

The Atlantic

Pushing Out Immigrants Isn't About the Economy

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January 13, 2018

German Benitez has started two small businesses, both of them restaurants in the city of Gaithersburg, Maryland. His main restaurant, Jazmin Cuisine, employs nine people. He seems like one of the last people any politician interested in job creation would want to kick out of the country.

And yet, on Monday, he learned that the U.S. government is planning to do just that. Benitez, who is 54, is from El Salvador, and like nearly 200,000 other Salvadorans, he has received Temporary Protected Status, or TPS, which allows people from disaster-ravaged countries to live and work legally in the United States—even if they entered the country illegally. The Trump administration said on Monday that it was ending TPS for Salvadorans effective September 9, 2019, though it remains a possibility that the protections will be restored by Congress.

Salvadorans first received the status in 2001, after huge earthquakes in their home country; though El Salvador has since rebuilt, gang violence and poverty remain widespread. (The Trump administration in November announced it was ending TPS for 5,300 Nicaraguans and 59,000 Haitians, effective in January 2019 and July 2019, respectively. A decision on Hondurans will be announced in July of 2018.)

Though the administration didn't offer an economic rationale for the decision, Trump has often argued that cracking down on immigration will help American workers. During his campaign, Trump pledged to cut down on immigration in order to “boost wages and ensure open jobs are offered to American workers first.” Yet, just days after the decision, *The Washington Post* reported that the president disparaged immigrants from certain countries, calling them “shitholes.”

The latest developments beg this question: What is the reasoning for the decision to end Temporary Protected Status? Is it really the economy?

Halting TPS could make the labor market worse for American citizens, not better. Research suggests that taking away legal status from immigrants may draw more people into under-the-table work, which could create even more pressure on wages at the bottom of the labor market, in industries where people employ a lot of undocumented labor. That's because many TPS recipients likely won't leave the lives they've built in the U.S. and return to countries they fear. Instead, they'll use borrowed IDs or get paid under the table to continue to work, according to David Bier, an immigration policy analyst at the Cato Institute, a libertarian think tank. That

means they'll have fewer labor protections and less leverage to negotiate for good wages, and as they get paid less, they'll compete with higher-paid legal workers, bringing wages down.

The end of TPS for Salvadorans creates a nightmare situation for people like Benitez. And it could also have an impact on regional economies with large Salvadoran populations, such as California (with 55,000 TPS recipients), Texas (45,000), and Florida (45,000). About 94 percent of male and 82 percent of female TPS holders are currently working (a rate much higher than the country's 63 percent labor-force participation rate) and contributing to Social Security and Medicare.

Tom Wong, a professor of political science at the University of California, San Diego, has found that there are 128,790 Salvadorans who earn wages or income in the United States, making \$24,429 a year, on average. Deporting them would thus cost the country about \$3 billion in annual contributions to the GDP. The removal of nearly 300,000 TPS recipients overall will also affect contributions to Medicare and Social Security, Wong says. On average, employed Salvadoran holders put in hundreds of millions of dollars to Social Security annually

“The United States benefits immensely when immigrants can work,” Wong and his co-authors wrote in a report about the economic contributions of TPS holders.

The wholesale layoff of the entire employed TPS population of Haitians, Salvadorans, and Hondurans could result in \$967 million of turnover costs, which are the costs that employers incur when employees leave a position, according to an analysis from the Immigration Legal Resource Center, a San Francisco nonprofit that advocates on behalf of immigrants. The layoffs will also force workers like Yesenia Reyes, 43, to stop paying the taxes and Medicare contributions she had been paying from the two eight-hour-a-day jobs she works cleaning hotel rooms at Los Angeles International Airport. She now makes more than \$14 an hour, because she's a member of a union, but worries that the end of TPS will make her go back to the life she was working before she got papers—limited hours in a garment factory where the owners paid her below minimum wage, and where she could barely make ends meet. “I'll have to start all over again,” she told me.

Of course, TPS was not meant to last forever—the *T* stands for “temporary”—and TPS has ended for other groups before. In September 2016, the Department of Homeland Security ended TPS for around 2,000 Liberian beneficiaries, for example. Some of those in favor of ending it for Salvadorans argue that many of them entered the country illegally and should not be rewarded for doing so. The Trump administration's decision to end TPS “underscores the temporary nature of TPS, and reminds us that it was never intended to be used as a tool to sidestep the legal immigration process,” reads a statement from Dan Stein, the president of the Federation for American Immigration Reform, a group that advocates for restricted immigration. “‘Temporary’ clearly does not mean ‘forever.’”

But comments by the president about certain immigrant groups have raised questions about the intentions of cutting programs like TPS. If these legal immigrants have helped the economy, what is the point of ending the program that keeps them here? Is it really just about the economy?