



Reducing immigration would deal big blow to local economy, study finds

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March 8, 2019

Houston's economic future depends on continued immigration, and slashing it by 30 percent would cost the regional economy \$51 billion by 2036, according to a study released Thursday.

The report by the Center for Houston's Future, a think tank associated with the Greater Houston Partnership, found that a continued flow of immigrants at existing levels or higher is crucial for businesses in the region to attract enough skilled and unskilled workers.

A 30 percent increase in immigration in that time frame would produce a \$67 billion economic gain, roughly one-sixth of the city's current economic output, according to the study. More than half of all jobs added within the next three decades will be filled by foreign-born workers, the researchers found.

The findings, along with research by the New York-based nonprofit New American Economy, were presented Thursday at Rice University's Baker Institute for Public Policy. Houston business and civic leaders, including Mayor Sylvester Turner and Harris County Judge Lina Hidalgo, stressed the value immigrants bring to the area and encouraged executives across all sectors to press state and federal lawmakers for immigration-friendly policies.

"If we want to continue to progress as a city, region, and state, this is key to our economic future," said Brett Perlman, the Center for Houston's Future's president.

As the politics around immigration have grown increasingly rancorous, Perlman said, business leaders have come to see them as so insurmountable that they aren't speaking out as they have in the past — even as many struggled with the effects of President Donald Trump's policies.

At one institution in the Texas Medical Center, the study found 92 percent of its biomedical researchers are foreign-born at a time when the administration has made it harder to receive professional work visas and moved to rescind spouses' work visas. Increasingly, medical researchers are coming here for training, then returning home.

"This leaves the (medical) sector in a position where it is essentially training its global competition," the study said.

The medical center institution, which was not named in the report, saw the number of patients coming from the Middle East drop by half after Trump's travel ban limited such visitors. International patients traditionally are very profitable for the industry. On the other hand, patients

lacking legal status were showing up sicker after delaying their care out of fears of deportation, the researchers found.

The political sensitivity of the issue makes advocacy difficult, said Chelsie Kramer, state organizer for the New American Economy.

Without enough immigrant workers, "(businesses) don't know how they're going to keep their doors open, but they can't speak out on it because they're afraid of backlash," Kramer told the Houston Chronicle editorial board.

The findings, the first to evaluate immigration's economic impact locally, came as a new University of Texas poll found border security and immigration topped voters' lists of the most important issues in the country and the state, with education coming second.

New statistics this week showed the number of mostly Central American families and children crossing the border illegally broke records again in February — the fourth time in the last five months — as their apprehensions surged to about 43,000, putting federal authorities at what they called a "breaking point." Advocates said many are coming illegally after being unable to claim asylum at legal ports of entry, but supporters of Trump's emergency declaration to build a border wall said the influx justified his move.

"Immigration is becoming more and more polarized at the federal level," said Jeremy Robbins, executive director of the New American Economy, an immigration advocacy group. "The business community has become the most important voice in this fight."

Robbins noted business leaders had rallied to defeat the so-called "bathroom bill" in the 2017 legislative session, but stayed relatively quiet against Senate Bill 4, an expansive proposal that mandated local governments cooperate with immigration authorities. By contrast, a similar measure failed in 2011 after Houston home builder Bob Perry and San Antonio grocery store magnate Charles Butt opposed it.

With the Legislature again considering the repeal of in-state tuition for immigrants here illegally, Robbins said the business community must be vocal.

More than 60 Texas businesses signed a "Texas Compact" last month, pledging support for solutions to meet their labor needs. They urged lawmakers to strengthen border security, but also to create a path to legal status for the state's 1.8 million immigrants here illegally who contribute about \$1 billion in state and local taxes.

Houston's approximately 400,000 immigrants here illegally earned \$11 billion in 2016, paying \$742 million to federal taxes and \$448 million to state coffers, according to the New American Economy study.

The compact particularly urged a resolution for about 124,000 Texans who came here illegally as children and were granted temporary work permits under the Deferred Action for Childhood Arrivals program; and about 44,800 from countries damaged by war or natural disasters who are authorized under a Temporary Protected Status. Trump has rescinded DACA and ended TPS for many countries, though both those moves remain mired in litigation.

Tony Payan, director of Rice's Mexico Center, said decades without meaningful immigration reform in Washington had created a "gray market," particularly in Houston's construction

industry — about half of which is estimated to consist of workers here illegally. To evade federal penalties, companies subcontract employees, leading to worse safety conditions and lower wages.

"This is bad policy," Payan said. "To simply assume that if we close our doors, employers will be forced to hire workers at whatever wage they want, that's not how the economy works and that's just not the case. What will happen is that things will simply slow down."

Research, including by Harvard economics professor George Borjas, has found that immigration tends to lower the relative wages of high-school dropout American workers by about 2 percent, while typically raising the wages of the other 90 percent of U.S. workers, according to the the libertarian-leaning Cato Institute, a Washington, D.C. think tank.

"Without immigration we can not fully recover from the devastation caused by Hurricane Harvey," said Mayor Turner. "All the money in the world means nothing if we do not have enough people to help us get the job done."