



STATEMENT OF THE AMERICAN IMMIGRATION COUNCIL

**SUBMITTED TO THE U.S. SENATE JUDICIARY
SUBCOMMITTEE ON IMMIGRATION AND THE NATIONAL INTEREST**

**HEARING ON “THE IMPACT OF HIGH LEVELS OF IMMIGRATION ON U.S.
WORKERS”**

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The American Immigration Council is a non-profit organization which for over 25 years has been dedicated to increasing public understanding of immigration law and policy and the role of immigration in American society. We write to share our analysis and research on how immigrants play a vital role in our nation and economy.

Americans pride themselves on belonging to a nation of immigrants. Today, immigrants make enormous contributions to our economy and our communities—just as they always have. Yet few Americans fully understand the laws and policies that determine who can come to the United States and under what conditions, how we enforce our immigration laws, and what impact immigrants have on our society.

The U.S. immigration system is very different today than it was when prior generations of immigrants arrived. Many of our families might not have been allowed to enter the country had today’s laws been in effect. Our current laws do not provide sufficient channels for legal immigration and do not respond to the needs of our economy—a mismatch between supply and demand that is dramatically illustrated by an unauthorized population which is the largest in our nation’s history.

We now find ourselves at a point where the United States must update its immigration laws. The public agrees it must be done in a fair and practical manner and must provide a path to legal status for the 11 million unauthorized immigrants currently living in the United States, while also creating legal immigration channels sufficient to fuel our 21st century economy.

The nation’s 26.3 million foreign-born workers comprised 16.5 percent of the labor force in 2013.¹ These immigrants—be they lawful permanent residents (LPRs) or unauthorized—make enormous contributions to the U.S. economy as workers, consumers, taxpayers, and entrepreneurs. Moreover, empirical research

¹ “Giving the Facts a Fighting Chance: Addressing Common Question on Immigration,” American Immigration Council, December 14, 2015, available at, <http://immigrationpolicy.org/special-reports/addressing-common-questions-on-immigration>.

demonstrates that there is no correlation between immigration and unemployment. In fact, immigrants—including the unauthorized—create jobs through their purchasing power and their entrepreneurship, buying goods and services from U.S. businesses and creating their own businesses, both of which sustain U.S. jobs.

Immigration increases Gross Domestic Product (GDP) and tax revenue, all without having any appreciable impact on native-born employment.

- In 2013, immigration added roughly 0.2 percent to GDP, which translates into \$31.4 billion (in 2012 dollars), according to the *Economic Report of the President*.²
- The average immigrant contributes nearly \$120,000 more in taxes than he or she consumes in public benefits (measured in 2012 dollars).³

One of the most persistent myths about the economics of immigration is that every immigrant added to the U.S. labor force amounts to a job lost by a native-born worker, or that every job loss for a native-born worker is evidence that there is need for one less immigrant worker. However, this is not how labor-force dynamics work in the real world. The notion that unemployed natives could simply be “swapped” for employed immigrants is not economically valid. In reality, native workers and immigrant workers are not easily interchangeable. Even if unemployed native workers were willing to travel across the country or take jobs for which they are overqualified, that is hardly a long-term strategy for economic prosperity.

- Immigrants and native-born workers usually complement each other rather than compete. If they work in the same occupation or industry—or even the same business—they usually specialize in different tasks, with native-born workers taking higher-paying jobs that require better English-language skills than many immigrant workers possess.⁴
- If immigrants actually “took” jobs away from significant numbers of native-born workers, then one would expect to find high unemployment rates in parts of the country with large numbers of immigrants, especially recently arrived immigrants who are presumably more willing to work for lower wages and under worse conditions than either long-term immigrants or native-born workers. Yet there is little apparent relationship between recent immigration and unemployment rates at the regional, state, or county level.⁵

Immigrants create new businesses. Immigrant workers spend their wages in U.S. businesses—buying food, clothes, appliances, cars, etc.⁶ Businesses respond to the presence of these new workers and

² “Economic Report of the President,” The White House Council of Economic Advisors, 2013, available at, https://www.whitehouse.gov/sites/default/files/docs/erp2013/full_2013_economic_report_of_the_president.pdf.

³ Id.

⁴ Michael Greenstone and Adam Looney, “The Economic Facts About Immigration,” The Hamilton Project, September, 2010, available at, http://www.brookings.edu/~media/Files/rc/reports/2010/09_immigration_greenstone_looney/09_immigration.pdf; Giovanni, Perri, “The Effect of Immigration on U.S. Employment and Productivity,” Federal Reserve Bank of San Francisco, August 2010, available at, <http://www.frbsf.org/economic-research/publications/economic-letter/2010/august/effect-immigrants-us-employment-productivity/>

⁵ “Giving the Facts a Fighting Chance: Addressing Common Question on Immigration,” American Immigration Council, December 14, 2015, available at, <http://immigrationpolicy.org/special-reports/addressing-common-questions-on-immigration>.

⁶ Heidi Shierholz, “Immigration and Wages: Methodological advancements confirm modest gains for native workers,” Economic Policy Institute, February 2010, available at, http://epi.3cdn.net/7de74ee0cd834d87d4_a3m6ba9j0.pdf#page=22.

consumers by investing in new restaurants, stores, and production facilities.⁷ And immigrants are 30 percent more likely than the native-born to start their own business. The end result is more jobs for more workers.⁸

- In 2013, 18 percent of business owners in the United States were foreign-born.⁹ Furthermore, 28 percent of “Main Street” business owners—those who bring businesses like grocery stores, restaurants, and clothing stores to neighborhoods—were foreign-born.¹⁰
- From 2006 to 2010, there were 2.4 million new immigrant business owners in the U.S. who had a total net business income of \$121 billion (15 percent of all net business income in the country).¹¹
- Immigrants continue to be nearly twice as likely as the native-born to become entrepreneurs, with the rate of new entrepreneurs being 0.52 percent for immigrants, compared to 0.27 percent for the native-born.¹²

Maximizing the economic contributions of skilled immigrants is important work, but it is only one component of the broad based reforms our system desperately needs. We must realize that immigrant job creators, entrepreneurs, and innovators come in all shapes and sizes. They come to our shores not only through employment-based channels but through family reunification and as refugees and asylees. They can also be found within the population of unauthorized workers.

The importance of reforming our system—all aspects of it—to further our prosperity cannot be overstated. We owe it to ourselves and our future to once again support and pass bipartisan, comprehensive immigration reform that is good for business, good for workers, and good for families.

⁷ Michael Greenstone and Adam Looney, “The Economic Facts About Immigration,” The Hamilton Project, September, 2010, available at, http://www.brookings.edu/~media/Files/rc/reports/2010/09_immigration_greenstone_looney/09_immigration.pdf.

⁸ Id.

⁹ David Dyssegaard Kallick, “Bringing Vitality to Main Street,” Americas Society/Council of the Americas, January 2015, available at, <http://www.as-coa.org/articles/bringing-vitality-main-street-how-immigrant-small-businesses-help-local-economies-grow>.

¹⁰ Id.

¹¹ “Open for Business: How Immigrants are Driving Small Business Creation in the United States,” Partnership for a New American Economy, August 2012, available at, <http://www.renewoureconomy.org/sites/all/themes/pnae/openforbusiness.pdf>.

¹² Robert Fairlie, E.J. Reedy, Arnobio Morelix, Joshua Russel, “The Kauffman Index,” Ewing Marion Kauffman Foundation, 2015, available at, http://www.kauffman.org/research%20reports%20and%20covers/2015/05/kauffman_index_startup_activity_national_trends_2015.pdf.