

THE FACTS: IMMIGRATION AND THE ECONOMY



OUR IMMIGRATION SYSTEM IS INCOMPATIBLE WITH OUR ECONOMY.

The United States is the third largest country in the world by geographic size and by population.¹ It has the “largest and most technologically powerful economy in the world,” according to the CIA World Fact Book. The economy is supported by a diverse array of jobs and workers, with immigrants filling two key niches – low-skilled jobs that do not require a high school diploma and high-skilled jobs that require advanced degrees in the math and sciences.

For most low-skilled workers, there is no legal way to immigrate to the United States. The only visa category that is a close fit (the H-2B visa) is issued to only 66,000 people each year.² By comparison, the net addition of undocumented

persons to the U.S. each year is estimated to be between 700,000 and 800,000.³ Research shows that the economy readily absorbs these new additions, yet they remain without immigration status.⁴

“It’s as if we expect border control agents to do what a century of communism could not: defeat the natural market forces of supply and demand...and defeat the natural human desire for freedom and opportunity.”
- Michael R. Bloomberg,
Mayor, City of New York

High-skilled workers do have more legal pathways available to them, but even for them, we issue far fewer visas than the market demands. Limits are so low on foreign worker visas that the slots fill up only a few weeks after the government starts accepting applications, leaving no more openings for the remainder of the year. Renowned political scientist Fareed Zakaria calls the situation a “foreign visa crisis,” because he believes that the U.S. will lose its global competitive edge if it does not begin issuing many more visas in a timely fashion.⁵

IMMIGRANTS PAY TAXES AND CONTRIBUTE TO SOCIAL SECURITY.

Immigrants stimulate the U.S. economy by paying sales, property, and income taxes. In this way, immigrants support our markets and contribute to society. In addition to paying sales and property taxes, undocumented workers who do not have a Social Security Number are able to file income taxes using an Individual Taxpayer Identification Number (ITIN). This special number, created by the IRS, allows individuals to pay taxes regardless of their immigration status. By paying income taxes, undocumented immigrants are able to document their experiences, verification that will be necessary if they are eventually offered an earned path to legalization.

Additionally, both undocumented and documented immigrants pay into Social Security. Undocumented immigrants have played an integral role in financing Social Security as the U.S. population ages. A study in 2005 found that undocumented immigrants pay \$6-7 billion in Social Security taxes that they will never be able to claim.⁶ Another recent study indicates that a reduction in legal immigration would devastate the Social Security System, into which new legal immigrants will contribute over \$611 billion over the next 75 years.⁷

IMMIGRANTS DO NOT TAKE JOBS AWAY FROM U.S. WORKERS.

The U.S. economy is incredibly dynamic – millions of jobs are continuously being created, dissolved, moved, and modified. Immigrants make unique contributions to the U.S. economy by creating new jobs through entrepreneurship, filling jobs for which there are no qualified U.S. workers, and taking positions that would otherwise be shipped overseas or replaced with computers. Immigrants generally “perform different tasks and fill different roles in production.”⁸ Thus, they rarely compete with U.S.-born workers for jobs.

The low unemployment rate is a testament to the ability of our economy to absorb immigrant labor. In May 2006, it stood at 4.6% - the lowest it has been since July 2001.⁹ A letter written in June, 2006 signed by over 500 top economists reads: “The American economy can create as many jobs as there are workers willing to work so long as labor markets remain free, flexible and open to all workers on an equal basis.”¹⁰

IMMIGRATION'S EFFECTS ON WAGES ARE MINIMAL.

A 2006 report from the Immigration Policy Center reflects the consensus of economists on the effects of immigrant labor on wages. That research concludes that immigration has slightly different effects on the U.S.-born population, depending on the education level of the group in question. The study showed that immigration had small positive effects¹¹ on individuals with a high school diploma (85% of adults over age 25)¹² and small negative effects¹³ on individuals who did not graduate from high school (15% of adults over age 25).¹⁴ Effects in both directions are very small, and on average, immigration raises U.S.-born workers wages slightly.¹⁵

Concern for individuals that do experience wage depression is valid, as these individuals are already experiencing many systematic challenges. However, immigrants must not be used as a scapegoat for larger economic disparities in the United States. Hundreds of top economists have argued that the way to address the needs of the working poor is not to penalize immigrants, but to provide the poor with educational opportunities that lead to skills with higher wages.¹⁶ Arguably, the only relevant immigration-related policy would be a path to legalization for undocumented workers, as this would “level the playing field” to ensure that all workers enjoy the same rights and opportunities (such as joining a union), and would prevent exploitation of immigrant labor.

UNDOCUMENTED IMMIGRANTS ARE NOT ELIGIBLE FOR PUBLIC BENEFITS.

Immigrants are largely excluded from receiving public assistance. One exception, however, is refugees and asylees – people who were forced to leave their home country due to persecution during wars, dictatorships, and even genocides. Michael Chertoff, Department of Homeland Security Secretary, has called this group “the world’s most vulnerable people.”¹⁷ Like many other countries in the world, the U.S. is deeply committed to protecting refugees and asylees, and thus provides public benefits to this group for a limited seven-year period.¹⁸

Other immigrant groups have much more limited access to public benefits. Legal permanent residents are eligible for some benefits, if they meet certain criteria. Immigrants with temporary visas (students, tourists, etc) and undocumented immigrants are not eligible for federal public benefits. The only service for which temporary and undocumented immigrants are eligible is emergency medical care.¹⁹ Providing such assistance regardless of immigration status upholds the American value of protecting life and preventing unnecessary pain and suffering. While many undocumented immigrants do have access to emergency assistance, a recent report revealed that they do not put any more burden on hospitals than the U.S.-born do.²⁰

PROVIDING EDUCATION TO ALL CHILDREN BENEFITS SOCIETY.

Our society and economy receive countless long-term benefits by investing in education. We have both an opportunity and an obligation in the U.S. to educate all children, including undocumented children. A Supreme Court decision in 1982, Plyler v. Doe, held that governments must provide the same free public education to undocumented children as they provide to other children.²¹ This decision was based on the desire to prevent a permanent underclass and to avoid punishing children for actions of their parents.²² While equal education is obligatory, it is further justified by the fact that parents of undocumented children pay taxes that support the educational system and the community, just as other parents do.

IMMIGRATION KEEPS THE U.S. COMPETITIVE IN A GLOBAL ECONOMY.

Immigrants keep the U.S. internationally competitive, and they give our businesses a more global perspective. Thomas Friedman, author, journalist, and three-time Pulitzer Prize winner, recently wrote: “Our greatest asset is our ability still to cream off not only the first-round intellectual draft choices from around the world but the low-skilled, high-aspiring ones as well...This influx of brainy and brawny immigrants is our oil well...an endless source of renewable human energy and creativity.”²³

Low-skilled immigrants complement the skills of the current labor force and are preventing negative growth rates in aging communities. High-skilled immigrants account for about half of the Ph.D. engineers, life scientists, physical scientists, and math and computer scientists in the U.S. ²⁴ Forty-four of the first one hundred Nobel prizes awarded to American researchers went to immigrants or their children.²⁵ With **immigration** comes motivation and innovation – it **fuels our nation!**



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