



## Do Immigrants Experience Education-Job Mismatch? New Evidence from the U.S. PIAAC



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### Why this study?

- Education-job mismatch is counter-productive at the individual and economy-wide levels regardless of immigrant status and generation.
  - education-job mismatch is when a worker's formal education level is above or below, i.e., does not match, the average or modal education level in the occupational category where that worker is currently employed.
- Immigrant workers are especially likely to be mismatched and internalize the consequences of the mismatch in the form of lower wages.

### What are the research questions?

- What is the extent of education-job mismatch for the US workers by immigrant generation - first generation (workers who were born outside of the U.S. to parents who were also born outside of the U.S.), second generation (workers who were born in the U.S. to at least one parent who was born outside of the U.S.), and third-plus generation (workers who were born in the U.S. to U.S.-born parents, or grandchildren of immigrants).
- What factors are associated with overeducation for immigrant workers?

### What are the key findings?

- First and second-generation workers were more likely to be overeducated relative to third-plus generation workers.
- Independent of immigrant status, Hispanic workers were less likely to be overeducated and Black and Asian workers were more likely to be overeducated.
- Workers with higher numeracy score are more likely to be overeducated than workers with lower numeracy scores, but the magnitude of the effect is small.
- Higher levels of English-language proficiency reduce the probability of overeducation among immigrants.
- The probability of being overeducated is not associated with the length of stay in the country for first generation immigrant workers.

### What are the policy implications?

- Our results have potential implications for both immigration and immigrant integration policies. Specifically, some adjustments towards a merit-based system might be warranted and could benefit the integration of first-generation immigrants into the labor market.
- The length of stay in the host country does not change the likelihood of being overeducated. This indicates that the labor market for immigrant workers is more rigid than signaling and human capital theories might predict. At the same time, this finding might mask the importance of the legal status of the immigrants if immigrants with legal status have a higher probability of being employed in a job with equivalent qualification requirements.
- English proficiency improves the chances of perfect match (when a worker's level of education coincides with the modal level of educational attainment among all workers) for first-generation immigrants. For policies directed at the integration of immigrants, this finding suggests the need to create and promote of programs that target immigrants' language skills.
- The frequent incidence of overeducation among second generation workers suggests that they are finding it difficult to become fully integrated into U.S. labor markets, even though they have acquired educational credentials that are commensurate with those of third-plus generation workers. This suggests that immigrant integration policies should not overlook second generation workers, and that there is a need to design policies directed specifically at those who have US credentials but have not fully integrated into the social and cultural networks of the US labor market.