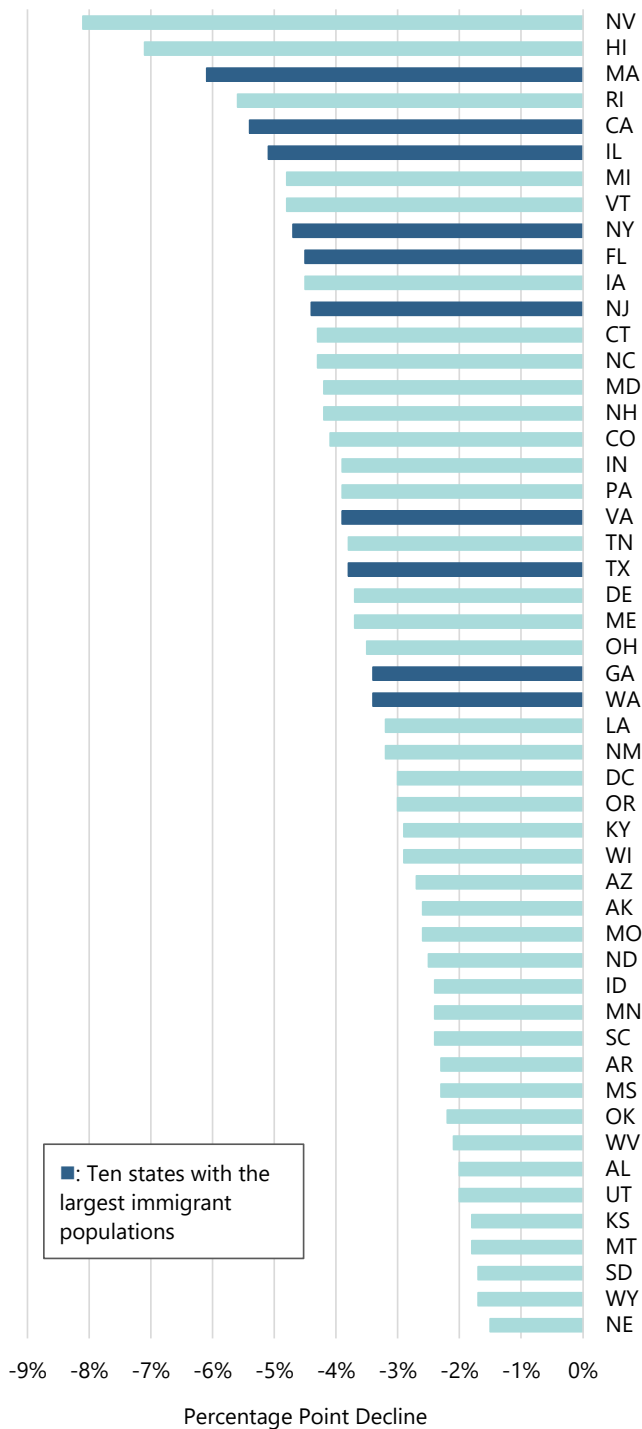
1 Introduction

More than a year since the onset of the COVID-19 pandemic, and six months into U.S. vaccination efforts, the economy is starting to rebound from the worst of the economic recession induced by stay-at-home mandates, social-distancing measures, supply chain disruptions, and other pandemic impacts. The economy added 559,000 jobs in May 2021, and the official unemployment rate fell to 5.8 percent.¹ Yet, there were still 7.6 million fewer jobs in the country in May 2021 compared to February 2020, the month immediately before the World Health Organization declared the COVID-19 outbreak a pandemic.² Throughout the pandemic, foreign-born workers have had higher unemployment rates than U.S.-born workers, due partly to their higher concentrations in industries and occupations in which layoffs were more widespread. This has been particularly true for immigrant women—their unemployment rate peaked at 18.5 percent in May 2020, while the rates for U.S.-born men and women and for immigrant men never topped 16.0 percent (these rates are not seasonally adjusted).³ In May 2021, immigrant women's unemployment rate stood at 6.0 percent, compared to 5.1 percent for U.S.-born women, and 5.8 percent and 5.4 percent for U.S.- and foreign-born men, respectively.⁴ Immigrant women also dropped out of the labor force at higher rates than did men or U.S.-born women.⁵

BOX 1 Explore the Data

A Migration Policy Institute interactive data tool, updated monthly, shows trends in unemployment rates since January 2019, allowing users to examine jobless rates by nativity, gender, race/ethnicity, educational attainment, and industry. It is available at: bit.ly/UnemployTool

FIGURE 1
Decline in the Employment Rates of Adults (ages 16 and older) in the U.S. Civilian Labor Force, by State, 2019–20



The experiences of immigrant workers have also varied based on their state of residence. Throughout the pandemic, employment fell more in some states than others, influenced by variations in the industrial mix of jobs, the length and stringency of stay-at-home orders and business restrictions, and the timing and severity of COVID-19 outbreaks. Immigrant workers were concentrated in states with large employment losses. Of the ten states showing the largest employment losses from 2019 to 2020, five—Massachusetts, California, Illinois, New York, and Florida—are also among the ten states with the most immigrant residents (see Figure 1). But even in states with large employment losses, immigrant workers sometime experienced different employment trends than U.S.-born workers.

This issue brief describes the state contexts for employment and unemployment trends among immigrant and U.S.-born workers, including their differing mix of industries, lengths of stay-at-home orders, definitions of essential workers, stringency of restrictions on restaurants and bars, and timing and intensity of COVID-19 outbreaks. The analysis focuses on the ten states with the largest number of immigrant residents in recent years. Given that the pandemic has pushed many workers—particularly women—out of the labor force, the issue brief first examines employment rates by state, from the last quarter of 2019 (October to December 2019, or Q4 2019) through the first quarter of 2021 (January to March 2021, or Q1 2021). This metric compares the number of workers in a state to the total working-age (16 and older) population and thereby accounts for unemployment as well as workers who have left the labor force altogether. Next, to explore trends by sector, the brief focuses more narrowly on unemployment rates among people in the labor force in each of the ten states, overall, and by industry.

Source: U.S. Bureau of Labor Statistics (BLS), “Regional and State Unemployment – 2020 Annual Average Summary” (news release, March 3, 2021).

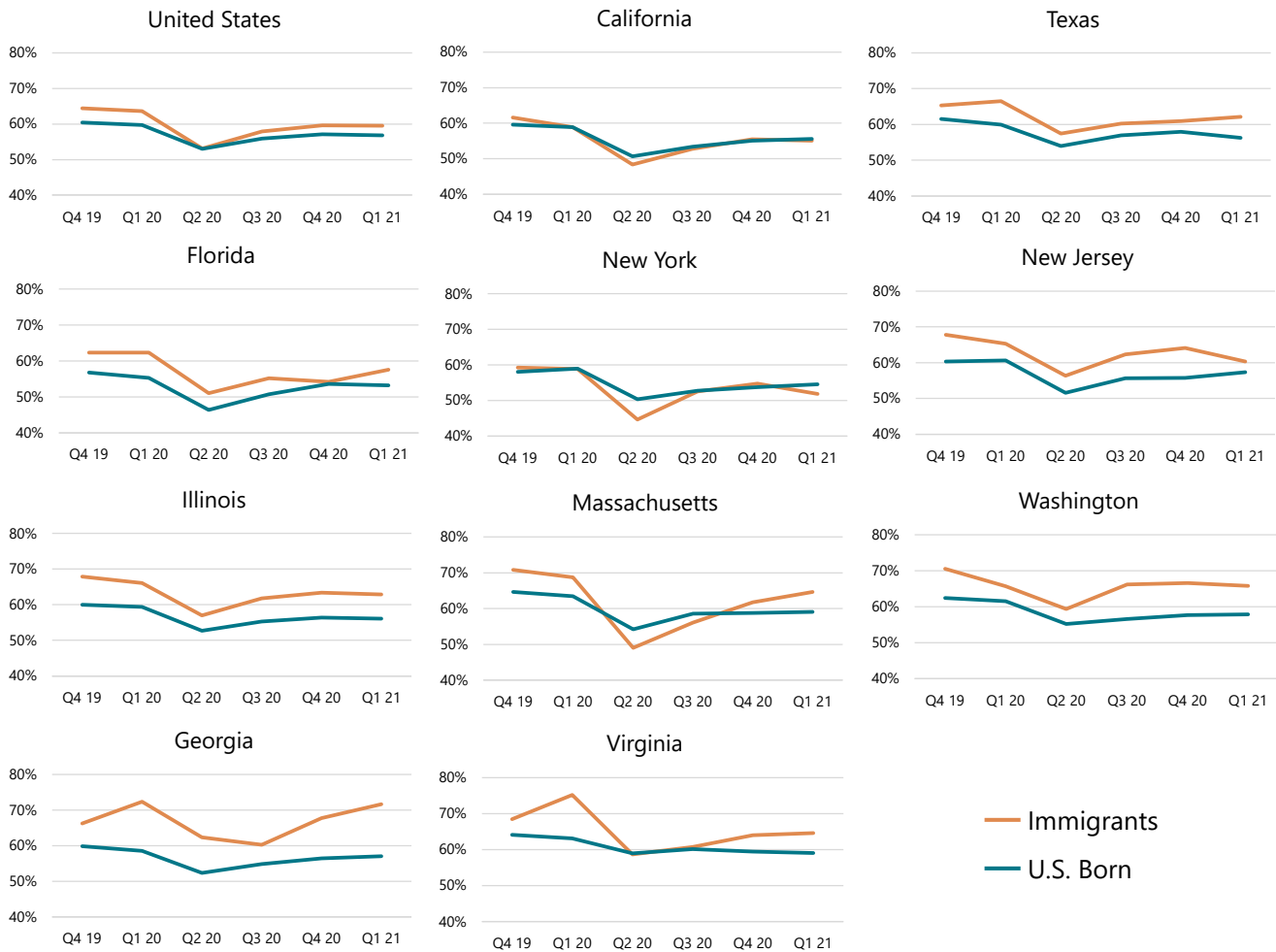
2 Comparing Overall U.S.- and Foreign-Born Employment Rates

Before the pandemic began, immigrants had higher employment rates than the U.S. born. However, immigrants experienced greater job losses during the initial pandemic lockdown period in the United States. As Figure 2 shows, at the national level, the employment gap between the foreign and U.S.

born virtually disappeared during Q2 2020, when job losses peaked and stay-at-home orders were in full swing. For the United States overall and in most of the top ten immigrant destination states, immigrants typically saw a sharper decline in employment rates than their U.S.-born counterparts from Q4 2019 to Q2 2020.

There appear to be some associations between the timing of statewide stay-at-home orders and changes in employment levels for U.S.- and foreign-born workers. Looking at Figure 2, between Q4 2019 and

FIGURE 2
Employment Rates of Immigrant and U.S.-Born Adults (ages 16 and older) in the U.S. Civilian Labor Force, Nationwide and in the Top Ten Immigrant Destination States, Q4 2019–Q1 2021



Notes: Employment rates have not been seasonally adjusted. The order of the states in this figure is based on the size of their immigrant population, with California having the most immigrant residents as of 2019.
 Source: Migration Policy Institute (MPI) analysis of data from the U.S. Census Bureau’s 2019, 2020, and 2021 Current Population Survey (CPS), averaging monthly data to produce quarterly estimates.

TABLE 1

Duration of Stay-at-Home Orders in Top Ten Immigrant Destination States

State	Start	End	Duration (days)
California	March 19, 2020	June 15, 2021	453*
New Jersey	March 21, 2020	June 9, 2020	80
Virginia	March 30, 2020	June 10, 2020	72
Illinois	March 21, 2020	May 30, 2020	70
Massachusetts	March 24, 2020	May 31, 2020	68
New York	March 22, 2020	May 15, 2020	54
Washington	March 23, 2020	May 4, 2020	42
Texas	April 2, 2020	April 30, 2020	28
Florida	April 3, 2020	April 30, 2020	27
Georgia	April 3, 2020	April 30, 2020	27

* From December 3, 2020, to January 25, 2021, California implemented a regional stay-at-home order that applied to more than 90 percent of the state's population. Starting May 8, 2020, California transitioned to a modified local reopening system based on local COVID-19 levels. Effective June 15, 2021, California ended the stay-at-home order.

Sources: Kaiser Family Foundation, "[When State Stay-at-Home Orders Due to Coronavirus Went into Effect](#)," updated April 9, 2020; *USA Today*, "[COVID-19 Restrictions](#)," updated June 22, 2021; California State Government, "[Safely Reopening California](#)," updated June 22, 2021; Office of California Governor Gavin Newsom, "[Governor Newsom Provides Update on California's Progress toward Stage 2 Reopening](#)," updated May 4, 2020.

Q2 2020 (i.e., pre-pandemic to the height of lockdowns), foreign-born employment rates dropped steeply in most top immigrant destination states, led by Massachusetts (22 percentage points), New York (15 points), and California (13 points). These three states had early and long-lasting statewide stay-at-home orders (see Table 1). Other states (Illinois, New Jersey, Washington, and Virginia) also experienced relatively large drops in foreign-born employment amid relatively long lockdowns, but immigrant employment rates did not fall quite as low and they still remained above or equal to those of the U.S. born. In Texas, Georgia, and Florida—three states that did not begin their stay-at-home orders until April 2020 and discontinued them after less than a month—immigrant employment also remained high relative to employment among U.S.-born workers.

Foreign-born workers regained lost employment following the easing of lockdowns, often at a faster pace than U.S.-born workers. Figure 2 shows that

at the national level and in most states with large foreign-born populations, immigrants' employment rates recovered more quickly than those of the U.S. born between the depths of the recession in Q2 2020 and the latest quarter for which data are available, Q1 2021. Immigrant employment rates rose the most in Massachusetts (16 percentage points) and Georgia (9 percentage points) between Q2 2020 to Q1 2021, stronger growth than for the U.S. born (5 percentage points in both states). In New Jersey, the U.S. born experienced a slightly higher bump than the foreign born (6 versus 4 percentage points), while in Florida, both groups saw an increase of 7 percentage points.

Despite their relatively rapid recovery following Q2 2020, immigrants' employment rates as of Q1 2021 remained further below their pre-pandemic levels than did the rates for the U.S. born. Table 2 indicates that at the national level, the foreign-born employment rate in Q1 2021 was still more than 4 percent-

TABLE 2

Percentage Point Change in the Employment Rates of Immigrant and U.S.-Born Adults (ages 16 and older) in the U.S. Civilian Labor Force, Nationwide and in the Top Ten Immigrant Destination States, Q1 2020 to Q1 2021

	U.S.	CA	TX	FL	NY	NJ	IL	MA	WA	GA	VA
Total	-3.1%	-3.5%	-3.8%	-2.6%	-5.1%	-3.8%	-3.2%	-4.4%	-3.0%	-1.5%	-5.0%
U.S. born	-2.9%	-3.3%	-3.7%	-2.0%	-4.4%	-3.3%	-3.3%	-4.4%	-3.6%	-1.5%	-4.1%
Immigrants	-4.2%	-3.8%	-4.3%	-4.8%	-7.0%	-5.0%	-3.2%	-4.1%	0.0%	-0.7%	-10.5%

Notes: Employment rates have not been seasonally adjusted. The order of the states in this table is based on the size of their immigrant population, with California having the most immigrant residents as of 2019.

Source: MPI analysis of data from the U.S. Census Bureau's January–March 2020 and January–March 2021 CPS.

age points below its Q1 2020 level, while the U.S.-born rate was down less than 3 percentage points. Six of the ten top immigrant destination states (California, Texas, Florida, New York, New Jersey, and Virginia) followed the national trend of larger drops in immigrant employment relative to the U.S. born, with immigrants in Virginia and New York affected the most. Meanwhile, three other states (Georgia, Illinois, and Massachusetts) saw smaller declines for immigrants relative to the U.S. born. Washington is the only one among the ten study states where the foreign-born employment rate had recovered to its Q1 2020 level one year later. The employment rate for U.S.-born workers did not fully recover in any of these ten states.

3 Differences in Immigrant and U.S.-Born Employment Rates by Gender

Before the pandemic, immigrant men were *more* likely to be employed than U.S.-born men, while immigrant women were *less* likely to be employed than U.S.-born women. At the national level, these patterns held throughout the pandemic, even as employment levels fell and rose again (see Figure 3). However, the gap in employment rates between

U.S.- and foreign-born women widened, while the gap for men narrowed.

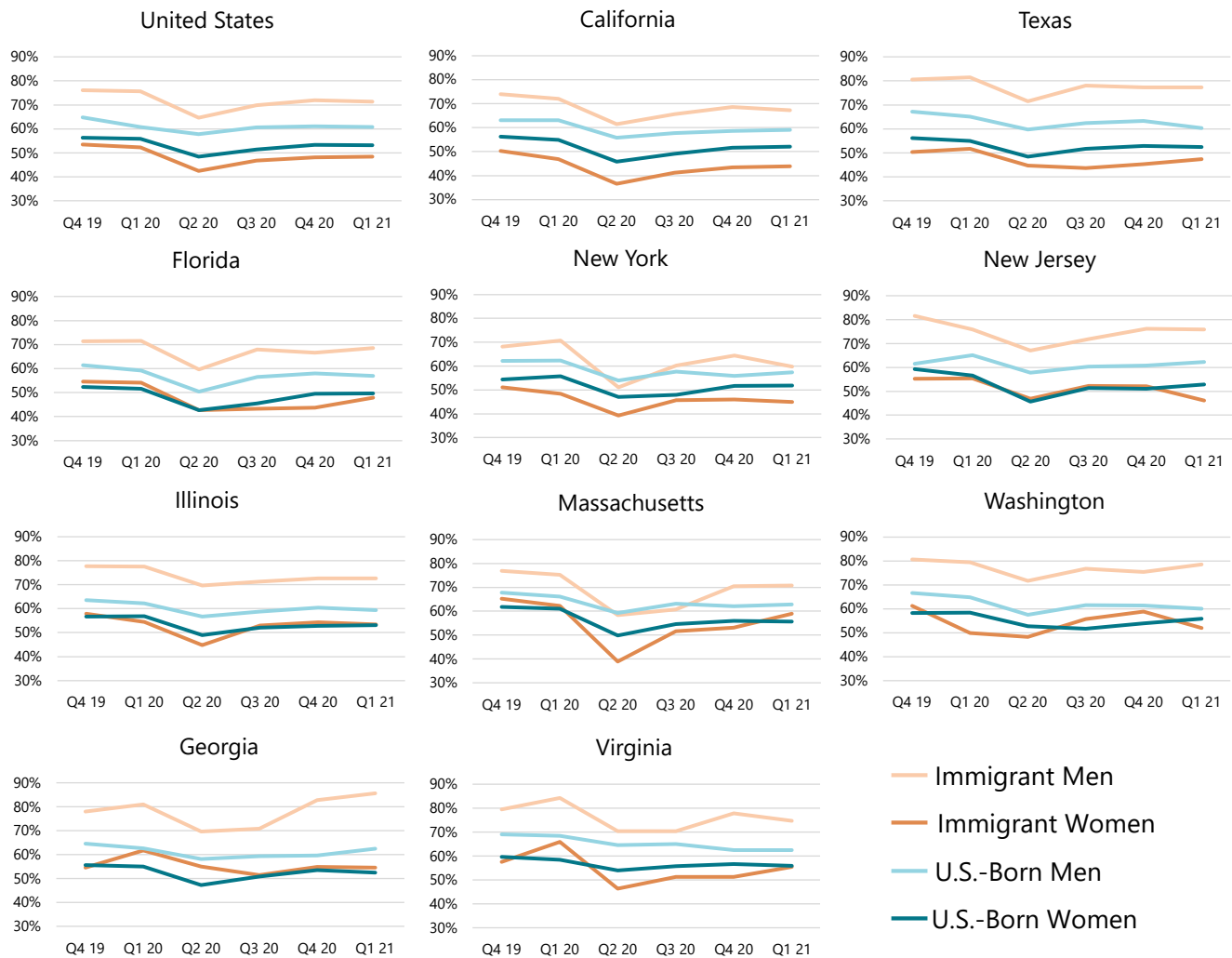
In the two states with the largest immigrant populations—California and Texas—the national pattern held. But in New York and Massachusetts, immigrant men briefly saw lower employment rates than U.S.-born men during the height of the recession. And in several states, immigrant and U.S.-born women traded places for the lowest employment rate.

The gap in employment rates between U.S.- and foreign-born women widened, while the gap for men narrowed.

The steepest drop in employment rates among immigrant women was between Q4 2019 and Q2 2020 in Massachusetts: 26 percentage points. The decline in employment rates for immigrant women was about 13 to 14 percentage points in California, Washington, and Illinois. Immigrant men also saw their steepest employment decline in Massachusetts (19 percentage points), followed by New York (17 points) and New Jersey (15 points). In general, immigrant men and women had similar employment trajectories within each state, but in Georgia, immigrant women's employment only briefly fell slightly

FIGURE 3

Employment Rates of Adults (ages 16 and older) in the U.S. Civilian Labor Force, by Nativity and Gender, Nationwide and in the Top Ten Immigrant Destination States, Q4 2019–Q1 2021



Notes: Employment rates have not been seasonally adjusted. The order of the states in this figure is based on the size of their immigrant population, with California having the most immigrant residents as of 2019.

Source: MPI analysis of data from the U.S. Census Bureau’s 2019, 2020, and 2021 CPS, averaging monthly data to produce quarterly estimates.

below what it was in Q4 2019, while immigrant men’s employment fell by 8 percentage points.

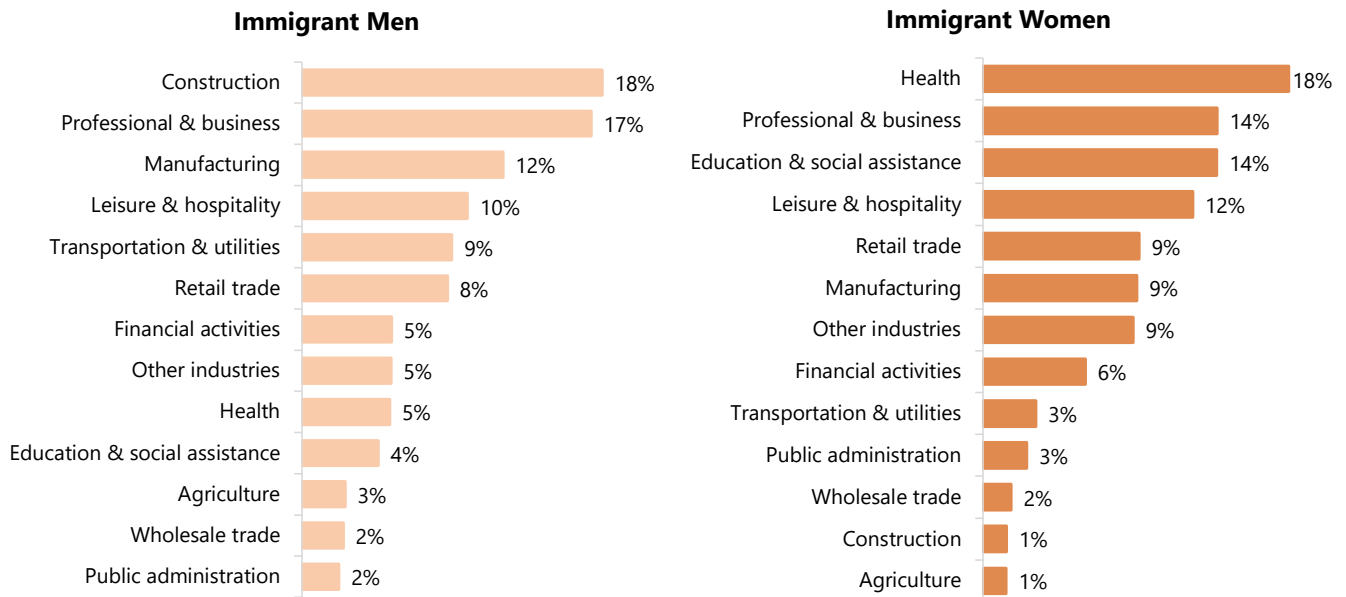
Comparing employment rates in Q1 2021 to those in Q1 2020 gives a sense of how low immigrant employment rates stood a year into the pandemic. The employment rate for immigrant women was 4 percentage points lower in Q1 2021 compared to Q1 2020 nationwide, and in some states the gap was even wider: 11 points lower in Virginia and 9 points

lower in New Jersey. The exception was Washington, where immigrant women’s employment rate was 2 percentage points *higher*.

For immigrant men, the employment rate at the national level in Q1 2021 was 4 percentage points below the rate a year prior. Among the top ten immigrant destination states, the difference was largest in New York (11 percentage points lower) and Virginia (10 points lower).

FIGURE 4

Top Industries of Employment for Civilian Immigrant Workers (ages 16 and older) in the United States, by Gender, 2019



Note: “Other industries” includes mining, maintenance and repairs, and personal care services.
 Source: MPI analysis of data from the U.S. Census Bureau’s January–December 2019 monthly CPS, pooled.

The employment experiences of immigrant women and men during the recession were strongly shaped by their industries. The top industries of employment for immigrant men in 2019, before the pandemic, were construction (employing 18 percent of all working immigrant men), professional and business services (17 percent), and manufacturing (12 percent), as shown in Figure 4. For immigrant women, the top industries were health care (18 percent of all working immigrant women), professional and business services (14 percent), education and social assistance (14 percent), and leisure and hospitality (12 percent).

4 Unemployment Outcomes by Industry and State

While workers’ labor market experiences and outcomes depend on a number of factors, the indus-

tries in which they work play a major role. How sensitive or resilient an industry is to the ups and downs of business cycles directly affects its workers both in terms of when they feel the impact of changing economic conditions and how long that impact lasts. The pandemic brought additional factors into the equation, namely which business activities were considered essential in fighting COVID-19 and whether work tasks could be performed remotely versus in person.⁶

This section examines the top industries of employment among immigrant workers in the ten top immigrant destination states. Then, it explores how the recession affected workers in these industries. Because it is not possible to examine employment rates by industry (since people not in the labor force do not have an industry of employment), this issue brief looks at unemployment rates by sector. It starts with a picture of unemployment rates across all industries, before examining them more closely in health care and construction (the largest employers

of immigrant women and men) as well as in leisure and hospitality (which suffered the highest job losses of all sectors).

A. *Top Industries of Employment for Immigrant Workers by State*

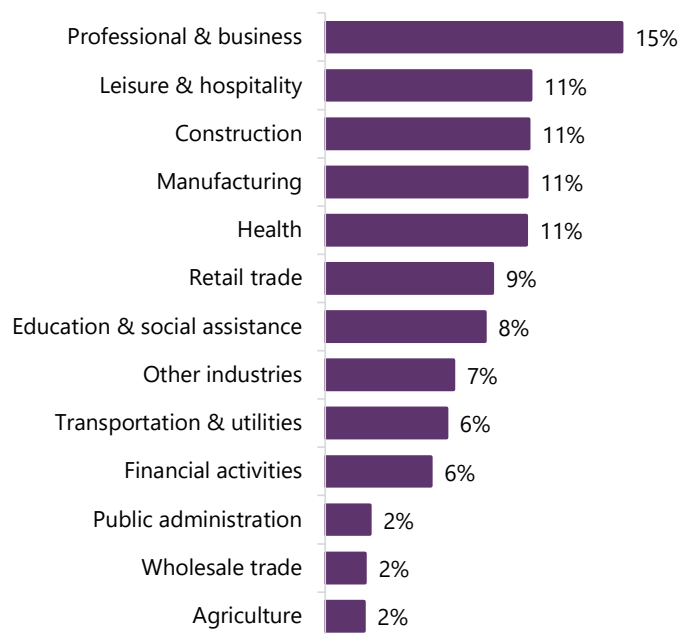
Before the pandemic, the professional and business services industry employed the most immigrant workers (15 percent of all immigrant workers in the United States), followed by leisure and hospitality, construction, manufacturing, and health care (with about 11 percent each), as shown in Figure 5. Top sectors of immigrant employment varied by state (see Table 3). Looking at the ten study states, construction was at the top of the list in Texas, employing 18 percent of all immigrant workers there,

but the industry’s share of immigrant workers was a smaller 5 percent in Washington, 6 percent in Illinois, and 7 percent in Massachusetts. In Massachusetts and New York, the largest shares of immigrant workers were in health services (18 percent and 16 percent, respectively). Manufacturing employed the most immigrants in Illinois (18 percent), but a far smaller share of them in Virginia (3 percent), New York (4 percent), and Florida (5 percent). At the national level, only 2 percent of immigrants worked in agriculture, but the sector employed 9 percent of immigrants in Washington and 4 percent in California. Leisure and hospitality employed approximately 10 percent to 11 percent of immigrant workers in most states.

B. *Overall Unemployment Trends among Immigrant Workers*

Before the pandemic, in Q4 2019, foreign-born workers had lower unemployment rates than U.S.-born workers, at the national level and in most of the top immigrant destination states. By contrast, at the height of the recession during Q2 2020, unemployment was 2.9 percentage points higher for immigrants than U.S.-born workers. This pattern was also seen in most of the top ten immigrant destination states, with the gap in unemployment between immigrants and the U.S. born widest in Massachusetts (11.5 percentage points), New York (6.7 points), and Virginia (6.0 points). Illinois was the only one among these ten states that experienced higher unemployment for U.S.-born than immigrant workers (by 0.5 percentage points), as can be seen in Figure 6. By Q1 2021, the nationwide unemployment rate was only slightly higher for immigrants than U.S.-born workers (1.1 percentage points), and in half of the top ten immigrant states—California, Texas, Illinois, Washington, and Georgia—the rate was actually slightly lower for immigrants.

FIGURE 5
Top Industries of Employment for Immigrant Workers in the United States, 2019



Note: “Other industries” includes mining, maintenance and repairs, and personal care services.
Source: MPI analysis of data from the U.S. Census Bureau’s January–December 2019 monthly CPS, pooled.

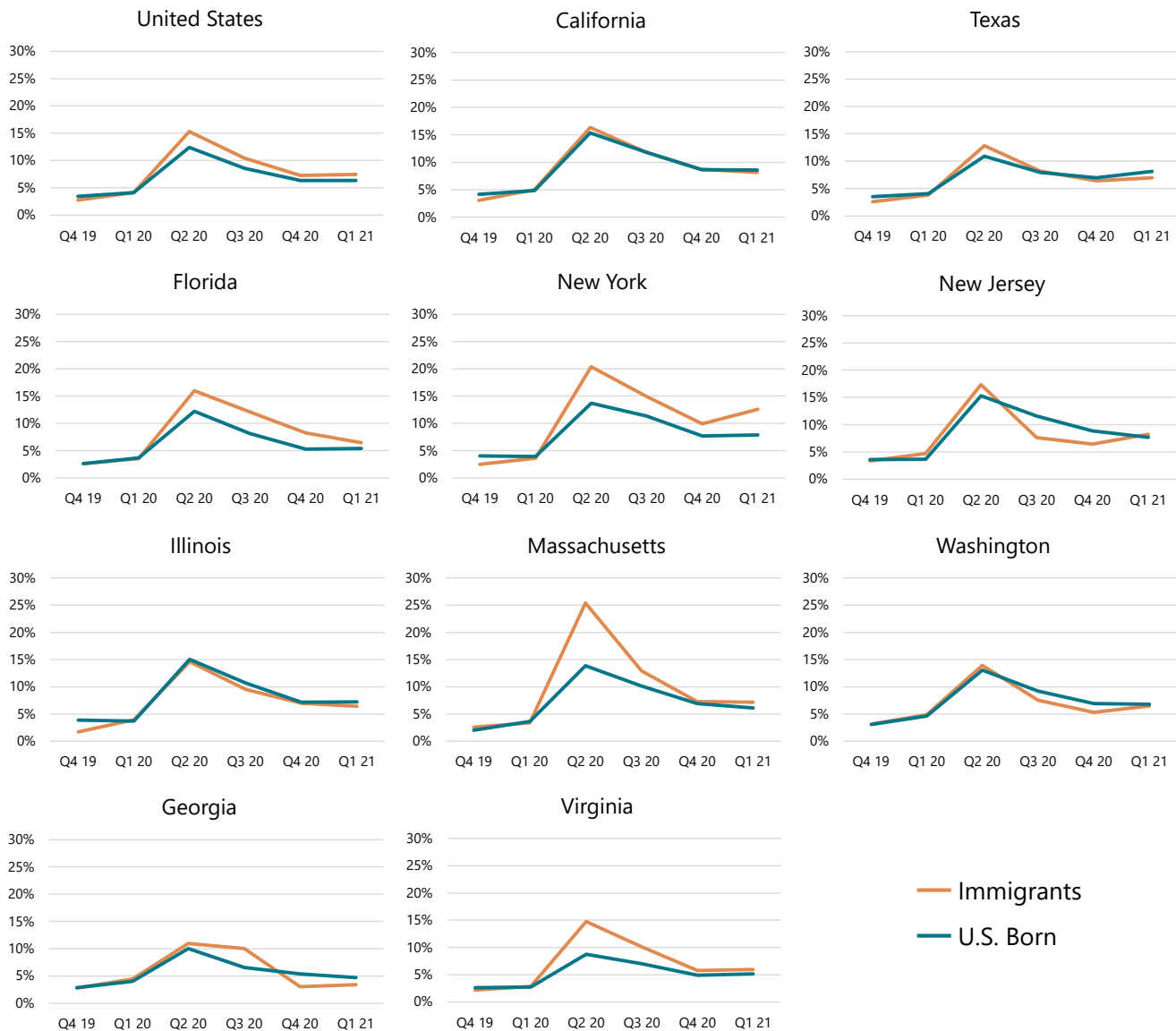
TABLE 3
Top U.S. Industries of Employment for Immigrant Workers and Their Share of Immigrant Workers in the Top Ten Immigrant Destination States, 2019

	U.S.	CA	TX	FL	NY	NJ	IL	MA	WA	GA	VA
Total immigrant workers	27,479,000	5,953,000	3,028,000	2,766,000	2,472,000	1,264,000	1,169,000	800,000	773,000	720,000	824,000
Professional & business	15%	18%	14%	14%	14%	17%	17%	17%	18%	17%	19%
Leisure & hospitality	11%	10%	10%	11%	11%	8%	8%	10%	11%	10%	11%
Construction	11%	9%	18%	11%	8%	9%	6%	7%	5%	14%	13%
Manufacturing	11%	11%	10%	5%	4%	10%	18%	10%	11%	14%	3%
Health	11%	9%	9%	12%	16%	11%	12%	18%	10%	7%	8%
Retail trade	9%	8%	8%	12%	9%	8%	7%	8%	9%	9%	10%
Education & social assistance	8%	8%	8%	7%	11%	8%	6%	11%	7%	6%	9%
Other industries	7%	7%	10%	7%	6%	6%	5%	6%	4%	7%	8%
Transportation & utilities	6%	6%	5%	8%	9%	8%	9%	4%	6%	6%	6%
Financial activities	6%	6%	4%	6%	7%	9%	6%	4%	5%	5%	6%
Public administration	2%	3%	1%	2%	3%	2%	2%	2%	2%	2%	6%
Wholesale trade	2%	2%	2%	3%	2%	3%	3%	2%	2%	2%	1%
Agriculture	2%	4%	1%	1%	0%	0%	1%	0%	9%	2%	1%

Notes: "Other industries" includes mining, maintenance and repairs, and personal care services. The order of the states in this table is based on the size of their immigrant population, with California having the most immigrant residents as of 2019.
 Source: MPI analysis of data from the U.S. Census Bureau's January–December 2019 monthly CPS, pooled.

FIGURE 6

Unemployment Rates of Immigrant and U.S.-Born Adults (ages 16 and older) in the U.S. Civilian Labor Force, Nationwide and in the Top Ten Immigrant Destination States, Q4 2019–Q1 2021



Notes: Unemployment rates have not been seasonally adjusted. The order of the states in this figure is based on the size of their immigrant population, with California having the most immigrant residents as of 2019.
 Source: MPI analysis of data from the U.S. Census Bureau’s 2019, 2020, and 2021 CPS, averaging monthly data to produce quarterly estimates.

C. Unemployment in the Health-Care Industry

Of all industries, health care has been viewed as the most essential to the fight against COVID-19. However, even this industry suffered job losses, with variations across job types. While hospital staff car-

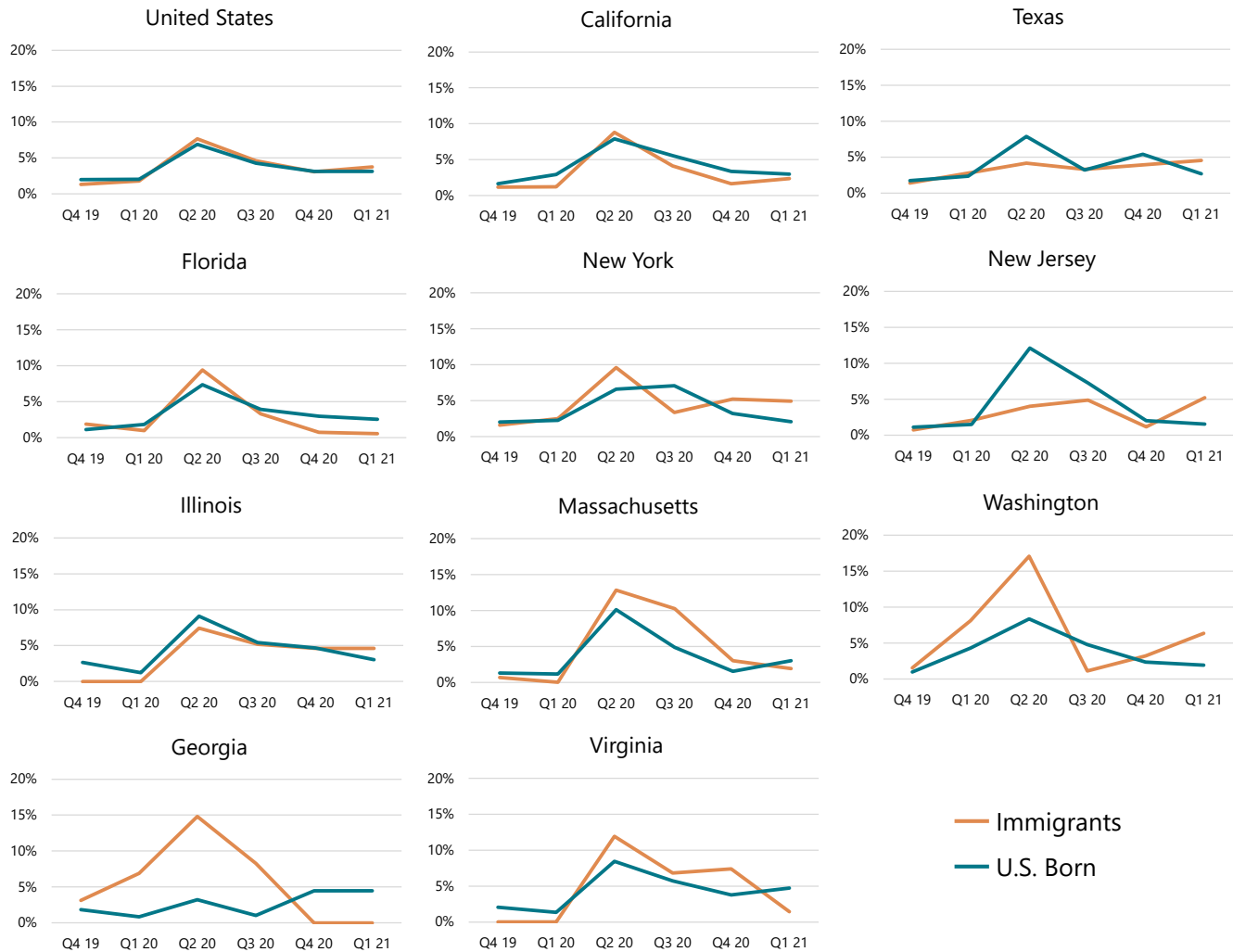
ing for COVID-19 patients were in high demand and governments rushed to boost the number of front-line health-care workers, other health professionals either lost their jobs or worked reduced hours. Unemployment in the industry rose sharply between Q1 2020 and Q2 2020, from 2 percent to 7 percent, driven mostly by bans on elective medical proce-

dures and fewer patients seeking nonemergency services.⁷

However, health care exhibited lower unemployment than most other industries throughout the pandemic, reflecting the high demand for frontline health workers; the growing need for workers to implement testing, contact tracing, and vaccines; and a rapid expansion of telehealth,⁸ which allowed

for virtual visits and remote monitoring of patients, even across state lines.⁹ As restrictions on nonessential medical procedures began to ease and a greater number of providers transitioned to telehealth, the sector began to recover.¹⁰ After Q2 2020, the unemployment rate for the health-care industry nationwide dropped steadily, reaching 3 percent in Q1 2021—just slightly higher than the pre-pandemic rate of 2 percent in Q1 2020.

FIGURE 7
Unemployment Rates of Immigrant and U.S.-Born Adults (ages 16 and older) in the Health-Care Industry, Nationwide and in the Top Ten Immigrant Destination States, Q4 2019–Q1 2021



Notes: Unemployment rates have not been seasonally adjusted. The order of the states in this figure is based on the size of their immigrant population, with California having the most immigrant residents as of 2019. Source: MPI analysis of data from the U.S. Census Bureau’s 2019, 2020, and 2021 CPS, averaging monthly data to produce quarterly estimates.

Among the top ten immigrant destination states, Massachusetts had the highest unemployment rate for all health-care workers in Q2 2020 (11 percent), followed by Washington and New Jersey (both 10 percent). For immigrant health workers specifically, the unemployment rate reached 17 percent in Washington, followed by 15 percent in Georgia, 13 percent in Massachusetts, and 12 percent in Virginia during that quarter (see Figure 7).

It is worth highlighting how closely U.S.-born and immigrant unemployment levels in the health-care sector tracked each other over the course of the pandemic; this was markedly different than in other industries.

Returning to the national level, it is worth highlighting how closely U.S.-born and immigrant unemployment levels in the health-care sector tracked each other over the course of the pandemic; this was markedly different than in other industries, where unemployment showed significant gaps by nativity. During its peak in Q2 2020, the unemployment rate of immigrants working in health care was just 1 percentage point higher than that for the U.S. born: 8 percent versus 7 percent. Rates followed similar patterns in most of the top ten immigrant destination states, except for Georgia and Washington, where immigrants had much higher unemployment rates, and New Jersey and Texas, where they had lower rates during Q2 2020.

D. Unemployment in the Construction Industry

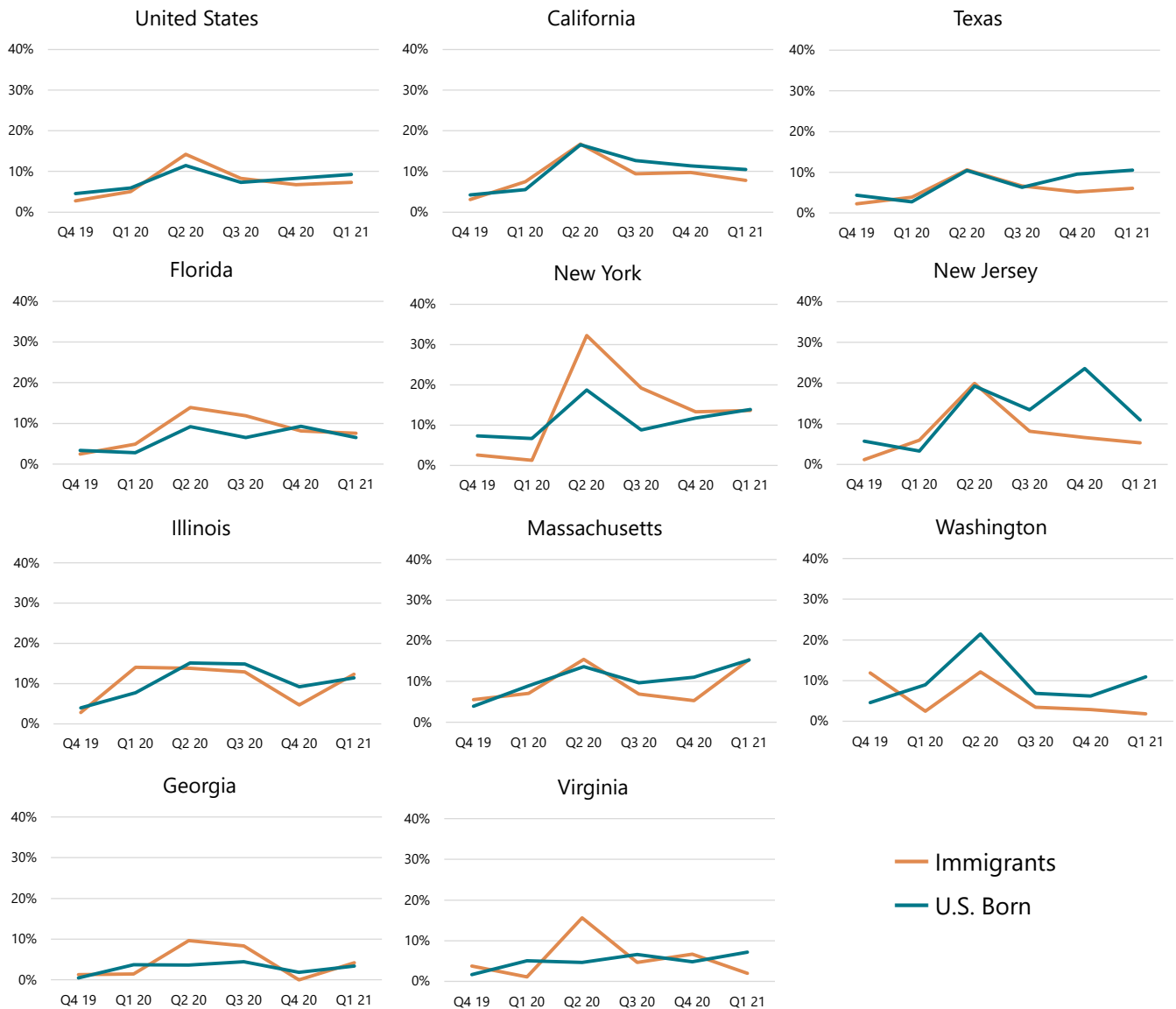
Construction is among those sectors most sensitive to changing economic conditions. During the Great Recession of 2007–09, for instance, construction accounted for 52 percent of the decline in U.S. em-

ployment.¹¹ During the COVID-19-related recession, the experience was somewhat different. The rate of unemployment among all construction workers doubled from 6 percent in Q1 2020 to 12 percent in Q2, but it remained much lower than that in leisure and hospitality. Unemployment in construction declined to 8 percent in Q3 2020 and was still roughly at that level in Q1 2021.

The pandemic hit construction workers harder in some states than others. Among the ten study states, New York had the highest unemployment rate among all construction workers (23 percent) in Q2 2020, followed by New Jersey (20 percent) and Washington (19 percent). Rates were lowest in Georgia (5 percent) and Virginia (9 percent), while those in Texas and Florida were near the U.S. average (11 percent). Among immigrant construction workers specifically, unemployment reached 32 percent in New York, 20 percent in New Jersey, and 17 percent in California in Q2 2020 (see Figure 8).

Different definitions of essential workers early in the pandemic seem to have played a key role in shaping unemployment rates in the construction industry.¹² On March 31, 2020, for example, Texas Governor Greg Abbott declared that all construction workers statewide were essential, reversing local orders in areas such as the City of Austin, which had defined essential construction workers more narrowly.¹³ Governor Andrew Cuomo of New York, around the same time, revised the guidelines on essential work to include only construction workers on infrastructure projects and health-care facilities, and those stabilizing ongoing projects.¹⁴ During Q2 2020 and most subsequent quarters under study, construction workers in Texas, whether or not they were immigrants, had among the lowest unemployment rates in the top ten immigrant destination states. Among these ten states, immigrant construction workers in New York had the highest peak unemployment.

FIGURE 8
Unemployment Rates of Immigrant and U.S.-Born Adults (ages 16 and older) in the Construction Industry, Nationwide and in the Top Ten Immigrant Destination States, Q4 2019–Q1 2021



Notes: Unemployment rates have not been seasonally adjusted. The order of the states in this figure is based on the size of their immigrant population, with California having the most immigrant residents as of 2019.
 Source: MPI analysis of data from the U.S. Census Bureau’s 2019, 2020, and 2021 CPS, averaging monthly data to produce quarterly estimates.

At the national level, the unemployment rates of immigrant construction workers were slightly higher than those of their U.S.-born counterparts during Q2 2020 (by 3 percentage points), but unemployment generally followed a similar trend among the two groups (see Figure 8). The nativity gap in unemployment was much more pronounced in some states,

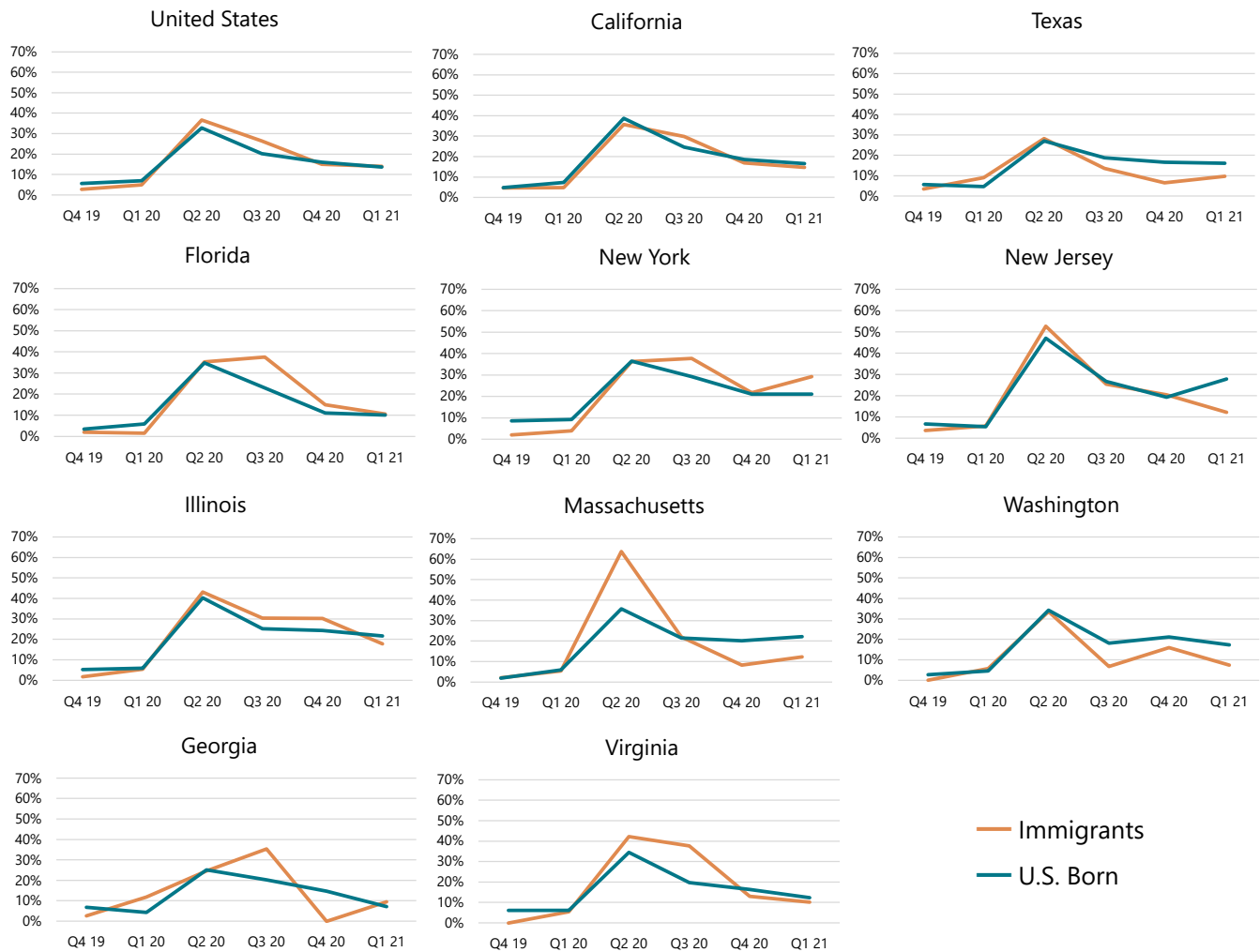
usually favoring U.S.-born workers. For instance, the difference was 14 percentage points in New York and 11 percentage points in Virginia in Q2 2020. In contrast, immigrant workers in construction were less likely to be unemployed than their U.S.-born counterparts in Washington (12 percent versus 22 percent) in that same quarter.

E. Unemployment in the Leisure and Hospitality Industry

Workers in leisure and hospitality experienced the highest unemployment during the pandemic. Nationwide, this industry was responsible for more than one-third of the jobs lost between February 2020 and March 2021.¹⁵ It includes many of the businesses hardest hit by stay-at-home orders and other

government mandates intended to stop the spread of the virus—restaurants, bars, hotels, and entertainment venues. At the national level, unemployment in the sector soared from 5 percent in Q4 2019 to 33 percent in Q2 2020, before recovering to 14 percent in Q1 2021. Of the ten study states, total unemployment in this industry hit the highest peaks in Q2 2020 in New Jersey (49 percent), Massachusetts (43 percent), and Illinois (41 percent), and rose the least in Georgia (to 25 percent) and Texas (27 percent).

FIGURE 9
Unemployment Rates of Immigrant and U.S.-Born Adults (ages 16 and older) in the Leisure and Hospitality Industry, Nationwide and in the Top Ten Immigrant Destination States, Q4 2019–Q1 2021



Notes: Unemployment rates have not been seasonally adjusted. The order of the states in this figure is based on the size of their immigrant population, with California having the most immigrant residents as of 2019.
 Source: MPI analysis of data from the U.S. Census Bureau's 2019, 2020, and 2021 CPS, averaging monthly data to produce quarterly estimates.

Among immigrants working in this sector, unemployment peaked at 64 percent in Massachusetts, followed by 53 percent in New Jersey, 43 percent in Illinois, and 42 percent in Virginia (see Figure 9).

These state differences are likely related to the duration of lockdown orders. Leisure and hospitality workers in Texas and Georgia, which had stay-at-home orders lasting less than one month, experienced the lowest unemployment in Q2 2020. In contrast, those in states that had longer lockdowns, such as Massachusetts, New York, New Jersey, and Illinois, saw higher unemployment overall and specifically among immigrant workers in that period. Different state experiences with COVID-19 outbreaks likely also played a role. In addition to having earlier and longer lockdowns, Massachusetts, New York, New Jersey, and Illinois suffered a big wave of infections in Spring 2020. As Florida, Georgia, California, and Texas experienced relatively large waves of infection in the summer of that year, unemployment in leisure and hospitality fell overall, though it increased among immigrant workers in Florida and Georgia.

State unemployment rates are also likely related to varying state and county restrictions on restaurants, bars, and entertainment venues, as well as to differences in climate, as the warmer temperatures during winter months in some states allowed for outdoor dining and recreation.

Contrasting California's and Florida's restrictions gives a sense of their range. California maintained the strictest prohibitions throughout the pandemic. Indoor dining was closed statewide from mid-March through early May 2020, at which point counties could apply to allow indoor dining at limited capacity after meeting certain COVID-19 containment criteria. However, indoor dining was closed again statewide from mid-July through late August, as the state experienced a wave of infections.¹⁶ During the winter wave, Los Angeles, the largest county in the

state, even closed outdoor dining for December and most of January, while some other counties allowed 50-percent capacity inside restaurants.¹⁷ Florida, in contrast, reopened indoor dining at 25-percent capacity in May 2020, and at 50-percent capacity in some counties in June 2020. By October 2020, the state had opened indoor dining at full capacity statewide.¹⁸

Varying levels of restrictions on indoor dining and drinking, combined with customers' desire to avoid the risk of contracting COVID-19 and the availability of comfortable outdoor dining, affected the restaurant industry in different ways. Data from the online reservation provider OpenTable on the state-level difference in seated diners in each month from March 2020 through April 2021, compared to the same month in 2019, offer one indicator of how hard the restaurant industry was hit (see Table 4). Across the United States, the number of diners dropped to nearly zero in April 2020, during widespread stay-at-home orders. By late Summer and Fall 2020, restaurant dining had rebounded strongly in Texas, Florida, New Jersey, and Georgia, to less than 40 percent below the 2019 level. During the second big wave of infections in November 2020 through February 2021, which affected most U.S. states, dining levels dropped again, particularly in California, likely due in part to strong restrictions in the state's bigger cities, as well as in New York, Illinois, and Washington. In contrast, dining levels held steady in states with warmer climates and laxer restrictions such as Texas, Florida, and Georgia, as well as in New Jersey, which also had fewer restrictions.

Corresponding with both state restrictions and these trends in dining, California, along with Illinois and New York, saw relatively high unemployment in the leisure and hospitality sector overall and among immigrant workers in Q3 2020, when these states maintained restrictions despite others lifting theirs. Florida, which by this time had lifted its restrictions and saw dining rebound, still had high unemploy-

TABLE 4

Change in the Number of Seated Diners in Restaurants Compared to the Same Month in 2019, March 2020 through April 2021

	Mar. 20 20	Apr. 20 20	May 20 20	Jun. 20 20	Jul. 20 20	Aug. 20 20	Sep. 20 20	Oct. 20 20	Nov. 20 20	Dec. 20 20	Jan. 21 21	Feb. 21 21	Mar. 21 21	Apr. 21 21
United States	-57%	-100%	-92%	-68%	-61%	-52%	-41%	-41%	-52%	-62%	-57%	-48%	-32%	-24%
California	-60%	-100%	-97%	-71%	-70%	-61%	-47%	-41%	-52%	-88%	-90%	-57%	-42%	-27%
Texas	-56%	-100%	-75%	-54%	-61%	-46%	-32%	-29%	-36%	-37%	-33%	-43%	-5%	1%
Florida	-55%	-100%	-79%	-51%	-59%	-46%	-27%	-29%	-34%	-35%	-28%	-27%	-7%	5%
New York	-60%	-100%	-100%	-92%	-78%	-68%	-63%	-62%	-70%	-81%	-78%	-72%	-64%	-58%
New Jersey	-57%	-100%	-99%	-76%	-49%	-39%	-8%	-17%	-36%	-50%	-39%	-41%	-23%	-10%
Illinois	-58%	-100%	-99%	-77%	-63%	-57%	-51%	-57%	-82%	3%	-76%	-65%	-50%	-44%
Massachusetts	-59%	-100%	-100%	-79%	-55%	-48%	-39%	-46%	-59%	-69%	-66%	-61%	-47%	-42%
Washington	-66%	-100%	-99%	-80%	-71%	-64%	-55%	-51%	-71%	-89%	-83%	-63%	-49%	-40%
Georgia	-57%	-100%	-86%	-61%	-58%	-48%	-36%	-31%	-39%	-38%	-40%	-35%	-25%	-18%
Virginia	-56%	-100%	-97%	-72%	-60%	-50%	-40%	-37%	-47%	-54%	-51%	-49%	-35%	-26%

Notes: These data are based on a sample of about 20,000 restaurants that use the OpenTable platform and provide OpenTable with information on all of their inventory. The order of the states in this table is based on the size of their immigrant population, with California having the most immigrant residents as of 2019.

Source: OpenTable, "The Restaurant Industry in Recovery," accessed May 3, 2021.

ment rates too, perhaps because of the pandemic's general impact on the state's large tourism industry. Unemployment in the sector rose in Washington into Q4 2020, but fell in New York as well as in all other top immigrant destination states, despite dips in dining across most states. By April 2021, restaurant dining had recovered somewhat, with dining in Texas and Florida surpassing its 2019 levels.

At the national level, the unemployment rate of immigrants in the industry rose slightly higher than that of U.S.-born workers, with a gap of 4 percentage points in Q2 2020, but rates converged to the same level by Q2 2021 (see Figure 9). The nativity gap in unemployment was quite small in most top immigrant destination states in Spring 2020, with the exception of Massachusetts, where immigrant workers experienced much higher unemployment (64 percent, compared to 36 percent for U.S.-born workers) during Q2 2020. In some states, including Massachusetts, Texas, and Washington, unemployment among foreign-born workers fell below that of U.S.-born

workers in the leisure and hospitality sector as the pandemic progressed.

5 Conclusion

Very different in nature from other recessions in recent U.S. history, the COVID-19 recession was brought on by a combination of government public-health mandates and individual consumers' efforts to avoid the risk of contracting a rampant virus. In the face of the pandemic, state governments faced a stark choice: whether to restrict economic activity to slow the spread of infections and, in doing so, inflict economic pain on their businesses and residents, or to keep the economy open, despite the risks to the health of workers and consumers.¹⁹

Different states made very different choices about how to balance public-health and economic goals, as reflected in the timing and duration of stay-at-home orders, the list of "essential" jobs that were allowed to continue despite lockdowns, and business

restrictions—particularly for bars, restaurants, and entertainment venues—after stay-at-home orders were lifted. States also have had very different experiences with the virus itself, with some battling early waves, others being hit harder in the summer of 2020, and most experiencing the national wave in the winter of 2020–21 to some extent. In addition, states went into the recession with a different mix of industries in their economies. All of these policy choices and state contextual factors affected the recession’s economic impact on the rates of employment and unemployment among resident workers, U.S. born and immigrant alike.

During the worst of the economic downturn, in April through June 2020, immigrants were hit hard, with deeper drops in employment than U.S.-born workers at the national level and in nearly all of the ten states with the largest immigrant populations. Immigrants saw their employment rates recover more quickly than those of their U.S.-born counterparts into the first three months of 2021. But despite these faster gains, for the nation overall and in half of the top immigrant destination states, immigrants’ employment rates in Q1 2021 remained further below their pre-pandemic levels, relative to those of the U.S. born. The depth of immigrant workers’ employment declines during the recession and the speed of their recovery varied strongly among the top immigrant destination states, shaped by a range of factors. Differing industry mixes played a role, with essential jobs such as those in health care showing much lower unemployment rates, both overall and for immigrant workers, than the leisure and hospitality industry, which was the most affected by distancing efforts and business restrictions. State choices about which workers were deemed essential during lockdowns and business restrictions shaped state variation in unemployment within industries such as construction. And state policy choices about lockdowns seem to have played an important role as well. In those states with earlier and longer stay-at-

home orders, immigrant workers seem to have been particularly affected.

By late June 2021, U.S. vaccination efforts had made great strides, with more than 50 percent of the total U.S. population having received at least one shot.²⁰ COVID-19 case rates were falling, down to rates not seen since March 2020.²¹ As a result, state governments were lifting business restrictions and the Centers for Disease Control and Prevention had relaxed its guidelines for the measures Americans should take to avoid the virus. The jobs report for March 2021 showed great promise of a big recovery, with 785,000 jobs added.²² But the economy added only 278,000 jobs in April, far fewer than expected, and a middling 559,000 jobs in May.²³ Whether this lower-than-expected growth reflects a temporary adjustment period or a real slowdown in the country’s economic recovery remains to be seen. In particular, questions remain about how much the U.S. economy may have undergone structural changes during the pandemic, including an increased pace of automation and teleworking, for example, or a shift away from frequent business travel and associated services. Strong growth in the leisure and hospitality sector in Spring 2021 portends positive news for immigrants’ employment rates, though employment in construction and health care changed little.²⁴ Before the pandemic, the U.S. Bureau of Labor Statistics was projecting strong growth in health care and social services, professional and business services, and leisure and hospitality—including many fields in which immigrant workers are concentrated. But if the labor market sees lasting changes from the pandemic, it will be important to understand whether immigrant workers are well positioned to adapt to these changes. Even with this uncertainty, the future prospects for immigrant employment in the United States look good, though the coming months will reveal how quickly and strongly the economy recovers, and the degree to which immigrants living in various states and working in different industries will have opportunities to participate in the recovery.

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