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## Error Discovered in Unemployment Rate

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## Error Discovered in Unemployment Rate

### Abstract

"A widely circulated 1997 U.S. Census Bureau publication contains a computational error that shows a much lower unemployment rate for immigrants than was actually the case."

### Keywords

U.S. , immigration, immigrant, policy, work, United States, illegal, law, labor, market, employment

### Comments

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# IMMIGRATION REVIEW

United Airlines employs over 2,600 foreign crew members in seven bases around the world. American recently hired 800 to fly routes between the United States and Latin America. Delta and Northwest are also involved in this practice. Carnival Airlines is hiring flight attendants from Turkey.

The peculiarities of the D-1 visa allow foreign nationals multiple entries into the United States as employees of domestic airlines, though they are required to depart the country at least once every 29 days. Many become de facto permanent U.S. residents through misuse of the D-1 visa, however, dis-

placing qualified U.S. citizens from good jobs.

While America is an immigrant nation with a long, proud tradition of inclusion and diversity that has helped it become the world's leading economic power, our non-immigrant visa policy never was intended as a tool to displace U.S. workers. We should work toward a policy encouraging the training of U.S. workers and eliminating the unfair advantages enjoyed by employers who bypass the spirit of H-1B visas. We should not let the few who abuse the visa system jeopardize the interests of U.S. workers and the nation at large.

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## Error Discovered in Unemployment Rate

*By Vernon M. Briggs, Jr.*

A widely circulated 1997 U.S. Census Bureau publication contains a computational error that shows a much lower unemployment rate for immigrants than was actually the case. The publication, "The Foreign-born Population: 1996," is part of the Current Population Reports (P120-494) series. Released on April 8, 1997, its findings are widely used by scholars, journalists, and policymakers. As this data is only available once a year, new figures will not be available until Spring 1998. Hence, it is essential to note this error, as it leads to extensive misinformation used to suggest that immigrant unemployment is insignificant. In fact, the opposite is true.

The actual numerical data in the report are correct but the computation of the unemployment rate is not. Table 1 shows the actual unemployment

data for both the foreign-born and native-born populations for 1996. The error occurred when the Bureau took the actual number of native-born and foreign-born persons reported to be unemployed (6.716 million and 1.095 million, respectively) as a proportion of the total number of persons in each population category over age 16 (178.343 million and 22.378 million, respectively). As a consequence, the Bureau reported (see Table 2) the unemployment rate for 1996 as 3.8 percent for the native-born population and 4.9 percent for the foreign-born population (see page 5 of the cited report).

In fact, the definition of unemployment used by all federal agencies and official reports is based on the number of persons over age 16 reported as unemployed as a proportion to the total number of persons in the labor force (118.025 million native-born and 14.298 million foreign-born). Thus, while the numerators are the same in both computations, the denominators are quite different. The result, of

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**Table 1**  
**Labor Force Status of the Foreign Born Population, 1996**  
**(Numbers in Thousands)**

	<i>Total Population</i>	<i>Native Born Population</i>	<i>Foreign Born Population</i>
Total in the Population 16 Years and Older	200,722	178,343	22,378
Total in the Entire Labor Force	132,324	118,025	14,298
Employed	124,513	111,309	13,203
Unemployed	7,811	6,716	1,095

*Source: U.S. Bureau of the Census*

# IMMIGRATION REVIEW

course, is that the calculated unemployment rate is significantly different. The correct calculation (see Table 2) shows that the unemployment rate for the native-born population was 5.7 percent while the unemployment rate for the foreign-born population was 7.7 percent in 1996.

It is rare for the U.S. Census Bureau to make an error of this magnitude. As the published data have been widely used to downplay the issue of immigrant unemployment, it is essential that notice of this error be widely disseminated, regardless of where one stands on the immigration policy debate. All sides depend on "truth in data" as a basis for rational discourse.

**Table 2**

**Published Unemployment Rate and the Corrected Unemployment Rate of the Foreign-Born Population, 1996**

	<u>Native-Born Population</u>	<u>Foreign-Born Population</u>
Reported Unemployment Rates	3.8	4.9
Actual Unemployment Rates	5.7	7.7

It should also be noted that there is a widely recognized problem of statistical undercount of the foreign-born labor force due to the problem of illegal immigration. Hence even this corrected unemployment rate of 7.7 percent must be recognized as being an underestimate of the "real" rate.

After being alerted by this writer, officials at the Census Bureau responsible for the preparation of the report rechecked their calculations, and privately acknowledged the error. Unfortunately, however, there does not appear to have been any formal acknowledgment of the mistake in any official publication. Hence, the wrong data continue to be used by unsuspecting writers (e.g., see "Right Data" in *National Review*, September 15, 1997, p. 14) and it leads to wrong conclusions about an extremely serious issue—the labor market effects and welfare implications of existing immigration policy.

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## CAPITAL CURRENTS

at the INS increased 31 percent from 1993 to 1996. Many of the 12,403 armed INS agents work for the Border Patrol, which is heavily concentrated along the Mexican border. The Border Patrol accounted for about two-thirds of the INS growth. During the three years that ended September 30, 1996, the Border Patrol increased from 3,965 to 5,878 agents. In the San Diego sector alone, Border Patrol agents doubled to 1,955.

- A federal judge in Washington has ruled that the State Department policies for screening prospective visitors to the United States illegally discriminate against foreigners based on skin color, ethnicity, and appearance. Although the decision came in an employment lawsuit brought by a former consular officer based in Brazil, the ruling could have far broader implications for the State Department since policies similar to the ones criticized are in effect at American visa offices around the world.

- The General Accounting Office issued a report concluding that there is no national agricultural labor shortage at this time. The report (GAO/RS-98-20) should deflate a legislative effort, pushed by the nation's agricultural employees, to allow entry of more foreign farm workers.

- The INS has issued the requirements for affidavit of support and sponsorship as required in last year's Illegal Reform and Immigrant Responsibility Act. IRIRA made affidavits of support legally enforceable and imposed minimum income requirements, support obligations, and financial responsibilities on sponsors. The new regulations took effect December 19, 1997.

*(Continued on page 12)*