Economics of Immigration

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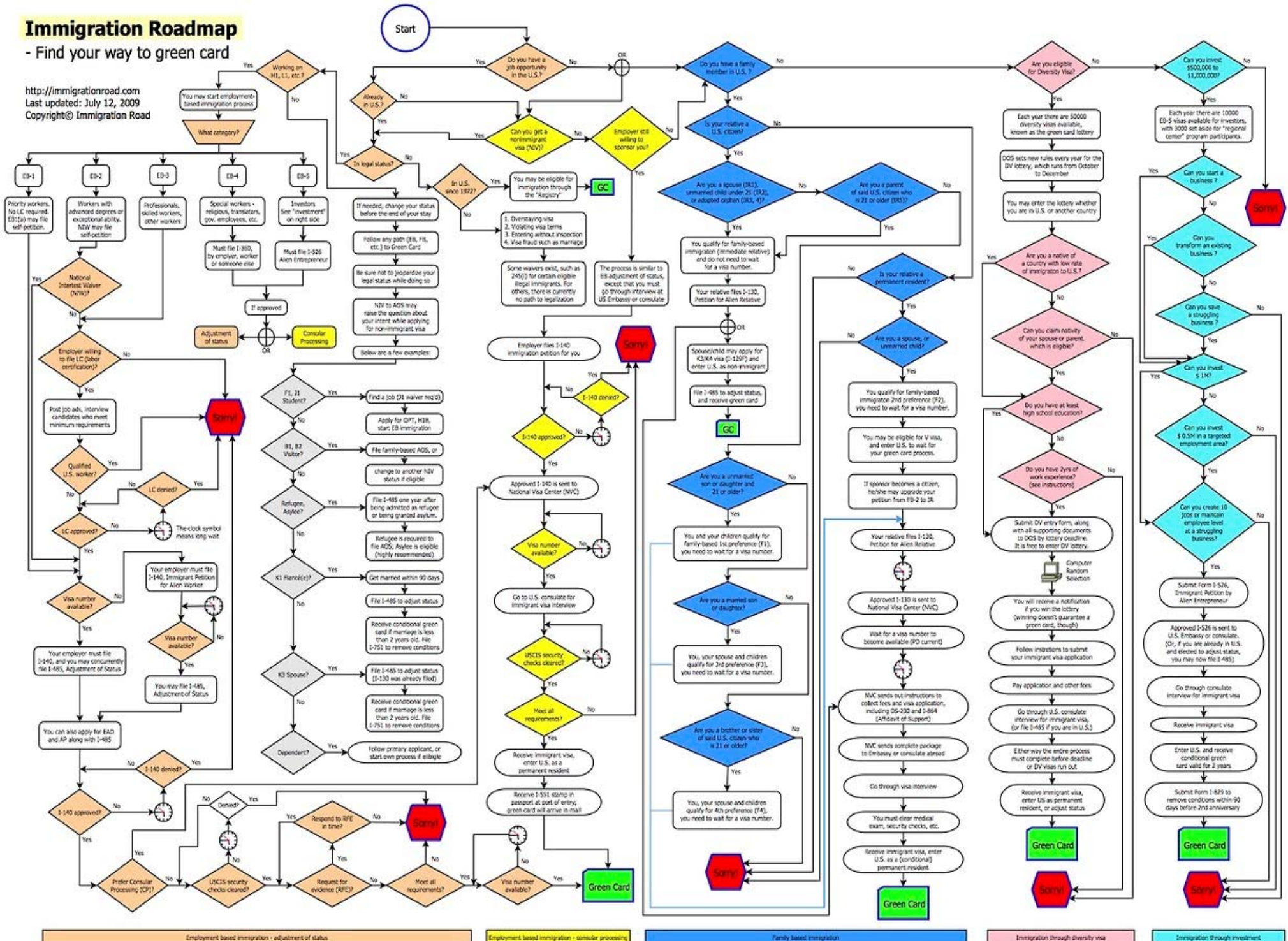
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Immigration Roadmap
- Find your way to green card
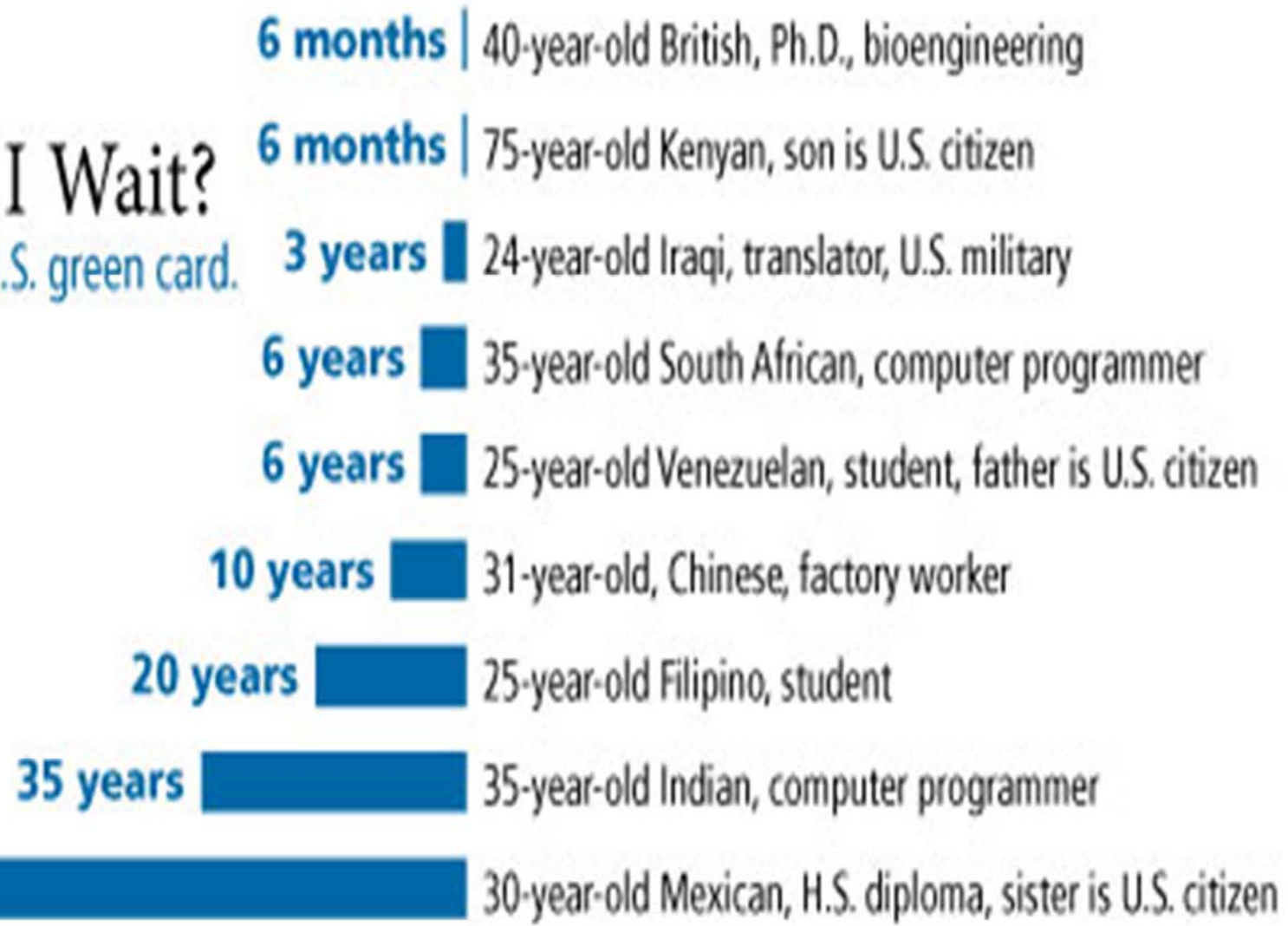
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Start

Do you have a job opportunity in the U.S.?

Do you have a family member in U.S.?

Are you eligible for Diversity Visa?

Can you invest $500,000 to $1,000,000?

Working on H1, L1, etc.? — You may start employment-based immigration process — What category?

Already in U.S.? — In legal status?

Can you get a nonimmigrant visa (NIV)?

Employer still willing to sponsor you?

Is your relative a U.S. citizen?

Each year there are 50000 diversity visas available, known as the green card lottery.

Each year there are 10000 EB-5 visas available for investors, with 3000 set aside for "regional center" program participants.

Employment categories
- **EB-1**: Priority workers. No LC required. EB1(a) may file self-petition.
- **EB-2**: Workers with advanced degrees or exceptional ability. NIW may file self-petition.
- **EB-3**: Professionals, skilled workers, other workers.
- **EB-4**: Special workers - religious, translators, gov. employees, etc. Must file I-360, by employer, worker or someone else.
- **EB-5**: Investors. See "investment" on right side. Must file I-526 Alien Entrepreneur.

National Interest Waiver (NIW)?

Employer willing to file LC (labor certification)?

Post job ads, interview candidates who meet minimum requirements

Qualified U.S. worker? — LC denied? — LC approved?

The clock symbol means long wait

Your employer must file I-140, Immigrant Petition for Alien Worker

Visa number available?

Your employer must file I-140, and you may concurrently file I-485, Adjustment of Status

You may file I-485, Adjustment of Status

You can also apply for EAD and AP along with I-485

I-140 denied? — I-140 approved? — Prefer Consular Processing (CP)? — USCIS security checks cleared? — Respond to RFE in time? — Request for evidence (RFE)? — Meet all requirements? — Visa number available? — **Green Card**

Denied? — Sorry!

Adjustment of status — OR — Consular Processing

If needed, change your status before the end of your stay. Follow any path (EB, FB, etc.) to Green Card. Be sure not to jeopardize your legal status while doing so. NIV to AOS may raise the question about your intent while applying for non-immigrant visa. Below are a few examples:

- F1, J1 Student? — Find a job (J1 waiver req'd) — Apply for OPT, H1B, start EB immigration
- B1, B2 Visitor? — File family-based AOS, or change to another NIV status if eligible
- Refugee, Asylee? — File I-485 one year after being admitted as refugee or being granted asylum. Refugee is required to file AOS, Asylee is eligible (highly recommended)
- K1 Fiancé(e)? — Get married within 90 days — File I-485 to adjust status — Receive conditional green card if marriage is less than 2 years old. File I-751 to remove conditions
- K3 Spouse? — File I-485 to adjust status (I-130 was already filed) — Receive conditional green card if marriage is less than 2 years old. File I-751 to remove conditions
- Dependent? — Follow primary applicant, or start own process if eligible

In U.S. since 1972? — You may be eligible for immigration through the "Registry" — **GC**

1. Overstaying visa
2. Violating visa terms
3. Entering without inspection
4. Visa fraud such as marriage

Some waivers exist, such as 245(i) for certain eligible illegal immigrants. For others, there is currently no path to legalization.

The process is similar to EB adjustment of status, except that you must go through interview at US Embassy or consulate

Employer files I-140 immigration petition for you

I-140 denied? — I-140 approved?

Approved I-140 is sent to National Visa Center (NVC)

Visa number available?

Go to U.S. consulate for immigrant visa interview

USCIS security checks cleared?

Meet all requirements?

Receive immigrant visa, enter U.S. as a permanent resident

Receive I-551 stamp in passport at port of entry; green card will arrive in mail

Family based immigration
Is your relative a U.S. citizen?

Are you a spouse (IR1), unmarried child under 21 (IR2), or adopted orphan (IR3, 4)?

Are you a parent of said U.S. citizen who is 21 or older (IR5)?

You qualify for family-based immigration (immediate relative) and do not need to wait for a visa number.

Your relative files I-130, Petition for Alien Relative

Spouse/child may apply for K3/K4 visa (I-129F) and enter U.S. as non-immigrant

File I-485 to adjust status, and receive green card — **GC**

Is your relative a permanent resident? — Are you a spouse, or unmarried child?

You qualify for family-based immigration 2nd preference (F2), you need to wait for a visa number.

You may be eligible for V visa, and enter U.S. to wait for your green card process.

If sponsor becomes a citizen, he/she may upgrade your petition from F2-2 to IR.

Are you a unmarried son or daughter and 21 or older? — You and your children qualify for family-based 1st preference (F1), you need to wait for a visa number.

Are you a married son or daughter? — You, your spouse and children qualify for 3rd preference (F3), you need to wait for a visa number.

Are you a brother or sister of said U.S. citizen who is 21 or older? — You, your spouse and children qualify for 4th preference (F4), you need to wait for a visa number.

Your relative files I-130, Petition for Alien Relative

Approved I-130 is sent to National Visa Center (NVC)

Wait for a visa number to become available (PD current)

NVC sends out instructions to collect fees and visa application, including DS-230 and I-864 (Affidavit of Support)

NVC sends complete package to Embassy or consulate abroad

Go through visa interview

You must clear medical exam, security checks, etc.

Receive immigrant visa, enter U.S. as a (conditional) permanent resident — **Green Card**

Immigration through diversity visa
Are you eligible for Diversity Visa?

DOS sets new rules every year for the DV lottery, which runs from October to December.

You may enter the lottery whether you are in U.S. or another country.

Are you a native of a country with low rate of immigration to U.S.?

Can you claim nativity of your spouse or parent, which is eligible?

Do you have at least high school education?

Do you have 2yrs of work experience? (see instructions)

Submit DV entry form, along with all required supporting documents to DOS by lottery deadline. It is free to enter DV lottery.

Computer Random Selection

You will receive a notification if you win the lottery (winning doesn't guarantee a green card, though)

Follow instructions to submit your immigrant visa application

Pay application and other fees

Go through U.S. consulate interview for immigrant visa, (or file I-485 if you are in U.S.)

Either way the entire process must complete before deadline or DV visas run out

Receive immigrant visa, enter US as permanent resident, or adjust status — **Green Card**

Immigration through investment
Can you invest $500,000 to $1,000,000?

Can you start a business?

Can you transform an existing business?

Can you save a struggling business?

Can you invest $1M?

Can you invest $0.5M in a targeted employment area?

Can you create 10 jobs or maintain employee level at a struggling business?

Submit Form I-526, Immigrant Petition by Alien Entrepreneur

Approved I-526 is sent to U.S. Embassy or consulate. (Or, if you are already in U.S. and elected to adjust status, you may now file I-485)

Go through consulate interview for immigrant visa

Receive immigrant visa

Enter U.S. and receive conditional green card valid for 2 years

Submit Form I-829 to remove conditions within 90 days before 2nd anniversary — **Green Card**

Sorry!

Legend
Employment based immigration - adjustment of status	Employment based immigration - consular processing	Family based immigration	Immigration through diversity visa	Immigration through investment

Disclaimer: This immigration roadmap is for general guidance only and shall NOT be construed as legal advice; U.S. immigration laws and regulations are ever changing, so always confirm with USCIS and/or consult a qualified professional with regard to your case; No warranty is made regarding the accuracy of any information; Not all possible ways to GC are covered by this flowchart, and appeals/motion to reopen are not included; You may start multiple processes if you are eligible.

Green Card Wait Times

How Long Must I Wait?
estimated time to acquire a U.S. green card.

Wait Time	Description
6 months	40-year-old British, Ph.D., bioengineering
6 months	75-year-old Kenyan, son is U.S. citizen
3 years	24-year-old Iraqi, translator, U.S. military
6 years	35-year-old South African, computer programmer
6 years	25-year-old Venezuelan, student, father is U.S. citizen
10 years	31-year-old, Chinese, factory worker
20 years	25-year-old Filipino, student
35 years	35-year-old Indian, computer programmer
131 years	30-year-old Mexican, H.S. diploma, sister is U.S. citizen

Sources: Department of State; U.S. Citizenship & Immigration Services.

Place Premium

Country	Wages in U.S. for Same Worker
• **Mexico**	• **3x**
• **Guatemala**	• **3x**
• **India**	• **6x**
• **Vietnam**	• **6x**
• **Haiti**	• **10x**

Average: 5x

General Equilibrium – Growth

- ***$30 trillion to $90 trillion***: If all global immigration barriers were eliminated.
  - Clemens, JEP (2011)

- Immigrants are more productive in destination countries – increases size of economic pie.

- Location of factors of production impacts productivity.
  - Property rights, capital, security, contract rights, stable government, positive externalities.

Economic Factors & Efficiency

- Production Possibilities Frontier.
- Kaldor-Hicks Efficiency: Amount of extra wealth is more than enough to compensate losers – even if you don't.
- Division of labor and specialization.
- Stimulates capital formation and productive improvements to land.
  - Relative scarcities.

Wages

- Immigrants increase labor supply.
- Segmented labor markets – complements.
  - Immigrants mostly lower and higher skilled than natives, little labor market competition.
- Language.
  - Task specialization.
  - Marginal productivity determines labor demand.
- Immigrants are more mobile.
  - Age, mortgages, natural disasters, self-selected.

Immigration's Impact on Wages
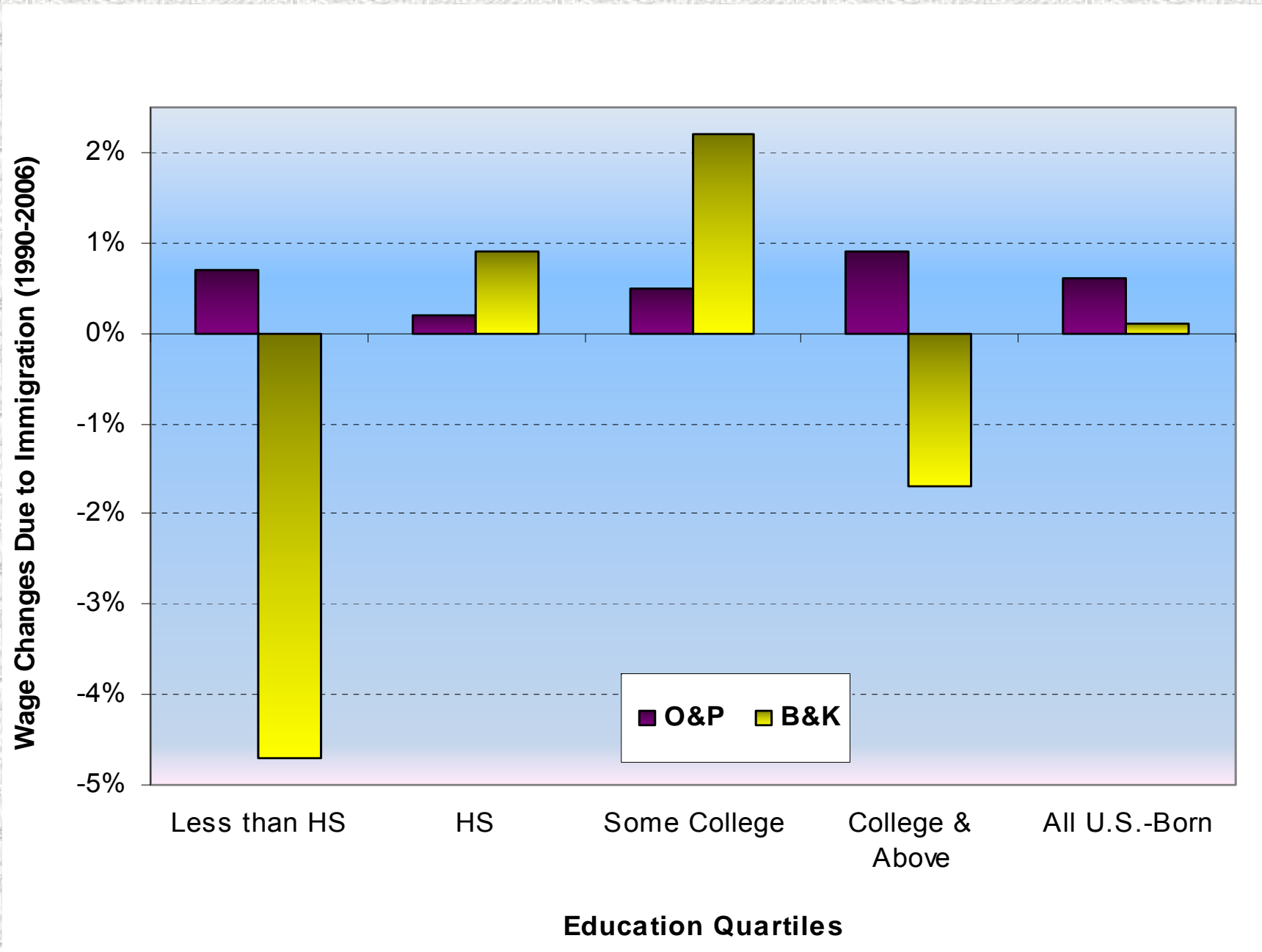
Immigrant Entrepreneurship

- In 2011, .55% of immigrants started a business every month (550 per 100,000 immigrants).
- In 2011, .27% of natives started businesses every month (270 per 100,000 natives).
  - Kauffman Foundation, Index of Entrepreneurial Activity (2012)
- Immigrants more entrepreneurial than Americans.

Firms Founded by Immigrants

- Andrew Carnegie
  - Born in Scotland.
  - Immigrated to U.S. in 1848.
  - From humble origins, he founded firms that became **U.S. Steel.**
  - Net worth: $298 billion (2007 dollars).
    - Forbes
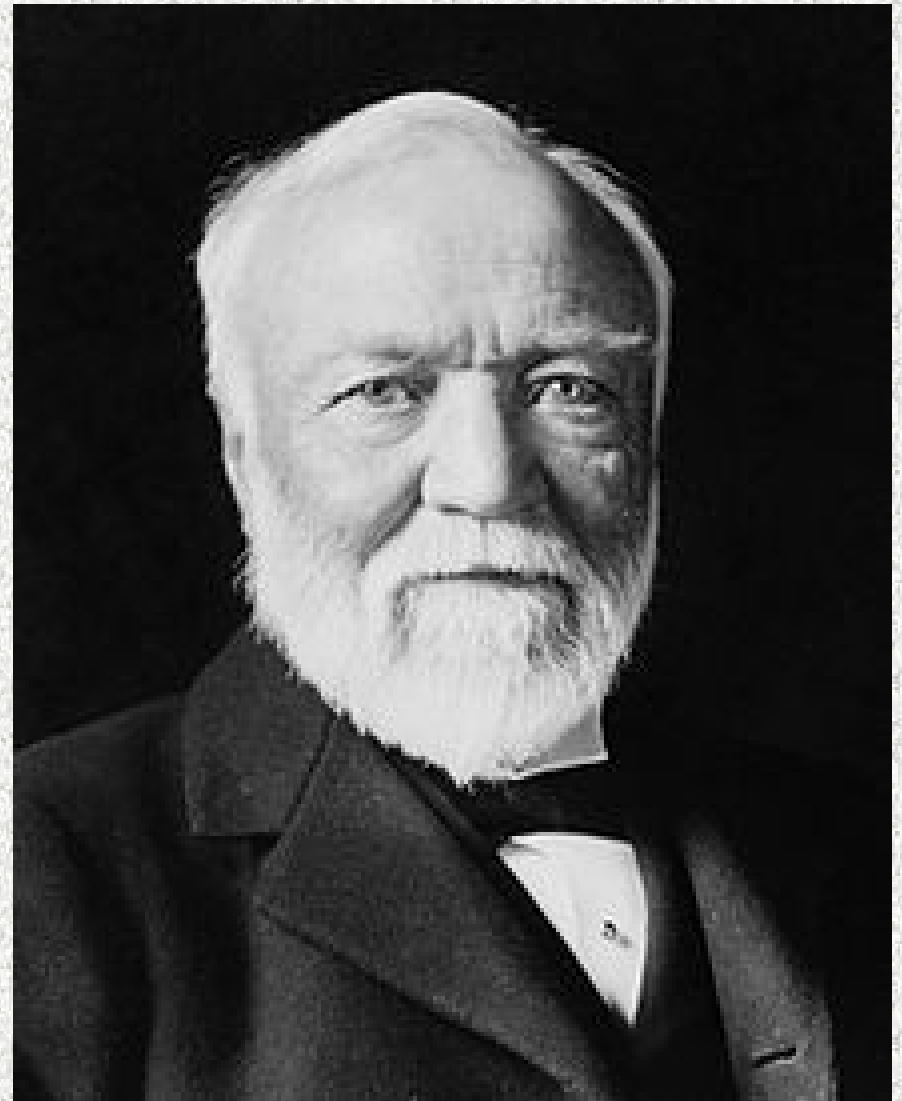
Firms Founded by Immigrants

- Sergey Brin – **Google**
- Andy Grove – **Intel**
- Pierre Omidyar – **eBay**
- Jerry Yang – **Yahoo!**
- Andy Bechtolsheim – **Sun Microsystems**
- Vinod Kholsa – **Sun Microsystems**
- Milan Mandarić – **Sanmina-SCI**

Positive Selection

- Immigrants are more productive than most people from their home country.
  - Energetic, intelligent, ambitious, and educated people leave.
- Immigrants are more productive than 50% of the people in their home countries but less productive than 30%, on average.
- Mexican immigrants are more skilled than 56% of the population in Mexico.
  (Clemens, Montenegro, and Pritchett, 2008)

Aggregate Demand

- Immigrants buy things, increasing aggregate demand incentivizing supply side response.
- Consumer goods.
- Real estate.
  - Arizona, Employer Sanction and SB1070.
  - 200,000 unauthorized immigrants left state.
  - Higher rental and home owner vacancy rates.
  - Phoenix had 19th worst MSA housing market.

American Losers and Winners

Winners

- Capital owners.
- Property owners.
- Complementary workers.
- Some consumers.
- Producers.

Losers

- Low skilled workers (probably).
- Some highly skilled workers (maybe).
- Older immigrants.

Winner's Gain **>** *Loser's Loss*

What Happens to Sending Countries?

- Remittances: $120 billion from U.S. $530 billion globally.
- Export labor, import capital – just like trade. More capital fuels wealth creation, productivity, and higher wages.
  - Heckscher-Ohlin model for factors.
- Sojourners return to home countries with new ideas, capital, creativity, and remake their societies.
- Trade links.

Immigrant Networks

- Reduce asymmetries of information.
- New technology lowers costs of maintaining networks.
- Migrant networks spread slowly but have lasting power.
  - Irish, 19th centuries.
  - Italians, 19th and 20th centuries.
  - Central Americans, 20th and 21st centuries.
  - Chinese, 19th – 21st centuries.
  - Indians, 19th – 21st centuries.

Urban Revitalization

- New York, 1970s: 10.4% population *decline*.
  - Bankruptcy and low economic growth.
  - Urban and infrastructure decay.
  - Crime.
- Since 1980, the city's population has rebounded thanks to increasing immigration. Increasing population = Fewer urban problems, better infrastructure, more taxpayers.
- Inner city bourgeoisie: Immigrants are almost half of all small business owners in NYC.

Brooklyn

- **Brooklyn Chinatown (8th Ave, Sunest Park)**
  - **Previously known as Little Norway.**
  - **1988, 90% of storefronts abandoned.**
  - **Chinese from Manhattan, fleeing Tianamen Square, and Fuzhou remade area.**

Boston

- **Allston Village**
  - Asians, Hispanics, Russians, and Poles.
- **Fields Corner**
  - Hispanics and Asian.
- **East Boston**
  - Salvadorans and Colombians.
- **Civil Society**
  - Neighborhood watches, church.

Political Externalities – Welfare

- Unauthorized immigrants ineligible. Legal immigrants ineligible for first 5 years.
  - Exception: Emergency medical care.
- Poor immigrants *less* likely to use TANF, Medicaid/CHIP, SNAP, and SSI than poor natives.
- For immigrants in welfare receiving households, average dollar value is *lower* than for natives.

Welfare State Continued

- American welfare state designed to help these groups:
  - Sick, elderly, and women.
- Immigrants are mostly:
  - Healthy, young, and men.
- Welfare for elderly (entitlements) dwarf those for immigrants and the poor.
- Better Solution: Build a HIGHER wall around welfare state.

Externalities – Crime

- Incarceration rates:
  - U.S. born: 3.51%
  - Foreign born: .86%
  - Non-Hispanic whites: 1.71%
  - Blacks: 11.6%

- Second generation Hispanic incarceration rates increase, fall in 3rd and 4th generations.

- Part of assimilation?

- Unauthorized immigrants 1/10 as likely to commit violent or prop crime than native.

•*Debunking the Myth of Immigrant Criminality: Imprisonment Among First – and Second – Generation Young Men.* July, 2006. MPI

Crime vs. Immigration, CA

Crime vs. Immigration, California
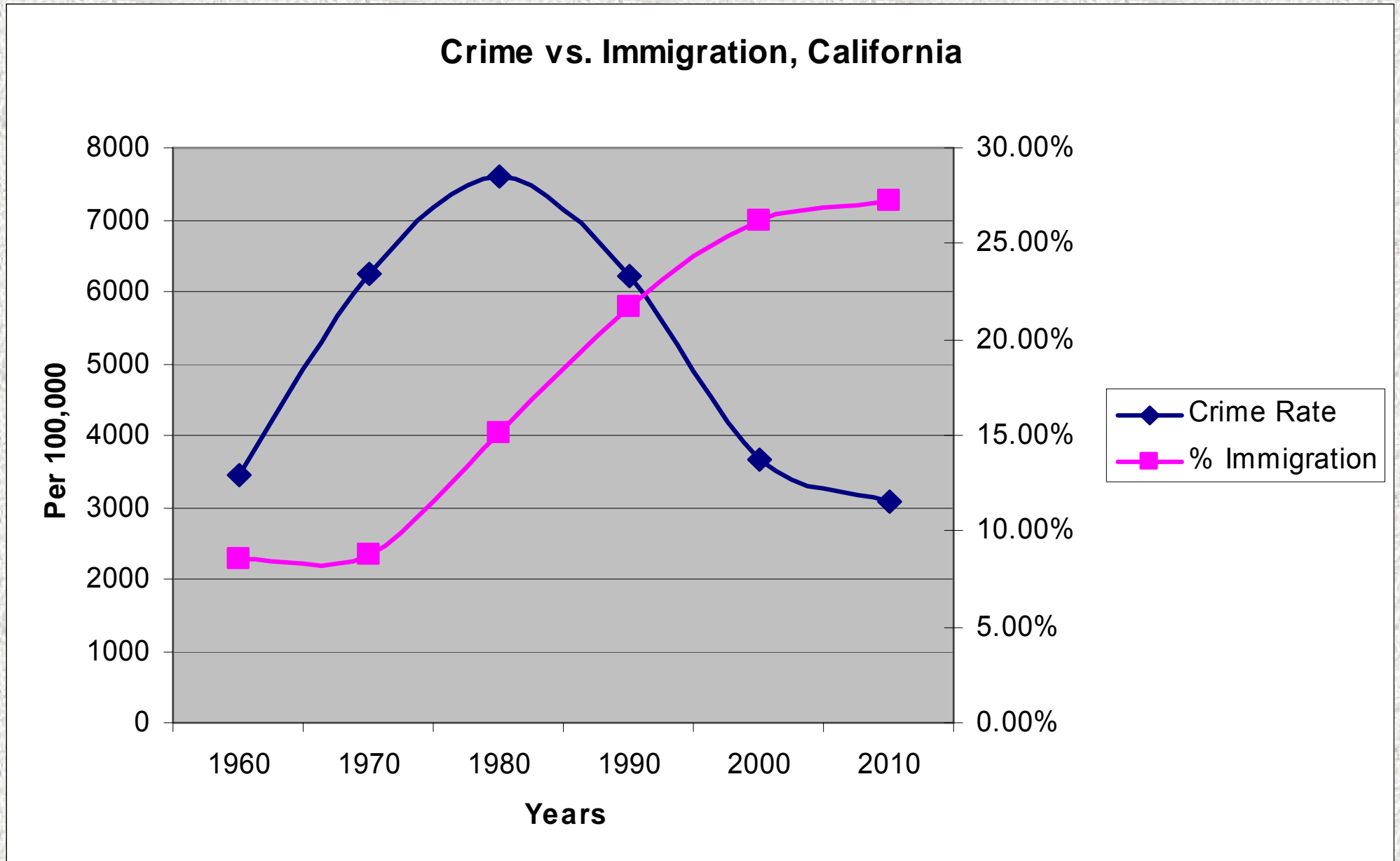
National Security

- Decade since 9/11, 37 deportation cases on terrorism grounds.
- Terrorist needle in the haystack: .1% of criminals in FBI's Integrated Automatic Fingerprint Identification System (IAFIS) are known/suspected terrorists. 73,000 out of 70,000,000.
- Smart laws and specific enforcement.