

THE WALL STREET JOURNAL.

IMMIGRATION DOES MORE GOOD THAN HARM TO ECONOMY, STUDY FINDS

By Jeffrey Sparshott
September 22, 2016

Waves of immigrants coming into the U.S. in recent decades have helped the economy over the long haul and had little lasting impact on the wages or employment levels of native-born Americans, according to one of the most comprehensive studies yet on the topic.

The National Academies of Sciences, Engineering and Medicine report on immigration assesses the economic and fiscal impacts of immigration, offering a broad look at a phenomenon that has moved to the forefront of the presidential race, with both candidates debating the downsides and merits of immigration.

The conclusion runs counter to a popular narrative suggesting that immigrants take the jobs of U.S. citizens, though it does acknowledge some costs for segments of the population. It highlights research showing an influx of lower-skilled workers can lead to lower wages for earlier waves of immigrants and native-born high-school dropouts. And the study found that immigration can burden government finances, especially education budgets at the state and local levels.

The report, citing a lack of data, doesn't distinguish between the impacts of documented and undocumented immigrants.

The distillation of research and previously unavailable data offer a big-picture view that highlights the overarching benefits of immigration without discounting the dislocation and the fiscal costs associated with illegal and legal arrivals into the U.S.

"Immigration enlarges the economy while leaving the native population slightly better off on average, but the greatest beneficiaries of immigration are the immigrants themselves as they avail themselves of opportunities not available to them in their home countries," the report said.

Immigration also can lead to more innovation, entrepreneurship and technological change across the economy, the report found. About 53% of immigrants had at least some college, including 16% with a graduate education, as of 2012. While often left out of the debate on immigration, such workers can help lift overall living standards.

"The prospects for long run economic growth in the United States would be considerably dimmed without the contributions of high-skilled immigrants," the report said.

The study also found that "over a long time horizon (75 years in our estimates)," the fiscal impacts of immigrants "are generally positive at the federal level and negative at the state and local levels."

Much of the focus on immigration follows a significant jump in the foreign-born population and worries about illegal entry into the U.S.

The number of immigrants living in the country has risen to 42.3 million, or about 13% of the population in 2014, from 24.5 million, or 9% of the population in 1995. During the same period, the number of unauthorized immigrants roughly doubled, reaching 11.1 million in 2014, according to the study's findings. Since 2009, about 300,000 to 400,000 new unauthorized immigrants have arrived each year and about the same number have left.

One complaint of the researchers is the lack of granular government survey data allowing them to separate the effects of legal and illegal immigrants. Thus, isn't definitively clear if one segment of the immigrant population is having a greater impact on the economy or government budgets.

"With the existing data, it is possible to just get maybe the total number of unauthorized but not their impact in this area or that area," said Cornell University's Francine Blau, who, along with the National Academy of Science's Christopher Mackie, led the study. "We have specifically asked for more information on that."

The study, featuring more than 20 leading academics, is the first such broad look at immigration in nearly 20 years. Its timing coincides with a particularly heated discussion of the topic during the presidential race.

Republican candidate Donald Trump has made construction of a wall along the Mexican border his signature issue. He also has said he would step up deportation of illegal immigrants "arrested for any crime whatsoever."

Democrat Hillary Clinton is calling for an immigration overhaul that includes a pathway to citizenship for those already in the country.

In a Wall Street Journal/NBC News poll released Wednesday, 54% of respondents said immigration helps the U.S. more than it hurts, a number slightly lower than in July but markedly higher than in polling over the past decade. A decade ago, for instance, just a slight plurality of the nation, 45% to 42%, saw immigration as a net positive.

The report doesn't delve into societal questions, such as the impact of a shift in the cultural or racial makeup of the U.S. It does encapsulate a range of research and data looking at benefits and costs of a population that has risen rapidly in recent decades.

Not all members of the panel who prepared the report see immigration as benign or entirely beneficial. Harvard University's George Borjas, in a series of dissenting blog posts, estimates that the fiscal burdens of immigration cancel out other economic benefits for native born Americans.

"The impact of immigration on the aggregate wealth of natives is, at best, a wash," Mr. Borjas said.