

# The Economics of Immigration Reform

## Top Ten Resources on the Economic Impact of Immigration

Now more than ever, Americans are seeking real solutions to our nation's problems, and there is no better place to start than protecting our workers, raising wages, and getting our economy moving again. Part of this massive effort must include workable answers to our critically important immigration problems.

Legalizing undocumented workers would improve wages and working conditions for all workers, and increase tax revenues for cash-strapped federal, state, and local governments. Moreover, comprehensive immigration reform that includes a path to legalization for undocumented workers would pay for itself through the increased tax revenue it generates, in contrast to the failed and costly enforcement-only policies that have been pursued thus far. Newly legalized workers would be able to move into higher-paying jobs, pay more in taxes, and spend more on goods and services—all of which would increase the already-substantial economic benefits of immigration for the United States.

The following IPC resources provide a strong economic case for enacting comprehensive immigration reform:

### 1. The Economic Benefits of Immigration Reform

A new report, "Raising the Floor for American Workers: The Economic Benefits of Comprehensive Immigration Reform," by Dr. Raul Hinojosa-Ojeda, finds that comprehensive immigration reform that includes a legalization program for unauthorized immigrants and enables a future flow of legal workers would result in a large economic benefit—a cumulative \$1.5 trillion in added U.S. gross domestic product over 10 years. In stark contrast, a deportation-only policy would result in a loss of \$2.6 trillion in GDP over 10 years.

- Read the [factsheet](#) [1]

### 2. The Economic and Political Power of Immigrants, Latinos, and Asians in all 50 States

Immigrants, Latinos, and Asians account for large and growing shares of the U.S. economy and electorate. Overall, immigrants made up more than 12% of the U.S. population (or nearly 38 million people) in 2008, and more than 43% of them are naturalized U.S. citizens meaning they are eligible to vote. The following state-by-state fact sheets give an overview of how much immigrants, Latinos and Asians contribute to each state's economy.

- Find how much immigrants contribute in your [state](#) [2]

### 3. Strength in Diversity: An Economic Snapshot of Immigrants, Latinos, and Asians in the U.S.

America enjoys a demographic diversity that has long been a principal strength of the U.S. economy and civil society. Immigrants, Latinos, and Asians play critical economic roles as workers, entrepreneurs, and consumers. As a result, they will be crucial players in the nation's efforts to recover from the current recession. Moreover, the immigrant, Latino, and Asian communities are key voting blocs that successful politicians cannot afford to ignore, particularly in close elections.

- Read the [factsheet](#) [3]

#### 4. Economic Progress via Legalization: Lessons from the Last Legalization Program

The data analyzed in IPC's latest Special Report, *Economic Progress via Legalization*, indicates that unauthorized immigrants who gained legal status in the 1980s through the legalization provisions of the Immigration Reform and Control Act (IRCA) experienced clear improvement in their socioeconomic situation. The findings presented in this report support the notion that legalization of unauthorized immigrants can play a role in promoting economic growth and lessening socioeconomic disparities. Reforming our immigration system is not an obstacle to getting our economy back on track—it is part of the solution.

- Read the [report](#) [4]

#### 5. Why Immigrants Can Drive the Green Economy

The 2000 Census found that immigrants, while accounting for 12 percent of the population, made up nearly half of the all scientists and engineers with doctorate degrees. Nearly 70 percent of the men and women who entered the fields of science and engineering from 1995 to 2006 were immigrants. So it should come as no surprise that immigrants will help drive the green revolution. America's young scientists and engineers, especially the ones drawn to emerging industries like alternative energy, tend to speak with an accent. Yet, the connection between immigration and the development and commercialization of alternative energy technology is rarely discussed.

- Read the [report](#) [5]

#### 6. Immigration Reform and Job Growth

With the U.S. unemployment rate hovering at 10%, some have questioned whether or not now is really the right time for comprehensive immigration reform that includes the creation of a pathway to legal status for unauthorized immigrants already living in the United States. Underlying this uncertainty is the fear that native-born Americans will lose out on scarce jobs if currently unauthorized immigrants acquire legal status—despite the obvious fact that unauthorized immigrants are already here and in the labor force. However, the best available evidence suggests that neither legal nor unauthorized immigration is the cause of high unemployment, and that the higher wages and purchasing power which formerly unauthorized immigrants would enjoy were they to receive legal status would sustain new jobs.

- Read the [factsheet](#) [6]

#### 7. Immigrant Workers Contribute in Large Metropolitan Areas

The Fiscal Policy Institute (FPI) recently released a report highlighting the contributions of immigrant workers in the 25 largest metropolitan areas in the U.S. FPI's report broadens a growing understanding that immigrant workers make important economic contributions to the U.S. and to their local economies. Immigrants are likely to be of prime working age, work in occupations across the economic spectrum, and contribute robustly to economic growth in each of the 25 metropolitan

areas studied and in the United States as a whole.

- Read the [factsheet](#) [7]

## 8. A Conversation about the Economic Effects of Immigration on African Americans

Anti-immigrant groups have repeatedly tried to drive a wedge between African Americans and immigrants by capitalizing on the myth that immigrants take American jobs. In a new Perspectives piece for the Immigration Policy Center, Yale Professor Gerald Jaynes dispels the myth that immigrants take “black jobs” and instead suggests we find solutions on how to lift up all low-wage American workers.

- Read the [report](#) [8]

## 9. Sharing the Costs, Sharing the Benefits: Inclusion is the Best Medicine

Misconceptions about immigrants and their participation in our health care system abound, the facts demonstrate that immigrants can and should contribute to any new program. It is both good policy and common sense to treat access to health insurance for all as an investment in the nation’s public health. Categorical exclusions of any kind—whether of immigrants, redheads, or cat owners—are a mistake. It makes more sense to allow everyone to buy affordable health care. This fact sheet provides basic analysis on the benefits of inclusion and the actual impact of immigrant participation on the current health care system.

- Read the [factsheet](#) [9]

## 10. The U.S. Economy Still Needs Highly Skilled Foreign Workers

It might seem that the recent souring of the U.S. economy and rise in unemployment has rendered moot the debate over whether or not the United States really “needs” the highly skilled foreign workers who come here on H-1B temporary visas. But the demand for H-1B workers still far outstrips the current cap of only 65,000 new H-1B visas that can be issued each year. In fact, this quota has been filled within *one day* in each of the last five fiscal years. The arbitrary numerical limits currently placed on H-1Bs are not only incapable of responding to the changing demand for H-1B workers, but the international competitiveness of the U.S. economy will continue to depend heavily on the contributions of H-1B professionals and other of high-skilled workers from abroad for many decades to come.

- Read the [factsheet](#) [10]

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