

ECONOMIC ARGUMENTS FOR IMMIGRATION

THE AMERICAN WORKFORCE IS CHANGING

- Soon there won't be enough native-born workers to replace retirees.
 - By 2012, more than 75 million baby boomers will retire.¹
 - The U.S. fertility rate will drop below replacement levels by 2015 or 2020.²
 - Without more workers, it will be hard to fill existing jobs – and all but impossible to grow the economy.
- Native-born workers are more educated today and less likely to do manual labor.
 - Today, less than 10 percent of American men drop out of high school to look for unskilled work – compared to 50 percent in 1960.³
 - In 2007, foreign-born workers made up nearly half of all workers with less than a high school education. The U.S. needs these workers to fill seasonal and unskilled jobs.⁴

IMMIGRANTS DON'T TAKE JOBS FROM AMERICAN WORKERS – THEY HELP KEEP THEM EMPLOYED

- Employment is not a zero-sum game. Because immigrants are different from native-born workers – usually more or less educated – they complement rather than compete with American workers, and the work they do sustains jobs for Americans.
 - The University of Maryland found that every H-2B temporary worker creates 2.5 jobs for Maryland shore residents.⁵
 - Each farm job supports 3.5 non-farm jobs, which are generally better paying and more likely to be held by native-born U.S. workers.⁶
 - Low-skilled immigrant workers keep higher skilled U.S. workers employed. A restaurant can't stay open if it can't find dishwashers. These unskilled workers sustain jobs for waiters, managers and a chef. They also generate work for other companies, and other native-born workers, that do business with the restaurant – U.S. farmers, food processors, truckers, a laundry, an advertiser and the bank that finances the restaurant.
- Immigrants do not take natives' jobs or reduce wages for most American workers.
 - According to University of California at Davis economist Giovanni Peri,

because immigrants complement rather than compete with native-born workers, they make Americans more productive and *raise* wages for 90 percent of native-born workers.⁷

- Even restrictionist Harvard economist George Borjas, more gloomy than most about the economic effect of immigrants on U.S. wages, sees no more than a four percent drop in the earnings of native-born men over 20 years.⁸

IMMIGRANTS HELP GROW THE ECONOMY

- The White House Council of Economic Advisers concluded that immigration increases U.S. gross domestic product by \$37 billion each year, and other estimates are even higher.⁹
- Immigrants work hard and are more likely to participate in the labor force.
 - In 2008, 81.4 percent of foreign-born men were working or actively looking for work, compared to 71.4 percent of native-born men.¹⁰
 - At the height of the boom, a typical low-skilled immigrant's work week was 56 percent longer than a typical low-skilled natives'.¹¹
- Immigrant labor enables U.S. businesses to expand and invest, increasing wages for American workers.
 - Immigrants expand the size of the labor force, allowing U.S. workers to become more specialized and productive and move up to higher paying jobs.
 - When workers – foreign- and native-born – are more productive, businesses attract more investment, allowing them to expand and hire more workers.
- Newcomers start businesses and create jobs.
 - According to the Kauffman Foundation, immigrant entrepreneurs are twice as likely to start businesses as American entrepreneurs.¹²
 - Immigrants helped found Google, Intel, E-Bay and Yahoo. Together, these companies employ more than 134,000 people worldwide.
- Immigrants add to the talent pool, improving U.S. competitiveness today and for generations to come.
 - Immigrant inventors account for more than one quarter of all U.S. patents.¹³
 - More than 60 percent of the nation's top science and math students are the children of immigrants.¹⁴ So were 18 of 40 finalists in the 2004 Intel Science Talent Search.¹⁵

IMMIGRANTS PAY IN MORE THAN THEY TAKE OUT

- The average immigrant pays \$1,800 more in taxes than they receive in benefits each year.¹⁶
- Immigrants, even those here legally, cannot obtain federal benefits until years after they've entered the U.S.
 - Legal immigrants aren't eligible for federal welfare programs until they've been in the U.S. at least five years.
 - Illegal immigrants are ineligible for any federal welfare programs except emergency Medicaid.
- Immigrants are less likely to use benefits for which they are eligible.
 - According to a 2005 study, fewer immigrants than natives use hospital emergency rooms.¹⁷
 - Even when they're eligible, only one percent of immigrant-led households receive Temporary Assistance for Needy Families (the program most Americans call welfare) compared to five percent of households headed by U.S. citizens.¹⁸
- Although most immigrants' taxes go to the federal government, the services they use are funded locally. Still, newcomers more than make up these local costs with the economic growth they make possible.
 - A 2006 North Carolina study found that Hispanics cost the state \$61 *million* over ten years – but added \$11 *billion* worth of new economic activity.¹⁹

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- ¹ Tamar Jacoby, "Immigration Nation," *Foreign Affairs*, November/December 2006.
- ² United Nations, "World Population Prospects: The 2004 Revision, Highlights," 2/24/05, p. 71.
- ³ Dan Griswold, "Willing Workers: Fixing The Problem Of Illegal Mexican Migration To The U.S.," Cato Institute, 2002.
- ⁴ Gordon Hanson, *New York Times*' "Room For Debate" blog, <http://roomfordebate.blogs.nytimes.com>, 3/18/09.
- ⁵ *The Associated Press*, "Crab Industry Worries About Few Visas For Pickers," 3/24/09.
- ⁶ Dr. James S. Holt, Testimony, Committee on Education and Labor, U.S. House of Representatives, 6/7/07.
- ⁷ Giovanni Peri, "Rethinking the Effects of Immigration on Wages: New Data and Analysis from 1990-2004," Immigration Policy Center, American Immigration Law Foundation, October 2006, p. 2.
- ⁸ George J. Borjas, "Increasing The Supply Of Labor Through Immigration," Center for Immigration Studies, May 2004.
- ⁹ Executive Office of the President, Council of Economic Advisers, "Immigration's Economic Impact," 6/20/07, p. 3.
- ¹⁰ U.S. Department of Labor, Bureau of Labor Statistics, Press Release, 3/26/09.
- ¹¹ Gordon Hanson, *New York Times*' "Room For Debate" blog, <http://roomfordebate.blogs.nytimes.com>, 3/18/09.
- ¹² Robert W. Fairlie, "Kauffman Index Of Entrepreneurial Activity," April 2008.
- ¹³ Kauffman Foundation, Press Release, "Kauffman Foundation Study Presents Insights into Why U.S. Is Losing Growing Number of Immigration Who Spur Innovation and Economic Growth," 3/2/09.
- ¹⁴ Stuart Anderson, "The Multiplier Effect," *International Education*, Summer 2004.
- ¹⁵ Stuart Anderson, "The Debate Over Immigration's Impact On U.S. Workers And The Economy," National Foundation for American Policy, July 2006, p. 7.
- ¹⁶ James P. Smith and Barry Edmonston, "The New Americans: Economic, Demographic, and Fiscal Effects of Immigration," National Research Council, National Academy of Sciences Press, 1997, p. 347-348.
- ¹⁷ Sarita A. Mohanty, M.D., M.P.H, "Unequal Access: Immigrants and U.S. Health Care," Immigration Policy Center, July 2006.
- ¹⁸ *The Washington Post*, "Illegal Immigrants in Md. And Va. Out-Earn U.S. Peers, Study Says," 11/29/07.
- ¹⁹ John D. Kasarda and James H. Johnson Jr., "The Economic Impact Of The Hispanic Population On The State Of North Carolina," Kenan-Flager Business School, University of North Carolina, January 2006, p. ix.