COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Recent Workforce Trends and Wage Distribution

What GAO Found

The federal government controls immigration for the Commonwealth of the Northern Mariana Islands (CNMI), including administration of a foreign worker permit program that is specific to the CNMI. Under this program, the ratio of U.S. to foreign workers in the CNMI remained close to 50 percent from 2016 through 2018. U.S. workers increased to 56 percent in 2019 and 59 percent in 2020, partly because the CNMI government identified persons lawfully admitted for permanent residence (LPRs) in the total of U.S. workers. The size of the overall workforce grew from 2016 to 2017 before contracting by about 2,000 workers in 2018, and dropped by more than 5,000 workers from 2016 to 2020. The Department of Homeland Security approved about 11,600 CNMI-Only Transitional Worker (CW-1) foreign worker permits for 2019 and about 5,400 for 2021, dropping from a high of 13,685 in fiscal year 2017.

According to the Prevailing Wage Study (PWS), an annual study of employers in the CNMI, the reported number of employees earning less than $8 per hour declined by 68 percent from 2019 to 2021. The decline is largely due to economic hardship during the COVID-19 pandemic and to lower study participation by private businesses. Because of the decline in the number of low-wage workers, 94 percent of CNMI workers in the PWS currently earn above the federal minimum wage of $7.25 per hour, an increase from 73 percent in 2019. GAO also illustrated how various hypothetical minimum wage levels would affect workers. For example, at current wage levels, a minimum wage increase to $10 per hour could directly affect 50 percent of workers included in the PWS.