

Deporting Customers Hurts the Economy

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Immigration is mainly about economics. Immigrants are drawn to America's economic prosperity, and many U.S.-born are anxious that immigrants will somehow ruin it once they arrive. Sen. Jeff Sessions (R-Ala.) went so far as to say the current immigration reform bill before the Senate would "take jobs and pay from U.S. workers."

Those critics of immigration forget that immigrants aren't just workers, they are also consumers of products made by Americans.

Hispanic and Asian Americans have around \$1.9 *trillion* in annual purchasing power -- about 16 percent of total purchasing power, according to a recent report from the Selig Center of Economic Growth from the University of Georgia. Hispanic and Asian immigrants have dominated both lawful and unlawful immigration in recent decades, while their Americanized descendants are responsible for much of American population growth.

Without that \$1.9 trillion in purchasing power, Americans will have lower wages and fewer employment opportunities. Immigrants and their descendants did not take that \$1.9 trillion in wealth from Americans -- they made it by working, creating businesses, and making the goods and services that people want to buy. In turn, they spend much of it here.

Some critics will say, "But I see immigrants shopping at immigrant owned stores. That doesn't help Americans." It actually does. The American economy is so interconnected that even if immigrants mostly buy from immigrant owned businesses, U.S.-born Americans still benefit.

Take agriculture as an example. In some states, most agricultural workers are immigrants -- most of them illegal. More lower-skilled immigrant workers allow farmers to plant more food of a greater variety, which reverberates up and down the chain of production.

Truck drivers, mechanics, agronomists, and others see their incomes rise and employment opportunities multiply when farmers increase production because of more immigrant workers. Best of all, American consumers get more food at a lower price, freeing up income for spending elsewhere.

But immigrants also buy goods that they had a hand in producing. From groceries to cell phone contracts to gasoline, immigrants buy goods and services at least partly produced by Americans. Unless immigrants only buy goods and services produced by other immigrants *at every stage of production*, which is practically impossible in our economy, many Americans end up selling their products to immigrants.

Critics will also say, "Immigrants send billions of dollars to their home countries. That makes us poorer!" Also not true. The wealth that those dollars represent would not have been created in the first place without immigrants working here. Immigrants can't send all of their money overseas, otherwise how would they live?

But the economic benefits go beyond goods and services. Immigrants, for example, demand an enormous amount of real estate. Whether through renting apartments or buying houses, immigrants pay a lot to landowners, who are overwhelmingly American citizens. Those American landlords and homeowners then see the value of their property increase.

Removing immigrants would therefore lower the value of real estate -- understood to be one of the biggest drivers of long-term wealth of any sector.

During the housing bust, Arizona passed two laws that forced businesses and the police to target unlawful immigrants. As a result, around 200,000 of them left the state, mainly from the Phoenix area, and took their purchasing power with them. The jobs they left behind in construction and agriculture remained unfilled along with their vacated apartments and houses.

In the six years after April 2006, the home price index for the 20 largest metropolitan areas in the nation declined by 32.9 percent. In the Phoenix area, the price index declined by a whopping 51.29 percent.

The housing bust, caused by myriad other factors, was exacerbated in Phoenix by forcing 200,000 consumers of real estate out of the region. After those laws were passed, home and rental vacancy rates in Arizona were consistently above those in California and New Mexico. Years after the Arizona laws were passed, Albuquerque and Los Angeles recorded vacancy rates that were 50 to 75 percent lower than those prevailing in Phoenix. For our service economy, where the most valuable asset many Americans own is their home, importing more consumers will be a blessing while removing the ones here will be a curse.

Most immigration critics insist that we need to account for the cost of immigrants when setting policy. They're absolutely correct. Immigrants contribute to the U.S. economy and create wealth, and ample numbers of them should be allowed to legally come, work, and remain.