

Integrating Immigrant Talent: A Look at Philadelphia's Foreign-Born Population and the Role of English Language Education in Workforce Development

November 2021 | Matthew Hutton

As the Workforce Development Board for Philadelphia, Philadelphia Works and the PA CareerLink® Philadelphia system administer and support programming that educates and trains our city's residents. Individuals from all backgrounds are entitled to access these services, and we work with partners and stakeholders from various organizations to help reach diverse populations.

This research brief provides an overview of the foreign-born population living in Philadelphia. After discussing basic demographic and economic characteristics, a more nuanced analysis shines light on the relationship between income and English language proficiency and underscores the important role of English language education in workforce development.

At the outset, it is important to note that the inherent diversity found within foreign-born populations complicates this analysis. While we discuss immigrant populations collectively, variations by race and country of origin must be considered. For workforce development efforts, understanding this diversity has the potential to improve outreach and service delivery. English language instruction and educational services that

are geographically focused and population-specific have greater potential to advance economic mobility.

Key Findings

Though this work has produced several specific insights, three broad findings have emerged:

- While many foreign-born residents live in South and Northeast Philadelphia, immigrant populations live in concentrated areas throughout the city based on their place of birth.
- An estimated 26% of Philadelphia's foreign-born population lacks a high school diploma or GED. Approximately 70% of these individuals report to speak English "less than well."
- Improving English proficiency has the potential to boost annual wages by nearly \$9,000, independent of an individual's education or occupational skill level.

A Note on Date Availability and the COVID-19 Pandemic

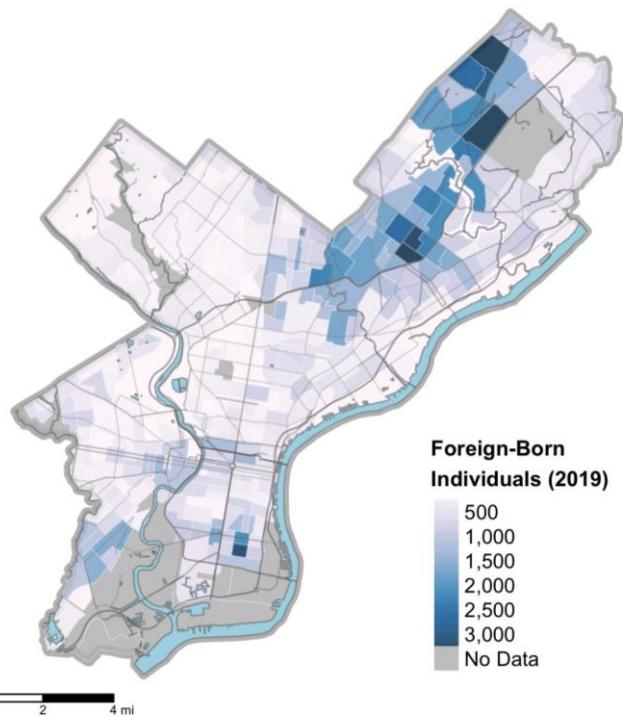
Though prepared during the COVID-19 pandemic, this work relies on data collected by the U.S. Census Bureau from 2014 to 2019. While the specific impacts of the pandemic and resulting recession on Philadelphia's foreign-born population remain unknown, those working in low-wage and low-skill service occupations are more likely to have been affected. In 2019, an estimated 10% of foreign-born workers were employed in the Accommodations and Food Service sector, while an estimated 27% worked in low-skill occupations. Both figures are larger than those for native-born workers, which were estimated to be 7% and 23% respectively, and suggest that many foreign-born workers experienced significant employment impacts.

Geography of Philadelphia's Foreign-Born Population

In 2019, an estimated 222,600 Philadelphia residents were born outside of the United States. Representing about 14% of the city's total population—a share in line with the United States overall—these foreign-born residents were most likely to live in areas of Northeast and South Philadelphia (Figure 1). While most reported that they were born in Asia (39%) and Latin America (33%), sizable populations also reported to be from Europe (16%) and Africa (11%). Spatially, these regions of birth are strong predictors for where foreign-born populations live. That is, immigrant households in Philadelphia are much more likely to live in areas with a higher share of similar households. [More detailed maps are available through our interactive mapping tool.](#)

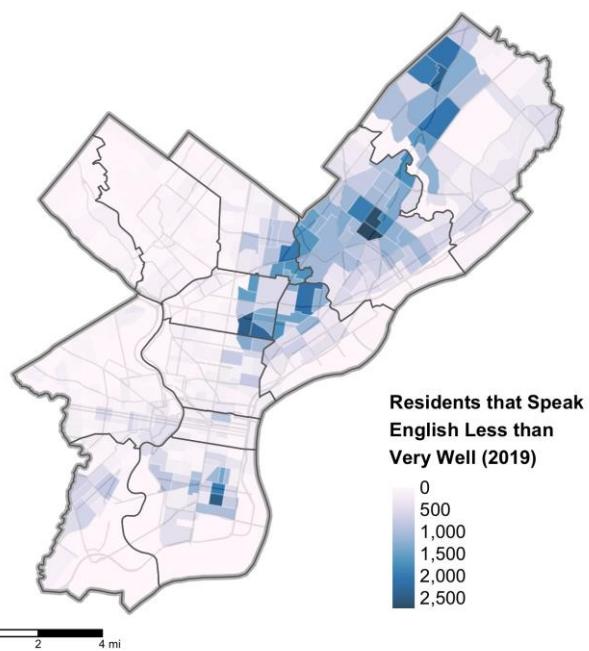
Immigrants Live in Concentrated Areas Throughout Philadelphia

Figure 1: Foreign-Born Population in Philadelphia, 2019



Source: Philadelphia Works analysis of ACS, 2015-2019

Figure 2: Individuals with Limited English Proficiency in Philadelphia, 2019



Source: Philadelphia Works analysis of ACS, 2015-2019

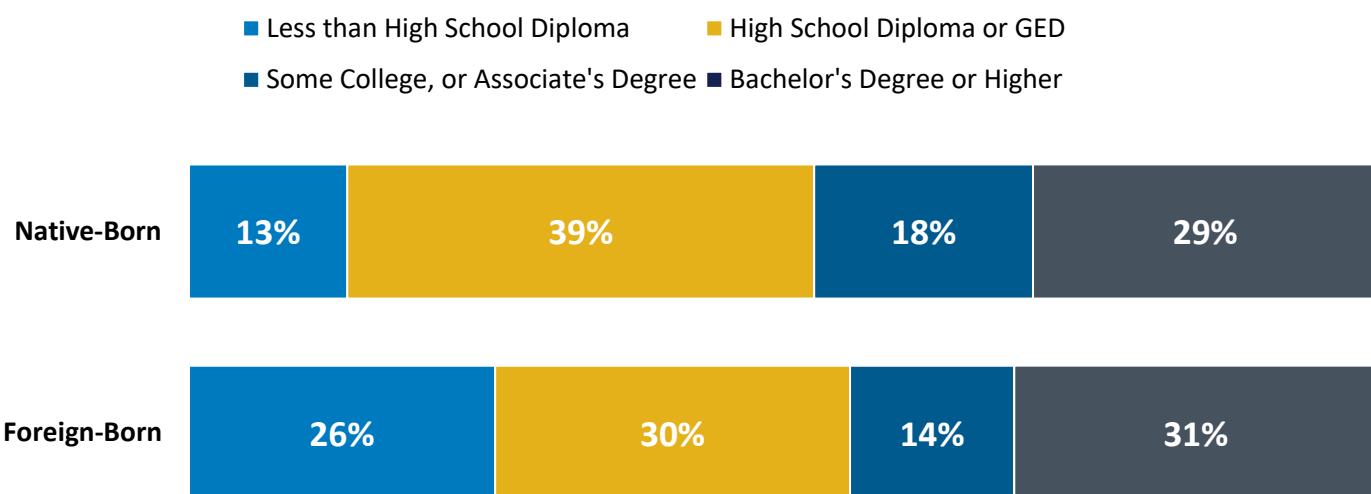
Educational Attainment of Philadelphia's Foreign-Born Population

Compared to the city's native-born population, Philadelphia's immigrant population is more likely to lack a formal high school degree. In 2019, one-quarter of foreign-born residents aged 25 and older reported that they had neither a high school diploma nor a GED. Meanwhile, nearly one-third reported having a bachelor's degree or higher, a share that was just slightly larger than that of the native-born population (Figure 3).

Digging into these data a bit further, it becomes clear that wide disparities exist by place of birth and English-language proficiency. Immigrant residents that reported having less than a high school diploma were also more likely to report that they were born in Asia or Latin America and that they spoke English less than well. Highly educated immigrants, on the other hand, were also more likely to report being from Asia but were much more likely to say they spoke English very well (Figures 4 and 5).

Foreign-Born Philadelphians are Both More and Less Educated than Native-Born Residents

Figure 3: Educational Attainment by Place of Birth (Foreign- or Native-Born), 2019



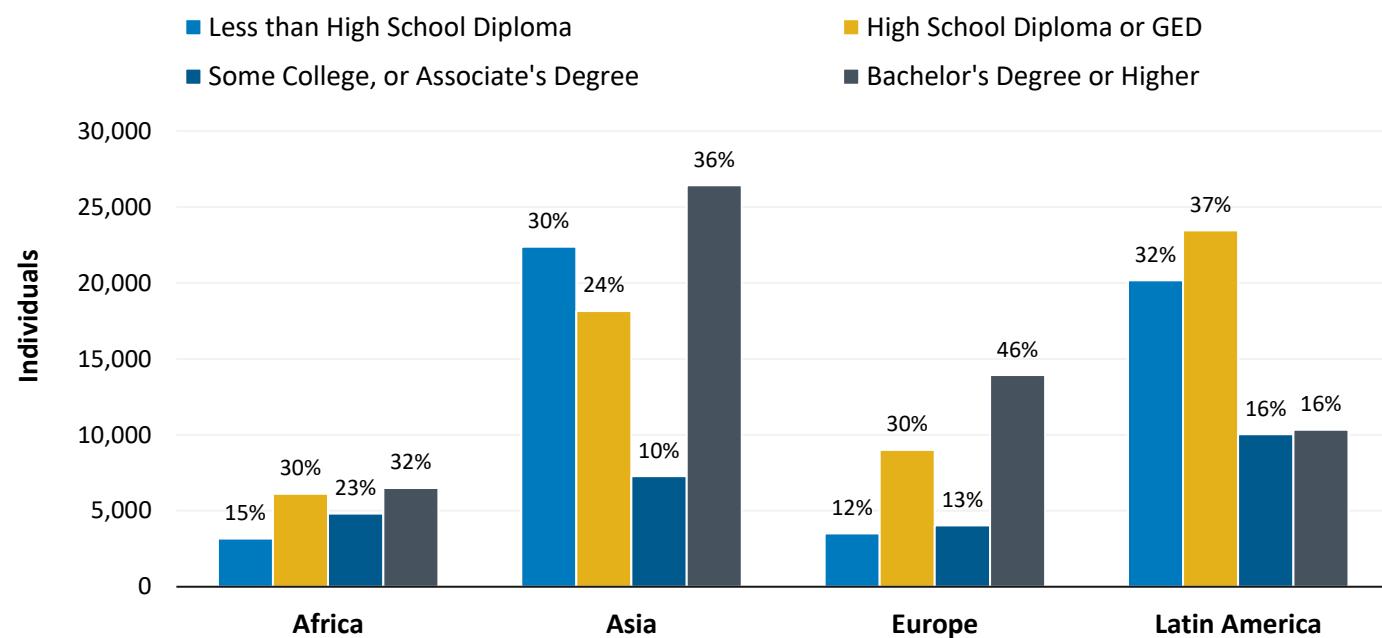
Source: Philadelphia Works analysis of ACS, 2015-2019

Diversity Among Asian Immigrants

Asia is a big continent and includes many geographical areas, language groups, races, and ethnicities. While it is often important to break these groups out, it can be difficult given data availability. The most commonly reported places of birth for Asian immigrants in Philadelphia include Cambodia, China, India, Korea, Pakistan, the Philippines, and Vietnam. Among these, Cambodian, Chinese, and Vietnamese immigrants are most likely to report having less than a high school diploma, while Indian, Korean, Pakistani, and Filipino immigrants are more likely to report having a bachelor's degree or higher.

Asian and Latin American Immigrants Make Up the Largest Populations without a High School Diploma. Highly Educated Immigrants are More Likely to be Asian or European.

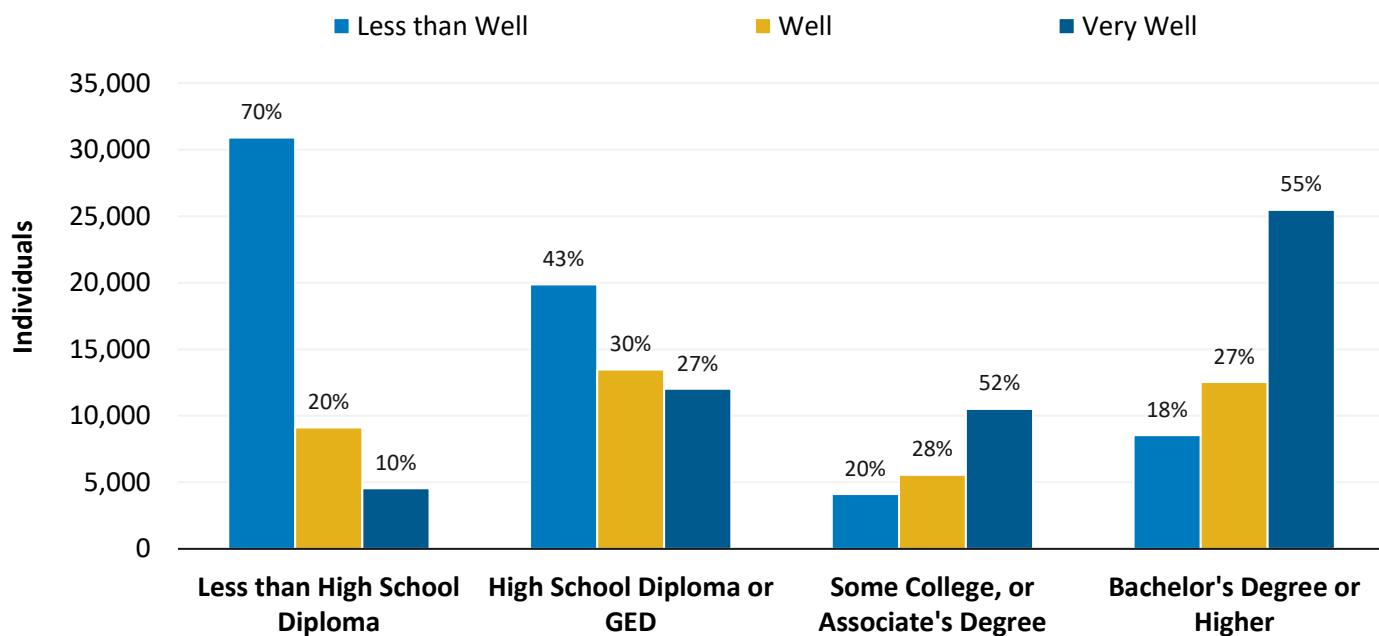
Figure 4: Educational Attainment by World Region of Birth for Foreign-Born Philadelphians, 2019



Source: Philadelphia Works analysis of ACS, 2015-2019

Immigrants with a High School Diploma or Less are Less Likely to Speak English Well

Figure 5: English Proficiency by Educational Attainment for Foreign-Born Philadelphians, 2019



Source: Philadelphia Works analysis of ACS, 2015-2019

Philadelphia's Foreign-Born Workers

In 2019, approximately 65% of working age, foreign-born Philadelphians were actively engaged in the labor force (defined as employed or seeking employment), compared to 59% of native-born residents.

As with the overall population, immigrant workers were most prevalent in the Healthcare and Social Assistance sector; however, compared to native-born workers, they were disproportionately employed in Accommodation and Food Service, Manufacturing, Construction, and Other Services. By occupational skill level, foreign-born workers overall were more likely to

be in low- and middle-skill positions than native-born workers.

Immigrant Workers are More Likely to be in Low Skill Occupations

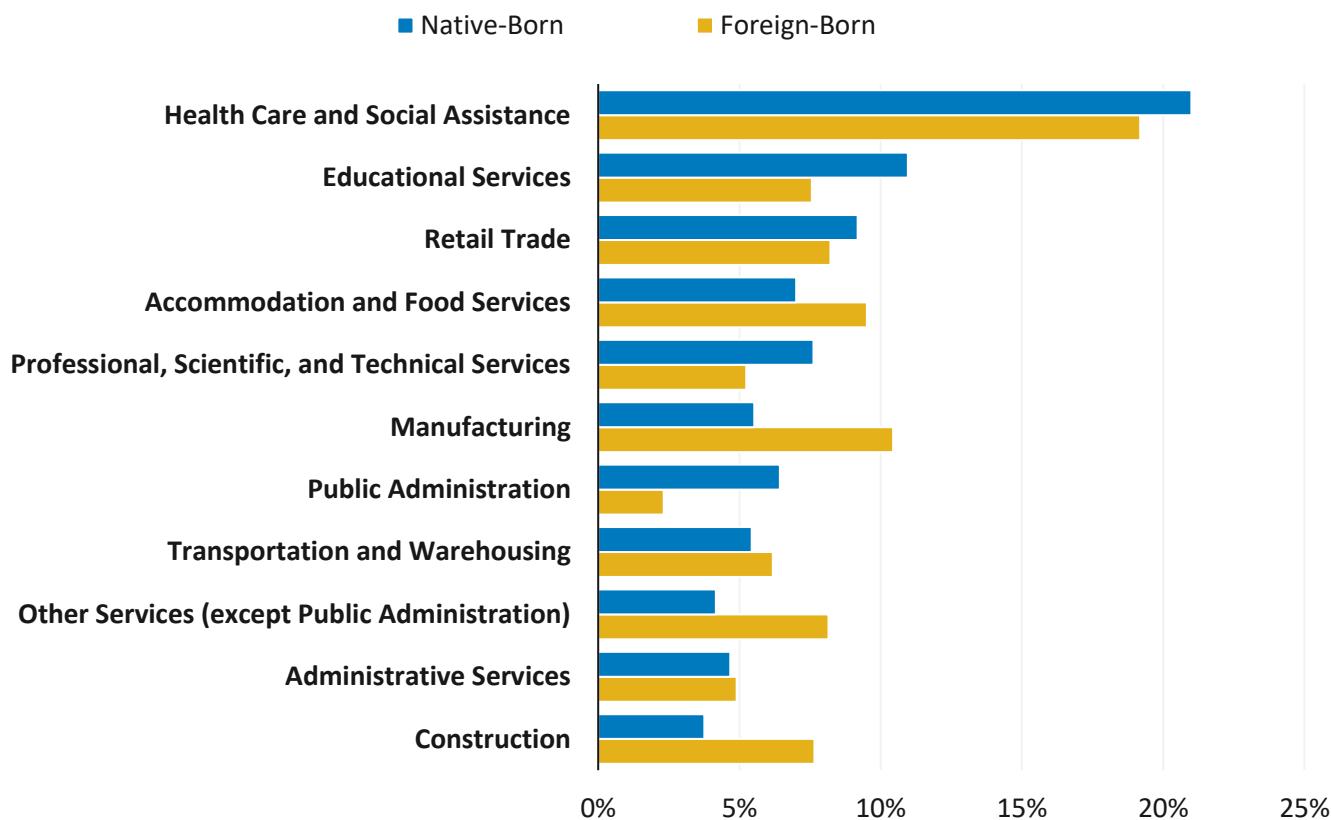
Table 1: Skill Level of Current Occupation by Place of Birth (Foreign- or Native-Born), 2019

	Foreign-Born	Native-Born
Low Skill	47%	43%
Middle Skill	27%	23%
High Skill	26%	34%

Source: Philadelphia Works analysis of ACS, 2015-2019

By Industry of Employment, Immigrant Workers are More Likely to be in Service, Manufacturing, and Construction Sectors

Figure 6: Industry of Employment by Place of Birth (Foreign- or Native-Born), 2019



Source: Philadelphia Works analysis of ACS, 2015-2019

Segmented by region of birth, Healthcare and Social Assistance remains the top industry of employment across all foreign-born workers, while Construction, Manufacturing, and Accommodation and Food Service remain important sectors for many. By occupational skill, it is clear that Latin American and African immigrants were much more likely to be in low-skill positions than those born in Europe. Similar to the trend seen in educational attainment, Asian immigrants were split between high- and low-skill positions.

Beyond skill-level itself, English language proficiency is also an important determinant in annual wages. Foreign workers that reported having a greater command of the English language also report higher earnings. Importantly, this wage growth exists *within* occupational skill groups. Improving English proficiency has the potential to improve annual

Low- and Middle-Skill Foreign-Born Workers

Earn Less than Native-Born Workers

Table 2: Median Annual Income by Occupational Skill Level and Place of Birth for Full-Time Workers Living in Philadelphia, 2019

	Foreign-Born	Native-Born
Low Skill	\$22,000	\$28,000
Middle Skill	\$30,000	\$40,000
High Skill	\$60,000	\$60,000

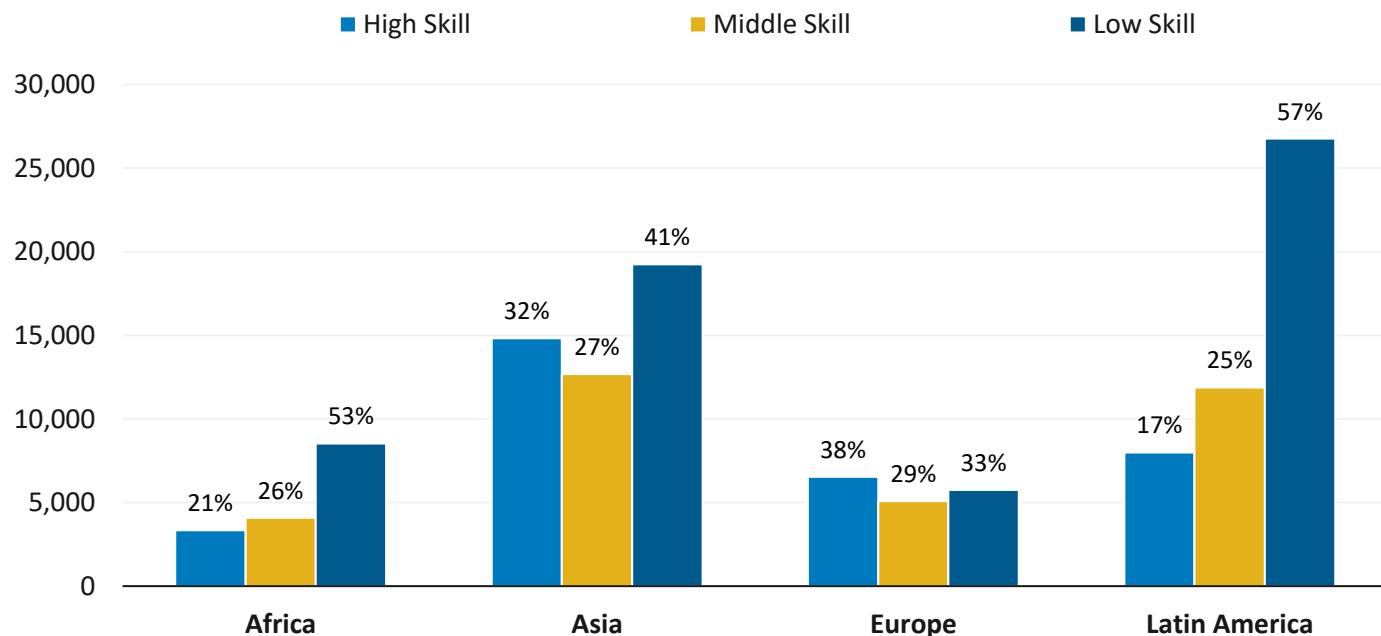
Source: Philadelphia Works analysis of ACS, 2015-2019

wages, even if an individual does not transfer to a higher-skilled position.

For example, among immigrants working in full-time, low-skill positions, the median annual wage in 2019 was \$20,000 for those reporting to speak

Immigrant Workers from Latin America and Africa are More Likely to be in Low-Skill Occupations

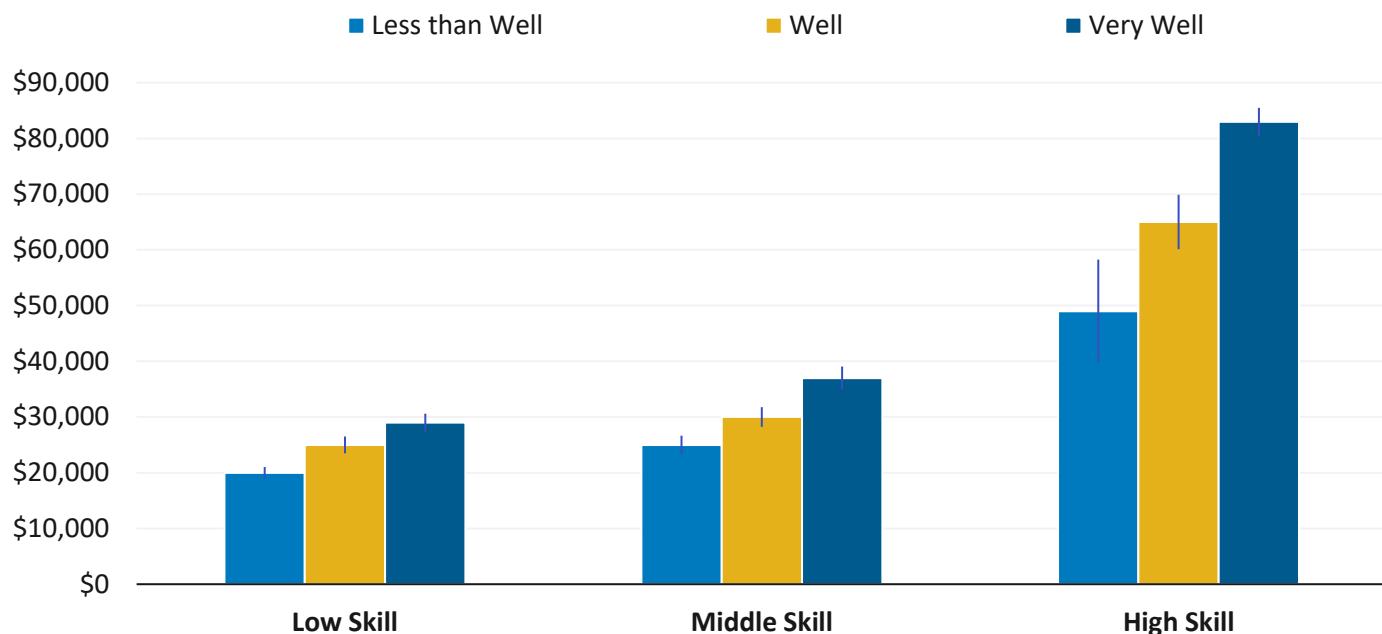
Figure 7: Occupational Skill Level by World Region of Birth for Foreign-Born Workers Living in Philadelphia, 2019



Source: Philadelphia Works analysis of ACS, 2015-2019

Across Skill Levels, Wages for Immigrant Workers Increase with English Proficiency

Figure 8: Wages for Foreign-Born Workers in Philadelphia by Occupational Skill Level and English Proficiency, 2019



Source: Philadelphia Works analysis of ACS, 2015-2019

English less than well, \$25,000 for those reporting to speak well, and \$29,000 for those reporting to speak very well. Combined with job training that helps an individual make the transition to a higher-skilled position, English language education has the potential to significantly improve economic outcomes. The median difference in annual wages between a foreign-born, low-skill workers with low English proficiency and foreign-born, middle-skill workers with high English proficiency is roughly \$17,000.

Connecting English Language Proficiency to Economic Outcomes

While the above descriptive analysis suggests a relationship between English proficiency and wages, more robust statistics are needed to verify that this relationship does indeed exist. One must consider potentially confounding variables like race, place of birth, educational attainment, and age to prove that English language alone can help

improve economic outcomes. For example, as noted above, we know there is a strong relationship between educational attainment and English proficiency. To determine if language proficiency itself—and not educational attainment—is driving wage growth, we can use a simple regression analysis to isolate its effects.

To construct the linear model, we used a sample of 1,626 respondents to the 2019 5-year American Community Survey. These individuals all indicated that they were born outside of the United States, currently lived in Philadelphia, were over the age of 16, were currently employed working at least 30 hours per week, were not enrolled in school, and were not native English speakers. To help normalize the sample distribution, individuals that reported annual wages below \$12,000 (roughly equivalent to minimum wage at 30 hours per week) or above \$100,000 were excluded.

The variables included in the model are noted below in Table 3. While our variable of interest, English language proficiency, proved to significantly affect wages, many of the control variables were significant, as well. Overall, on average, a foreign-born worker in Philadelphia that speaks English well earns approximately \$3,600 per year more than someone that speaks

less than well. An individual that speaks English very well earns \$9,000 more per year.

These estimates are independent of an individual's education, sex, age, race, place of birth, or current area of residence, showing the overwhelming importance of English language proficiency to economic outcomes for Philadelphia's foreign-born workers.

English Language Proficiency is a Strong Predictor of Economic Outcomes

Table 3: Regression Results, Using Data from 2019 ACS Survey

Variable	Significance	Details
English Language Proficiency	Significant	Wages improve as English Proficiency improves.
Binary Sex	Significant	Women earn less than men.
Age	Significant	Wages improve with age.
Skill Level of Current Occupation	Significant	Workers in higher skilled occupations earn more.
Educational Attainment	Partially Significant	Only bachelor's degree holders earn significantly more than those with less than a high school diploma.
Neighborhood of Residence	Partially Significant	Center City residents earn more than residents living in other areas.
Place of Birth (Continent)	Not Significant	No significant difference in wages.
Race	Not Significant	No significant difference in wages.