

# Working-Age Immigrants: America's Advantage in Outcompeting Russia and China



By Julie Myers Wood and Dan Brown

## Introduction

The United States and two significant economic and military competitors – China and Russia – are facing significant demographic challenges. Propelled by falling birth rates, the populations of the three countries are rapidly aging. In turn, their respective workforces are struggling to keep up with their economic and national security needs. As a consequence, President Vladimir Putin urged Russian women to have as many as eight children and make large families the norm. Similarly, President Xi Jinping encouraged Chinese women to "actively foster a new type of marriage and childbearing culture" based on "fertility and family" to reverse the country's population decline.

The United States, also experiencing record-low fertility rates, has an ace up its sleeve to tackle the population decline that neither China nor Russia has: a constant influx of working-age immigrants. Unlike its competitors, the United States has a long tradition of accepting workers from all over the world with valuable experience in key industries and sectors.

According to United Nations data, the net migration rates[1] of these three countries show that the U.S. has a more robust immigration pipeline than Russia and China. For example, in 2022, the U.S. had a positive net immigration rate of 2.748 per 1000 population, Russia had a positive but low net immigration rate of 0.621 per 1000 population, and China had a negative net emigration rate of -0.256 per 1000 population.

## Population decline in Russia, China, and the United States

Russia, China, and the United States have experienced relatively slow population growth in recent decades. The three countries have similar fertility rates that have helped drive the population decline they are facing. China's fertility rate is only 1.7 children per woman, Russia's fertility rate is 1.8 children per woman, and the United States fertility rate is 1.8 children per woman.

It is noteworthy that, despite having almost identical fertility rates, the population of the United States is growing as the populations of China and Russia are declining. The constant inflow of working-age immigrants to the United States is responsible for the continued population growth of the U.S.

Several industries in the United States are already feeling the straining effects of the ongoing demographic shift. The health care industry is losing providers to the extent that the University of Southern California has deemed it a "public health crisis" and reports that the aging population is one of the primary causes. Furthermore, workforce shortages are impacting critical U.S. supply chains. By 2027, projections suggest that the aviation industry will experience a shortage of more than 48,000 aircraft maintenance workers. The trucking industry is already facing a shortage of 80,000 workers, and given current trends, the shortage could surpass 160,000 in 2030.



After years of limiting birthrates through its former "one-child policy," China's population decreased in 2023 for the first time in decades. The United Nations projects that the Chinese population decline will accelerate over the next decades from the current 1.4 billion to 767 million people by the year 2100.

Russian population growth reached its peak in 1993. Since then, the country has gone through a demographic roller coaster, with a deficit between 1994 and 2008, a population increase between 2009 and 2019, and a steady decline since 2020. United Nations' projections estimate that the current Russian population of 144 million will decline to 112 million by 2100.

In the United States, the United States' population has never stopped growing. With net migration rebounding to pre-Covid-19 levels in 2022, the population grew 0.4%, with immigration representing 81% of that growth. Higher immigration in the U.S. also provides a demographic boost in another way — among the women in the United States, those who are foreign-born have a higher fertility rate than native-born American women.

According to the United Nations, the United States population is expected to reach a high of nearly 370 million in 2080 before declining to 366 million in 2100.

## **Aging American, Russian, and Chinese populations**

Low fertility rates, combined with higher life expectancies, are increasing the percentage of the population over 65 years of age in Russia, China, and the United States. In turn, these countries are struggling to find workers to cover all the available job vacancies and to care for their increasingly elderly populations.

In Russia, 16% of its population is over 65 – up from 12.8% in 2012. Moreover, life expectancy reached a record high of 73 years in 2022 and is projected to reach 83 by 2100. These numbers provide a challenge for an economy that provides retirement pensions, as a general rule, to men who reach 62 and women over 57 years of age.

In China, 14% of its population is over 65 – up from 9% in 2012. The country has a life expectancy of 77 years and is expected to reach 88 years by 2100. These numbers are particularly worrying for a country like China, where retirement ages are among the world's lowest – 60 for men, 55 for female office workers, and 50 for female blue-collar workers.

In the United States, 17% of the population is over 65 (up from 13% in 2011), which makes it the country with the oldest population among the three nations in question.[2]

The percentage of retired people in the country represents 25% of the 60-64 year-old population, 58% of



the 65-69 population, and 76% of people aged 70-74, retirement trends that have remained relatively stable in recent years.

Fortunately for the United States, regular influxes of working-age immigrant workers have helped address the U.S.'s demographic challenge, unlike Russia and China. According to the Migration Policy Institute, 77% of the approximately 45 million immigrants in the United States are of working age (18 to 64 years) – a much higher figure than the 59% of those born in the U.S. Also, 5% of immigrant children are between 5 and 17, while only 1% of them are under age 5. While demographics will pose increasing challenges to the United States in the coming years – especially without an increase in legal immigration, it is better situated than its competitors to tackle this problem through immigration.

Furthermore, the U.S.'s aging population stands to benefit in another way. In addition to addressing the U.S.'s population decline, foreign-born workers are critical for the care of its increasingly aging population. Immigrants account for 25% of personal care aides and 38% of home health aides, which are projected to be one of the fastest-growing occupations in coming years.

## **The population decline affects the economic and national security needs of China and Russia**

In the midst of a large military mobilization and a long-running population decline, Russia has a record-low unemployment rate of 3% in most of the country, which is even lower in some regions. Russian authorities are aware that having practically no available workers has hindered the country's productivity, increased inflation to 7.5% annually, and consequently, slowed down the country's economic growth. The Russian labor shortage, which has steadily deteriorated since 2016, is also due in part to the economic sanctions. Also, from a national security perspective, Russia's population decline and low immigration levels have further exacerbated a labor force crunch created by its mass mobilization of troops arising from its invasion of Ukraine. These factors, in turn, have left the country unable to fill its military ranks.

China, the world's second-largest economy, is experiencing an acute workforce shortage. According to the World Economic Forum, China needs 11.8 million additional workers to operate in optimal conditions. China is by far the world's largest manufacturer in the world. The problem is that manufacturing is growing while the population is shrinking. Therefore, Chinese officials expect that nearly half of all manufacturing jobs will go unfilled by 2025. China's demographic decline is largely attributable to the one-child policy, which, from 1980 to 2015, prevented Chinese families from having more than one child. That policy was reformed in 2016 to allow families to have up to three kids.

Despite the reform, the government's intrusion in family planning is affecting China's economy and its national security.



## Immigration makes the United States better situated to face workforce challenges

Many key sectors in the United States are also facing an acute labor shortage<sup>[LB5]</sup> <sup>[AC6]</sup>. Unemployment rates in the country are reaching record-low points. According to the U.S. Chamber of Commerce, the country is missing 1.7 million workers compared to February of 2020. Right now, the U.S. only has 6.5 workers for every 9.5 available jobs.

The national unemployment rate in October 2023 was 3.9%. But in Maryland, for instance, unemployment has fallen to 1.7%, creating significant strains on certain sectors with labor shortages. The difficulty in hiring and retaining workers is not only affecting the private sector – it is also a major concern for the U.S. Armed Forces. In 2022, for example, the Army missed its recruiting goal by about 15,000 soldiers — or 25%.

However, contrary to the Russian and Chinese shared approach to population revitalization, focused on the dubious tactic of urging women to bear more children, the United States has an opportunity to tap global talent that wants to work, study, and start families in the United States.

America's workforce challenges would be catastrophic if it weren't for immigrants. Even though immigrants represent only 13.6% of the U.S. population, they constitute 17% (around 29 million people) of the labor force. And their percentage is even more significant in critical sectors of the U.S. economy. Immigrants represent around 73% of all agricultural workers, over 30% of construction workers, 25% of workers in STEM (science, technology, engineering, and mathematics) fields, and 28% of all highly-skilled healthcare professionals—such as physicians and surgeons.

Despite elevated levels of migration at the U.S. southern border, the population of immigrants in the United States in percentage terms is still below the historic highs of the first decades of the 20th century, where around 14.7% of the population was foreign-born. And immigration levels in recent years are below projections from last decade, as Covid-19 and a series of immigration restrictions from recent presidential administrations have led to the overall immigrant population falling 2 million below Census projections from 2017.

Moreover, immigrants and children of immigrants play an important role in U.S. national security through serving in the military. According to FWD.us, there are about 45,000 immigrants actively serving in the military and over 700,000 foreign-born veterans, many of whom are now U.S. citizens. In addition, according to the Migration Policy Institute, almost 1.9 million veterans are the U.S.-born children of immigrants.

Even as the United States is better situated to face demographic realities than key competitors, an aging population and increasing demand for workers in key sectors continue to pose challenges. In "Room to Grow," a 2021 white paper, the National Immigration Forum proposed a methodology that showed that the country needed a 37% increase in net immigration levels over those projected for fiscal year 2020



(approximately 370,000 additional immigrants a year) to prevent the U.S. from falling into demographic deficit and socioeconomic decline.

In 2023, the United States did increase its immigration levels. However, administrative backlogs at U.S. Citizenship and Immigration Services (USCIS) and U.S. consulates abroad have hindered the Biden administration's ability to bring more immigrants to work in the country.

While current immigration laws offer insufficient numbers of work visas, existing administrative authority has allowed the Biden administration to expand lawful work in a handful of key areas. For example, the administration has been able to increase the issuance of temporary employment-based visas from 965,000 in FY 2019 to 1.1 million in 2022, issuing 518,000 immigrant visas in 2022 (55,000 more than in 2019), resettling 45,123 refugees in 2023 (a significant increase from the 11,400 issued in 2021.), and it has reduced the immigrant visa backlog from 513,000 in 2021 to 351,000 as of April 2024. Despite these improvements, it is critical for Congress to reform the immigration laws of the United States (including family-based immigration laws to accommodate family members of employment-based immigrants) and allow immigrant workers to satisfy the law of supply and demand of labor. This will yield benefits not only to the U.S. economy, but also increase our competitiveness vis-à-vis our rivals.

## **Conclusion**

The main economic and military competitors of the United States, China and Russia, are experiencing many of the same demographic problems as the United States – falling fertility rates and aging populations, which have created labor shortages and increased inflation. In turn, labor and population challenges in the three countries' economies are creating challenges in international competitiveness, including military recruitment and readiness.

However, the United States has a competitive advantage over China and Russia. Immigrants from all over the world apply every year for visas to live, work, and study in the United States. Yet, due to legislative limitations, the United States has not been able to take full advantage of the labor willing to work and start families in the U.S. Keeping the status as the leading global power will not be an easy feat for the United States. The country is in better shape and position than its competitors to adapt, evolve, and face any demographic challenges. The U.S. would be further strengthened if the U.S. Congress took overdue steps to modernize the immigration system, creating military and economic benefits and allowing it to further distance itself from low-immigration rivals like Russia and China.



## About the Authors

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[1] Net migration rates express the difference between the number of migrants entering and those leaving a country in a year, per 1,000 population. A positive figure is known as a net immigration rate, and a negative figure as a net emigration rate. United States Census Bureau, "Glossary," <https://www.census.gov/glossary/?term=Net+migration+rate>.

[2] Notably, the United States is the only one of the three countries where life expectancy has dropped, largely driven by the pandemic, drug addiction, and suicides. Life expectancy for women in the United States dropped 0.8 years from 79.9 years in 2020 to 79.1 in 2021. And for men, life expectancy dropped one full year, from 74.2 years to 73.2 in the same period. Centers for Disease Control and Prevention, "Life Expectancy in the U.S. Dropped for the Second Year in a Row in 2021," Aug. 31, 2022, [https://www.cdc.gov/nchs/pressroom/nchs\\_press\\_releases/2022/20220831.htm](https://www.cdc.gov/nchs/pressroom/nchs_press_releases/2022/20220831.htm).