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Why Old People Should Love Immigrants

By Catherine Rampell

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Earlier today Casey B. Mulligan wrote about how the entry of more women into the work force has helped sustain the solvency of Social Security, which has been otherwise stressed by the size of the retiring baby boom generation and longer life expectancies.

The decisions by many more women to trade in their aprons for pantsuits in the last few decades meant that there were more workers paying Social Security taxes — taxes that financed the Social Security paychecks given to this growing army of older Americans.

But what happens now that the actual and relative size of entitlement-receiving elderly America continues to grow? Can we induce yet another untapped labor pool to enter the American job market and replenish their elders' Social Security funding?

We can. Indeed, to some extent, we already have.

Part of what has saved the United States from some of the entitlement-funding problems plaguing our peers in Japan and Western Europe is immigration, says Stephen Ansolabehere, a professor of government at Harvard.

“Immigrants are younger than the typical American,” Professor Ansolabehere told me in an interview about the long-term fiscal challenges facing the United States. “These people are entering the work force and paying taxes, Social Security taxes, that sustain these programs.”

This means the United States can to some extent “build its way out” of its daunting baby boomer commitments. By contrast, some other countries with low birthrates and less friendly (or perhaps less porous) immigration policies have populations that are shrinking. Countries like Japan are having trouble figuring how to support so many people who consume government services but no longer work.

“Places with severely shrinking populations have to question whether they can afford a lot of the entitlement programs they already have,” Professor Ansolabehere said.

Typically economic debates over American immigration focus on whether immigrants hurt the American workers they may (or may not) compete with for jobs. But it seems Americans who have left the job market for good also have a dog in this fight.