

The labor market impact of Covid-19 on immigrants

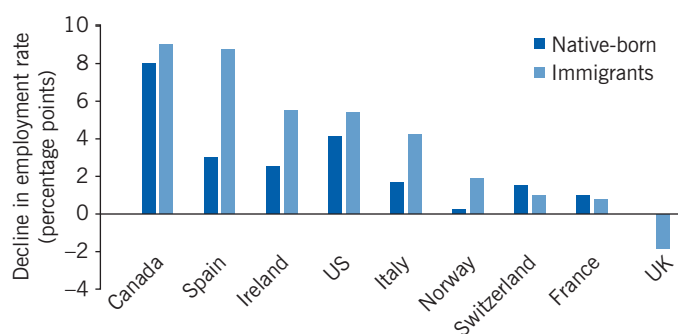
Job loss from Covid-19 was greater among immigrants than the native-born in most developed countries

Keywords: immigrants, Covid-19, employment, job remotability

ELEVATOR PITCH

The labor market disruptions due to the Covid-19 pandemic and lockdowns impacted immigrant workers more severely than native-born workers in the US, Canada, Australia, and most EU countries. Immigrant workers in most of these countries were more vulnerable to the pandemic since they were more likely to be employed in jobs that are not as easy to perform remotely. The labor market recovery for both groups in the US was rapid, and by Fall 2020, the employment gaps between immigrant and native-born workers, both for men and women, had returned to pre-pandemic levels.

Immigrant employment rates typically dropped more than for the native-born due to Covid-19, 2019–2020



Source: Based on data from [1], Figure 4.

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KEY FINDINGS

Pros

- + Many workers, including immigrants and native-born, were able to successfully continue working from home during the pandemic.
- + Rapid employment recovery was experienced by natives, but especially by immigrants, in the US and Canada in the months following April 2020.
- + Work arrangements such as short-time work schemes more common in the EU likely mitigated job loss, especially for immigrants.
- + No evidence of racial bias in employment loss due to the pandemic was observed in the US.

Cons

- Immigrants suffered significantly larger employment declines than the native-born in the early stages of the pandemic in most developed, immigrant-receiving countries.
- Lower job remotability of immigrants left them vulnerable to job loss in the early stages of the pandemic.
- Immigrants in the US, especially men, faced more difficulty searching for employment due to the pandemic than the native-born.
- Immigrants in most developed countries will remain more susceptible to future lockdowns due to their employment in less-remotable occupations.

AUTHOR'S MAIN MESSAGE

Immigrant workers in the US, Canada, Australia, and most EU countries were more susceptible to employment loss resulting from the Covid-19 pandemic, partly because their occupations are typically more difficult to perform remotely. Though employment recovery in the US was faster for immigrants than native workers, future shocks may again affect immigrants more severely. Though it is difficult to pinpoint specific policy responses to such events, two possible options include enhanced focus on immigrants' language proficiency, and greater consideration as to how policy responses will impact different groups.