Immigration and Alternative Facts

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The immigration debate has been heated with both sides armed with numbers. I rely on numbers to make better decisions. The problem regarding the immigration issue is that too often the veracity of the data is clouded by emotion. As I sought numbers that might shed light on immigration's economic impact I encountered the expected: contradictory "evidence." Or as some describe it: many alternative facts.

I have a process under such circumstances. First, take the data from the extreme elements and circular file it. Second, determine if any of the sources are unbiased, and if not, look for commonality among the most credible left- and right-leaning sources.

Still, gathering reliable data is not the only challenge. Understanding what is relevant and putting the data into context is another.

Two estimates of unauthorized U.S. workers — Pew Research and the Department of Homeland Security — are fortunately similar: DHS puts the number at 11.4 million in 2012 (their latest published estimate) while Pew pegs it at 11.1 million as of 2014.

Eleven million is a big number, though not quite as big as some of the numbers bandied about. Our illustrious president uttered the "30 million" number during the campaign claiming — surprise — that the government's data couldn't be trusted.

President Trump's estimate is of the circular file variety.

So let's put the credible 11 million number into context. It sounds big, but it's only about 3.5 percent of the U.S. population. In that context, it doesn't seem quite as substantial. But that's a national average, and no one lives in the state of national average. A geographically specific view provides more relevance.

Ten states account for 71 percent of the unauthorized worker population. Translation: for the other 40 states, illegal immigration is a non-issue. California, Texas, Florida and New York would seem to have the largest issue. But look closer: New York has 7 percent of the total unauthorized immigrant population, yet that only constitutes 3.9 percent of the state's population — slightly above the national average. Except I suspect a more granular cut would reveal that New York City may have issues while Buffalo not so much.

In our neck of the woods (with the exception of perhaps Massachusetts) New Hampshire, Vermont and Maine have little worries. Collectively they have fewer than 20,000 unauthorized immigrants or 0.6 percent of the population of the three states. Massachusetts is estimated to have 210,000 unauthorized immigrants accounting for 3.1 percent of its population.

It's also worth mentioning that, according to Pew Research and DHS, the number of undocumented workers in this country has declined by approximately 10 percent from the 2007 peak. And according to the U.S. Border Patrol, apprehensions from Mexico have plummeted from 1.6 million in 2000 to 193,000 in 2016.

Here's another tidbit: the Customs and Border Protection budget has increased by 75 percent over the last decade, and the number of Border Patrol agents has doubled to more than 18,000.

Let me quickly summarize the unauthorized immigration conversation because I'm more interested in the legal immigration problem far fewer people talk about.

Do unauthorized immigrants depress wages? Marginally at the minimum wage level, but inconsequentially (if at all) in higher income brackets. Do they drain resources from the system? It depends on who you believe. Based on the data I reviewed, this too is a state level issue, not a federal one.

As for crime, which takes a human and financial toll, according to the Cato Institute both illegal and legal immigrants have incarceration rates far below those of native-born Americans. Then again, the Cato Institute is left-leaning, right?

Wrong.

They're libertarians.

Oh … talk about an inconvenient truth. Nonetheless, maybe a trillion dollar wall will completely resolve this relatively minor regional problem.

The moral of this story: Sadly, these days it's difficult to know what to believe from media reports because it's either blatantly false, intentionally skewed or being reported by talking heads who don't bother to peel away the layers of the onion. But who can blame them? The audience that pays the bills doesn't seem inclined to invest the time either.

Now for an aspect of immigration that has a real economic impact: legal immigration in the form of H1-B and L-1 visas.

I've written about the H1-B visa shell game for decades. The program had a legitimate origin: to fill "specialty occupations" where shortages of skills exist among the U.S. workforce. Specialty occupations are defined as those requiring theoretical and practical application of a body of highly specialized knowledge in a field of human endeavor.

These visas are a favorite of the technology industry, which repeatedly claims it can't find qualified Americans to fill its jobs. The press, and just about everyone except the people being displaced, have bought into this myth.

The reality is that the technology industry isn't using this program to fill specialty occupations. It's using it to fill basic information technology (IT) roles such as database and network administrators, and low to mid-level programming jobs.

There is no shortage of Americans who possess these skills. The problem technology companies are attempting to solve is having to pay U.S. citizens more money to perform these roles — in some cases substantially more.

H1-B visas have an annual cap of 65,000, but applicants with a Masters degree effectively raise it to 85,000. Between 1999 and 2003 the cap was as high as 195,000. It would seem unlikely that 85,000 workers could have a material economic impact, except that visa holders can stay in the country for up to six years.

Concrete estimates of the number of H1-B visa holders in the U.S. at any one time are fuzzy, but most sources peg it between 500,000 to 700,000. According to the U.S. Census Bureau, there are about 2.5 million IT workers in America. That would mean that between 20 to 28 percent of the domestic IT workforce isn't domestic at all, but imported.

The University of Michigan's Institute for Social Research recently published a study on the economic impact of H1-B visas that examined the peak period from 1994 to 2001.

It concluded the following: In the absence of immigration, wages for U.S. computer scientists would have been 2.6 to 5.1 percent higher and employment in computer science for U.S. workers would have been 6.1 to 10.8 percent higher in 2001. On the positive side, it found that immigration also lowered prices and raised the output of IT goods by 1.9 to 2.5 percent.

A little-known program — the L-1 visa — is in some ways even more insidious. It allows foreigners — who work for U.S. corporations abroad for at least one continuous year within the previous three prior years — to apply for admission to the U.S. In essence the program is a "back door" that allows U.S. companies to hire workers abroad and then transfer them to the U.S. There are no annual caps on L-1 visas

President Trump has drafted an executive order to study all worker visa programs. It directs appropriate agencies to work on changing those programs to benefit U.S. employment and economic productivity.

The question is: Will the high-tech lobby continue to convince the powers that be that economic productivity trumps U.S. employment?