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Opinion - Immigration reform affords chance to improve economy

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As President Barack Obama discusses immigration reform with congressional leaders, it is important to keep in mind that such reform would deliver a much-needed boost to the U.S. economy. Contrary to the views of some, immigration is an economic resource that can be maximized to the benefit of both immigrant and native-born workers. A comprehensive immigration reform package that includes a pathway to legal status for unauthorized immigrants already living in the United States would increase their wages, and therefore their purchasing power and tax contributions, which would support hundreds of thousands of U.S. jobs at a time of high unemployment, and generate billions of dollars in government revenue at a time of gaping budget deficits.

Opponents of immigration reform erroneously argue 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. The best available evidence suggests that neither legal nor unauthorized immigration is the cause of current high unemployment. In fact, a report released in February by the Economic Policy Institute not only finds that immigration raises the average wages of U.S.-born workers, but fuels the growth of the U.S. economy. The report emphasizes that “more people, including more foreigners, do not mean lower wages or higher unemployment. If they did, every time a baby was born or a new graduate entered the labor force, they would hurt existing workers.” In reality, “an economy with more people does not mean lower wages and higher unemployment; it is simply a bigger economy.”

A recent study conducted by Dr. Raúl Hinojosa-Ojeda for the Immigration Policy Center and the Center for American Progress, estimates that immigration reform would add at least \$1.5 trillion in cumulative Gross Domestic Product to the U.S. economy over 10 years. Over the first three years alone, the higher personal incomes of new and newly legalized immigrant workers would generate enough consumer spending to support 750,000 to 900,000 jobs in the United States, as well as increased tax revenues of \$4.5 billion to \$5.4 billion.

A second study, by University of Southern California researchers, estimates that legalizing unauthorized immigrants would yield \$16 billion in annual economic benefits to California alone when all the “multiplier effects” of higher wages, increased consumer spending and increased tax revenue are taken into account. The study estimates that “granted legal status, California’s unauthorized immigrants could strengthen our national social safety net by bolstering Social Security and Medicare taxes by an additional \$2.2 billion annually.”

Employment is not a zero-sum game in which workers compete for some set number of jobs. Workers who earn higher wages also buy more goods and services from U.S. businesses, and pay more in taxes to federal and state governments, both of which create jobs.