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The immigrant economy

By [RON BILBAO](#) | The Daily Tar Heel
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Fresh off their victory in the midterm elections this month, Republicans in Congress are prioritizing their agenda for the 112th session. At the top: jobs, debt, and the economy. Meanwhile all signs of addressing real and necessary immigration reform are fading quickly. In light of this, let's take a look at how immigration reform could aid in growing the U.S. economy.

A new report, "Raising the Floor for American Workers," found that legalizing undocumented workers through comprehensive immigration reform would yield \$1.5 trillion to the U.S. Gross Domestic Product over a 10 year period, generate billions in taxes and support hundreds of thousands of jobs.

There are logical reasons for this. When people shop at the mall, we all benefit, regardless of who those shoppers are. When more people receive paychecks, Uncle Sam collects more taxes. When people are legally able to attain a job, they will open bank accounts, purchase homes, start businesses and invest.

Some argue this increased consumer power comes at the cost of jobs that belong to citizens. The opposite is true. Immigrants arriving to work in America frequently work low-skilled, low-paying jobs that today are rapidly moving overseas.

In the study "Immigration, Offshoring and American Jobs," economists describe companies moving offshore as competing directly with immigrants within our own borders for the same low-wage jobs they are trying to move abroad. The report found that when "immigration is rising as a share of employment in an economic sector, offshoring tends to fall, and vice versa." Simply put, immigrants are fighting for low-paying jobs here, while American businesses search for cheaper labor elsewhere.

Meanwhile, legal or not, immigrants continue to pay into our system of public benefits knowing they may not qualify for them. In 2005, the last time the figures were available, the Social Security Administration received \$9 billion in tax revenue from people with fake social security numbers. According to the New York Times, that was 10 percent of the surplus in the system for that year.

Immigrants are also crucial to North Carolina's economy. Our own Kenan-Flagler Business School reported in 2006 that Hispanics contributed more than \$9 billion to the state's economy through purchases, taxes and labor. If all undocumented workers left North Carolina, the state would lose \$14.5 billion in economic activity and \$6.4 billion in gross product, according to a study by the Perryman Group.

Still some elected officials see mass deportation as the only solution to our growing immigration dilemma. The Center for American Progress has estimated that it would cost up to \$230 billion over five years to deport these workers. The CATO institute, a Libertarian think tank, found that it would reduce American household income by \$180 billion in 10 years.

Let's face the facts: The American business relies on the immigrant worker, not just for the cheap labor, but to fill the low-skill jobs that American citizens don't want and that businesses won't hire them for. If this new Congress really wants to remedy the economy, then it must address immigrant workers and the businesses that benefit from exploiting them.

The bottom line: If you're for financial reform, you've got to be for immigration reform.

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