

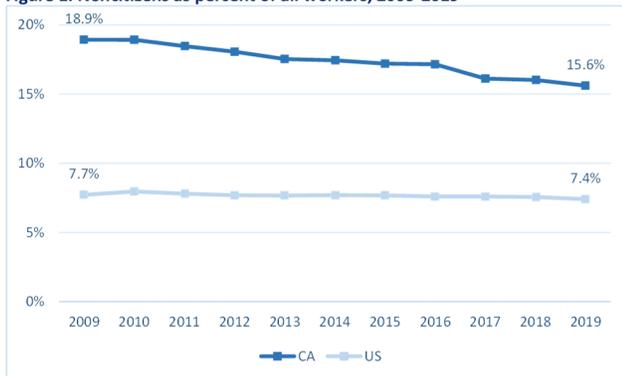
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FACT SHEET—Worker Relief: Expanding the Safety Net to Excluded Workers

Over one million undocumented workers in California lack unemployment insurance, but \$597 million would provide similar levels of relief for most excluded from unemployment.

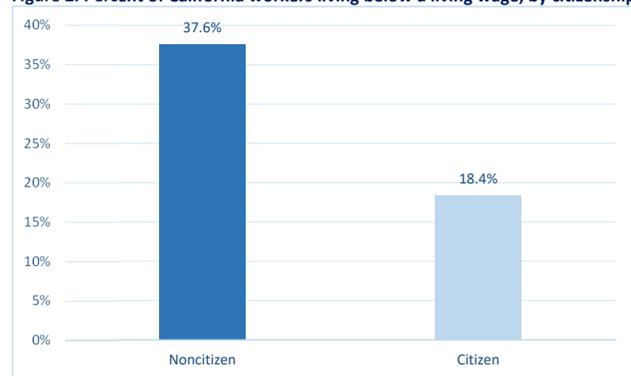
A UC Merced Community and Labor Center analysis estimates that California has 2.0 million undocumented immigrants, including more than 1.1 million workers. The analysis examined American Community Survey data from 2009-2019, as well as Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) data for 2020-2021.

Figure 1. Noncitizens as percent of all workers, 2009-2019



Source: UC Merced Community and Labor Center analysis of IPUMS-USA 2009-2019 Public Use Microdata Series (PUMS) data

Figure 2. Percent of California workers living below a living wage, by citizenship



Source: UC Merced Community and Labor Center analysis of IPUMS-USA 2019 Public Use Microdata Series (PUMS) data

Noncitizen immigrants form a significant share of California's labor force. In 2009, nearly one in five (18.9%) of California's workers (excluding the self-employed), were noncitizens (see figure 1). This figure declined to 15.6% by 2019.

Over one in sixteen California workers are undocumented. Recent national-level estimates suggest that 42% of noncitizen immigrants are undocumented (e.g. Pew Research Center 2019). Applying such figures to California, we estimate that 6.4% of the California workforce—over one in sixteen workers—is undocumented.

Noncitizen workers experience lower wages and greater financial insecurity than citizens. Applying the Massachusetts Institute of Technology (2020) Living Wage calculator to ACS 2019 data, we

found nearly four in ten (38%) undocumented workers live in households that earn less than a “living wage”—the amount needed to avoid chronic and severe housing and food insecurity (see figure 2). Nearly six in ten (61%) children living in undocumented worker households live below a living wage (analysis not shown).

Amid great financial insecurity, and major disasters, undocumented workers lack critical relief. Unemployment insurance, a key provision of the safety net, is unavailable to undocumented immigrants. We estimate that in 2019, 104,216 undocumented Californians experienced unemployment, and that in 2020, the year of the COVID-19 pandemic, 176,635 undocumented Californians experienced unemployment.

Table 1. Cost estimate of wage replacement benefits for California undocumented workers

	2019	2020	2-yr avg
Noncitizen workers unemployed at any moment	283,602	518,802	401,202
Noncitizen workers with qualifying earnings	248,133	420,559	334,346
Undocumented workers with qualifying earnings	104,216	176,635	140,425
25% of undocumented workers unemployed for at least	26 wks	26 wks	26 wks
50% of undocumented workers unemployed for at least	17 wks	20 wks	20 wks
75% of undocumented workers unemployed for at least	10 wks	8 wks	8 wks
Median benefit	\$281	\$301	\$300
Mean benefit	\$287	\$299	\$300
Est. mean wage replacement (in millions), 8 weeks	\$229	\$365	\$297
Est. mean wage replacement (in millions), 17 weeks	\$409	\$658	\$533
Est. mean wage replacement (in millions), 20 weeks	\$455	\$739	\$597
Est. mean wage replacement (in millions), 26 weeks	\$531	\$882	\$706

Source: UC Merced Community and Labor Center analysis of IPUMS- CPS ASEC 2020-2021 Public Use Microdata Series (PUMS) data

Note: Shaded cells represent projections based on \$300 weekly benefit

The safety net can be extended. State-sponsored programs in Colorado and New York have provided temporary wage replacement to undocumented workers during the pandemic.

In California, a \$597 million investment could provide benefits at similar levels as unemployment insurance for most undocumented immigrants. This is based on the following assumptions (see table 1):

- In 2019-2020, California had an annual average of 140,425 unemployed undocumented immigrants. (This is based on a pre-pandemic 2019 estimate of 104,216, and a 2020 estimate of 176,635.)
- In the 2019-2020 period, the median length of unemployment for California non-citizen workers was twenty weeks.
- In 2020, unemployed non-citizens in California had earnings that would have qualified them (if they qualified) to an average of \$299 in weekly benefits. The median weekly benefit would have been \$301.

We find that \$597 million per year would have provided \$300 in weekly benefits for twenty weeks—the full length of unemployment for half of all California undocumented workers.

Policy recommendation. While California undocumented workers face high rates of extreme hardship, existing state initiatives provide models for benefits programs replacing lost wages. A California program could provide benefits similar to unemployment insurance for excluded workers for a maximum of twenty weeks. The total estimated benefits to workers would total \$597 million.

References

- Pew Research Center. 2019. “Key Findings about U.S. Immigrants.” Accessed online on April 28, 2020 from: <https://www.pewresearch.org/fact-tank/2019/06/17/key-findings-about-u-s-immigrants/>
- Massachusetts Institute of Technology. 2020. Living Wage Calculator. Accessed on March 15, 2020 at <https://livingwage.mit.edu/>

Mission Statement

The UC Merced Community and Labor Center conducts research and education on issues of community, labor and employment, in the San Joaquin Valley and beyond.