Benefits of Granting Occupational License Access to Undocumented Immigrants

Evidence from California Reform and Implications for Illinois

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EXECUTIVE SUMMARY

In September 2014, California lifted legal work status requirement for dozens of licensed professions - a major obstacle for undocumented immigrants in the US to access professional jobs. This report assesses the benefits of lifting occupational license restrictions on the labor market outcomes of undocumented immigrants in California. The findings can be extrapolated to the licensing restrictions on undocumented immigrants in Illinois.

Policy Details:

• The 39 licensing boards under the California Department of Consumer Affairs (DCA) cannot deny a license application based on the citizenship or immigration status.

• Undocumented immigrants who do not have Social Security Numbers (SSNs) can use Individual Taxpayer Identification Numbers (ITINs) for identification purpose.

Main Findings:

• The legislation increased the labor force participation rate of the undocumented population by about two percentage points.

• The employment-to-population ratio increased slightly by 1.3 percentage-point.

• The labor force participation of young individuals increased.

• The labor force participation and employment of college graduates increased.

• We project that if Illinois had adopted the same policy change in 2019, by 2024 the labor force participation rate of undocumented immigrants would increase by 4 percentage points to 77%.

• We project that if Illinois had adopted the same policy change in 2019, by 2024 the employment rate of undocumented immigrants would increase by 2 percentage points to 74.1%.

• The increased employment of undocumented immigrants would generate 5.4 million dollars in economic value to the state’s economy.

Granting access to occupational licensing to undocumented immigrants not only better utilizes the existing human resource, but also motivates younger undocumented immigrants to invest in education.

We offer two recommendations to the occupational licensing policies in Illinois. The first is to remove the requirement for employment authorization and second, expand the scope of covered professions. Right now, Illinois only waives the citizenship requirement for an attorney’s license, but still requires legal work status. Second, professional and high-wage jobs are unreachable for undocumented immigrants who have limited access to higher education or vocational training programs. Therefore, we also recommend the licensing boards in Illinois encourage apprenticeship programs that provide low cost training options for lower-skilled individuals to enter professional jobs.
ABOUT THE AUTHOR

Dr. Bobby Chung is a labor economist. He received his Ph.D in Economics at Clemson University. He is now a Project for Middle Class Renewal postdoctoral research associate at the School of Labor and Employment Relations at the University of Illinois (Urbana-Champaign). He is also a network member of the Human Capital and Economic Opportunity Global Working Group.

Dr. Chung’s recent work includes social networks, occupational licensing, and kidney-exchange networks.

ABOUT THE PROJECT FOR MIDDLE CLASS RENEWAL

The Project for Middle Class Renewal's mission is to investigate the working conditions of workers in today’s economy and elevate public discourse on issues affecting workers with research, analysis and education in order to develop and propose public policies that will reduce poverty, provide forms of representation to all workers, prevent gender, race, and LGBTQ+ discrimination, create more stable forms of employment, and promote middle-class paying jobs. Each year, the Project publishes critical research studies and holds education forums on contemporary public policies and practices impacting labor and workplace issues. If you would like to partner with the Labor Education Program in supporting the work of the Project or have questions about the Project please contact Robert Bruno, Director of the Labor Education Program, at (312) 996-2491.