



# IMMIGRATION POLICY CENTER

*...providing factual information about immigration and immigrants in America*

April 28, 2009

## **Economists and Other Experts Agree on the National Economic Benefits of Immigration *Immigration Reform Cited as an Economic Necessity and a Net Gain***

“Our review of economic research finds immigrants not only help fuel the nation’s economic growth, but also have an overall positive effect on the income of native-born workers.”

~[Edward P. Lazear](#), **Former Chairman, White House Council of Economic Advisers**

“Economic recovery will happen more quickly if both high- and low-skill immigrants are permitted to enter the United States and work legally. A rational immigration policy would have numerous advantages: undocumented workers would pay taxes to federal and state governments rather than to grey-market check cashing services; payments for health care through insurance could be collected more easily, rather than burdening hospital emergency rooms with immigrants without health insurance; foreigners who want to work here could pay the government for visas rather than pay smugglers for unsafe, illicit transportation; and improvements in security. Legal visas and bank accounts would make it far easier to identify and track potential terrorists, dubious financial transactions, and those who simply overstay visas.”

~[Diana Furchtgott-Roth](#), **Senior Fellow at the Hudson Institute, and former Chief Economist at the U.S. Department of Labor**

“Legalization of the nation’s undocumented workers will provide a strong economic stimulus, and must be integrated as a necessary component of President Obama’s economic recovery strategy.... Moving workers out of a vulnerable underground status produces both short term and long term economic gains by strengthening the ability of working families to become more productive with higher levels of income, job generating consumption and increase their net contributions to tax revenues. Legalization also creates higher household investments in family wide education, boosting college-going rates among children, as well as creating very high rates of home ownership and small business investments that have historically been economic engines of job creation and community revitalization.”

~[Raúl Hinojosa-Ojeda](#), **Executive Director, UCLA North American Integration and Development Center**

“My research, too, has explored immigrants’ potent contributions to U.S. innovation. More than half of Silicon Valley startups were founded by immigrants over the last decade. These immigrant-founded tech companies employed 450,000 workers and had sales of \$52 billion in 2005.”

~[Vivek Wadhwa](#), **Fellow with the Labor and Worklife Program at Harvard Law School, and Professor at the Pratt School of Engineering at Duke University**

“Immigrants and natives tend to differ in their educational attainment, skill sets, and occupations, and they perform jobs that often are interdependent. As a result, immigrants do not compete with the majority of natives for the same jobs. Rather, they ‘complement’ the native-born workforce—which increases the productivity, and therefore the wages, of natives... During the 1990-2004 period, the 90 percent of native-born workers with at least a high-school diploma experienced wage gains from immigration that ranged from 0.7 percent to 3.4 percent depending on education.”

~[Giovanni Peri](#), **Associate Professor of Economics, University of California, Davis**

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“Rounding up and deporting the millions of immigrants who are presently in the United States without legal authorization may make for a good sound bite, but it is not a viable solution. And if these immigrants are not given adequate incentive to ‘come out of the shadows’ to regularize their status, we will continue to have a large pool of unauthorized workers whom employers can exploit in order to drive down wages and other standards to the detriment of *all* workers. The large unauthorized workforce likewise has produced an underground economy, without basic protections afforded to U.S. workers, where employers often misclassify workers as independent contractors, thus avoiding payroll taxes and depriving federal, state, and local governments of additional revenue. An inclusive, practical, and swift adjustment-of-status program will raise labor standards for all workers.”

~[Ray Marshall](#), former Secretary of Labor

“The presence of such a large pool of illegal workers imposes an unnecessary drag on our economy. Many of those illegal workers are unable to bargain effectively with employers for a full market wage, relegating them to secondary markets where they are more likely to be paid in cash or hired through subcontractors. The result is submarket wages and submarket working conditions for undocumented workers and for legal immigrants and native-born workers who compete with them in the labor market... Comprehensive reform should also legalize the millions of workers currently in the United States without legal documentation. Many of these workers have lived and worked in the United States for several years. They have become valuable participants in their workplaces and their communities. They should be allowed and encouraged to come forward to be legalized and properly documented.”

~[Daniel Griswold](#), Director, CATO Institute Center for Trade Policy Studies

“...These problems [increased uncertainty, created disincentives for investing] are exaggerated and made worse if you’re undocumented. This reduced certainty causes people not to invest in their community, in their job, or in their skills. And we know that that investment—whether for documented or undocumented—is very critical. This type of [legalization] program, we know from experience and analysis, that it reduces that uncertainty and helps grow the economy... Enfranchised consumers—consumers who are part of the above-ground economy—are better consumers—meaning they are more willing to buy a home if they have certainty about their future to be able live in that neighborhood and live in this country. They are more likely to invest extra effort and money and time in their children and into things that help them be part of a community. Absent that kind of certainty about the future, the likelihood of that important category of consumers—12 million strong—spending more and growing the economy is reduced. And that is just bad economic strategy.”

~[Dan Siciliano](#), Executive Director, Program in Law, Economics, and Business at Stanford Law School

“We’ve heard some people asking whether this is the right time for immigration reform...reform that leads to a better regulated system can only be good in an economic downturn... People don’t just vanish, and just imagine what would be involved in driving out an estimated 10-12 million undocumented immigrants. There would be tremendous disruption in businesses around the nation... It’s very likely there’d be fewer jobs to go around because businesses would be terribly disrupted at a very precarious time... Probably more important, it’s just not real, mass deportation just isn’t going to happen... What is real is the idea of bringing undocumented immigrants into the above ground economy, making sure they pay taxes just like everyone else.”

~[David Dysegaard Kallick](#), Senior Fellow, Fiscal Policy Institute

“Several years ago I was convinced that immigrants significantly lower native wages... Subsequently my statistical analyses forced me to conclude otherwise... When one reviews the analyses the have been done by individuals who have no particular political axes to grind, who have been put through peer-review processes for publications by research institutions in academia, or in research periodicals of various disciplines, one overwhelmingly finds that the findings of immigrants’ effects on native employment and

wages are either small, nonexistent, and in some cases, are actually positive... Immigration reform is very likely to improve the conditions of not only immigrant workers, but also the native-born workers... To eliminate exploitation of the undocumented worker, in effect, eliminates—or at least minimizes to a great degree—exploitation in American labor markets for all of the participants. There would actually be a gain from immigration reform if there is a clear path to citizenship for undocumented immigrants.”

~[Gerald Jaynes](#), **Professor of Economics and Professor of African-American Studies, Yale University**

“Still, an economic downturn is the right time to move on immigration, one of the few policy tools that could clearly boost growth... The pace of lower-skilled migration has slowed due to higher unemployment. This could make it less contentious to ease the path to legalization for the 12 million undocumented workers and their families in the U.S. It’s also a good time to ask why we turn away skilled workers, including the ones earning 60% of the advanced degrees in engineering at U.S. universities. It is worth pointing out the demographic shortfall: Immigrants are a smaller proportion of the U.S. population than in periods such as the late 1890s and 1910s, when immigrants gave the economy a jolt of growth... Immigrants have had a disproportionate role in innovation and technology. Companies founded by immigrants include Yahoo, eBay and Google. Half of Silicon Valley start-ups were founded by immigrants, up from 25% a decade ago. Some 40% of patents in the U.S. are awarded to immigrants. A recent study by the Kauffman Foundation found that immigrants are 50% likelier to start businesses than natives. Immigrant-founded technology firms employ 450,000 workers in the U.S. And according to the National Venture Capital Association, immigrants have started one quarter of all U.S. venture-backed firms.”

~[L. Gordon Crovitz](#), **former publisher of the *Wall Street Journal*, and executive vice-president of Dow Jones**

“Shortly after the November election, a few congressional offices privately acknowledged that it would be smart for the Obama administration to try to include pro-immigration provisions in the upcoming stimulus package. Some policy staffers were reading studies and hearing testimonies about how hardworking immigrants drive productivity and job creation across many different sectors of the economy... Only when undocumented immigrants have the ability to exercise complete workplace rights will they help exert upward pressure on wages and labor standards that will benefit other workers.”

~[Cristina Jiménez](#), **Immigration Policy Consultant, Drum Major Institute for Public Policy**

“More important, most undocumented workers are law-abiding, hardworking individuals who pay taxes, contribute to society, and are essential to many sectors of the U.S. economy. Any number of conditions can be set—they can be required to get to the back of the line, pay fines and back taxes, and learn English as conditions of legalization—but a clear, legal path to citizenship must be made available.”

~**International City/County Management Association**

“At a time when our financial-capital markets are still reeling from the credit bust, the human-capital market remains open for business. Fewer workers will be lured to the U.S. during a recession, but the ones who come will speed recovery. There are costs to immigration, especially in border states with generous welfare programs, but the overall benefit is akin to the advantages of free trade in goods and services.”

~[Wall Street Journal](#)

“Throughout our history as an immigrant nation, those who were already here have worried about the impact of newcomers. Yet, over time, immigrants have become part of a richer America, richer both economically and culturally... Overall, immigration has been a net gain for American citizens, though a modest one in proportion to the size of our 13 trillion-dollar economy... While a small percentage of native-born Americans may be harmed by immigration, vastly more Americans benefit from the

contributions that immigrants make to our economy, including lower consumer prices. As with trade in goods and services, the gains from immigration outweigh the losses. The effect of all immigration on low-skilled workers is very likely positive as many immigrants bring skills, capital, and entrepreneurship to the American economy... We must not forget that the gains to immigrants coming to the United States are immense. Immigration is the greatest anti-poverty program ever devised.”

**~[Open letter](#) on immigration to President George Bush and Congress signed by over 450 American academics**

“Dear America, please remember how you got to be the wealthiest country in history. It wasn’t through protectionism, or state-owned banks or fearing free trade. No, the formula was very simple: build this really flexible, really open economy, tolerate creative destruction so dead capital is quickly redeployed to better ideas and companies, pour into it the most diverse, smart and energetic immigrants from every corner of the world and then stir and repeat, stir and repeat, stir and repeat, stir and repeat.”

**~[Thomas Friedman](#), *NY Times* Columnist**