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Left and Right Agree: Immigrants Don't Take American Jobs

By: Niraj Chokshi – March 22, 2013

As Congress considers immigration reform, experts across the political spectrum say American jobs are safe.

That immigrants take the jobs of American-born citizens is “something that virtually no learned person believes in,” Alex Nowrasteh, an immigration expert at the libertarian Cato Institute, said at a Thursday panel. “It’s sort of a silly thing.”

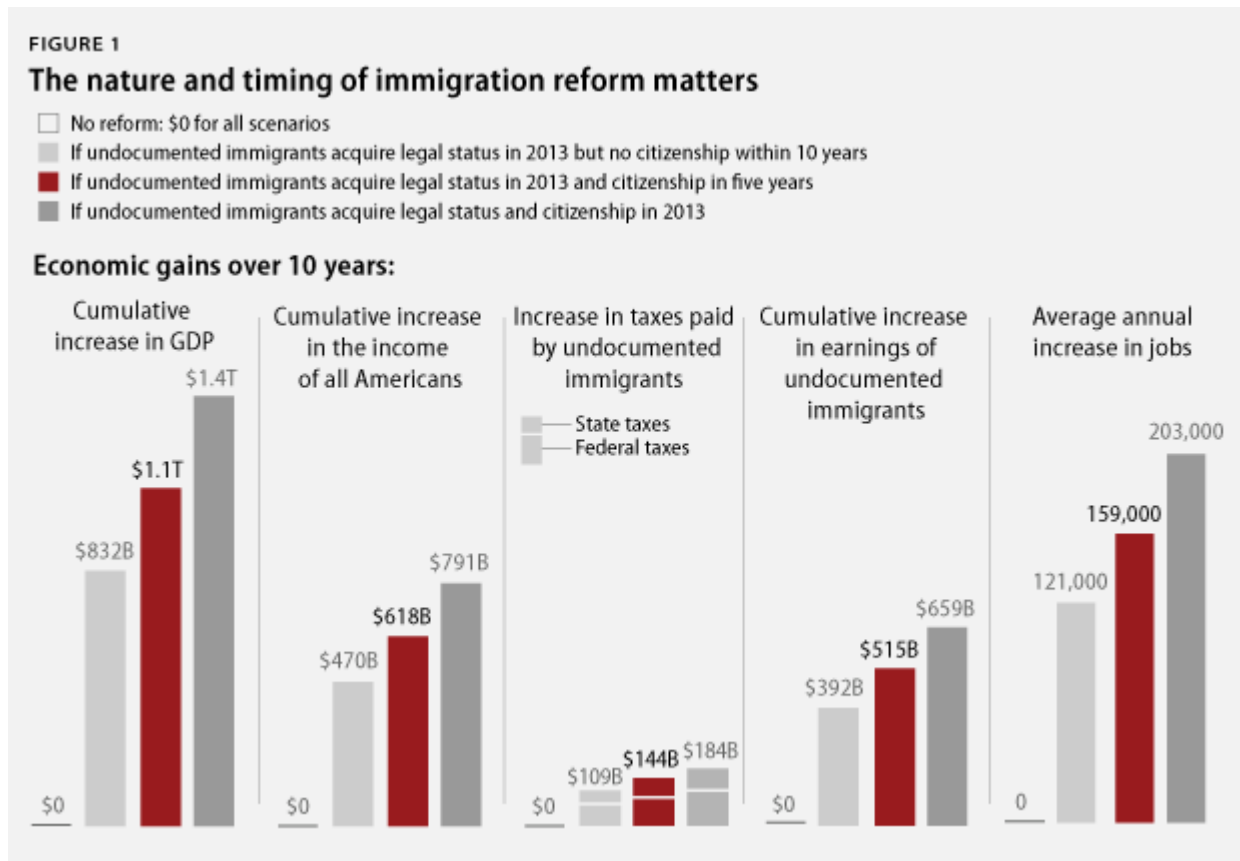
Most economists don’t find immigrants driving down wages or jobs, the Brookings Institution’s Michael Greenstone and Adam Looney wrote in May. In fact, “on average, immigrant workers increase the opportunities and incomes of Americans,” they write. Foreign-born workers don’t affect the employment rate positively or negatively, according to a 2011 analysis from the conservative American Enterprise Institute. And a study released Wednesday by the liberal Center for American Progress suggests that granting legal status to undocumented workers might even create jobs.

The CAP study, led by the visiting head of the Washington College economics department, sought to predict what would happen under immigration reform. The researchers considered a handful of scenarios. In each, it was presumed that the nation’s 11 million undocumented immigrants would be immediately granted legal status. They then looked at the effect of those undocumented immigrants not being granted citizenship at all over a decade, getting it immediately, or getting it in five years.

Legal status alone would lead to the creation of 121,000 extra jobs annually over the next 10 years, they found. Getting citizenship within five years would increase that to 159,000 jobs per year. And receiving both legal status and citizenship this year would create an extra 203,000 jobs annually.

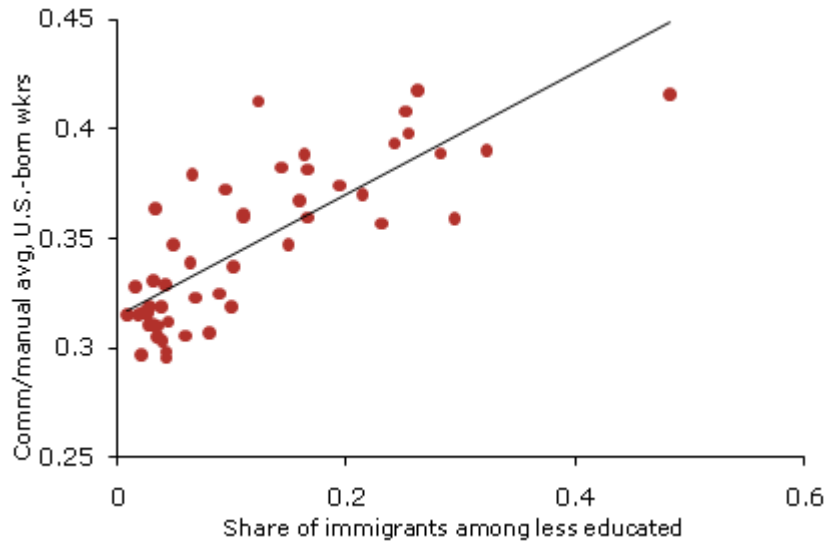
The logic behind the gains is simple. Legalization and citizenship allow the undocumented to be more productive and earn higher wages. The increased earnings can then be spent on food, clothing, housing, and other purchases. “That spending, in turn, will stimulate demand in the economy for more products and services, which

creates jobs and expands the economy,” the authors write. (The jobs data are depicted to the right in the chart below.)



Some research has found that high-skilled immigrants are very entrepreneurial and drive a lot of job creation. And a 2010 Federal Reserve Bank of San Francisco study suggests that even low-skilled immigrants may have a positive effect on their native counterparts, boosting productivity and stimulating investment.

In states with many less-educated immigrants, for example, their native-born counterparts also held more communications-intensive jobs. The strong correlation between the two suggests that low-skilled immigrants may have pushed more of the native-born into those higher-paying communications jobs that the immigrants themselves could not hold due to language barriers.



While estimates of the number of jobs created by immigration reform varies, the consensus is clear: There's no threat to American jobs. Immigrants don't even compete directly with U.S.-born citizens for jobs, according to an August study that looked at the impact of immigration on manufacturing from 2000 to 2007. "Easier immigration had no impact on the share of jobs held by native Americans," the immigration economists found.

The debate is stronger over the impact immigration has on wages. One influential study famously found that American-born workers' wages dropped by about 3 percent over two decades due to immigration. But many others found no effect. In all, the Brookings researchers wrote, the research tends to suggest wages are safe.

"Estimates from opposite ends of the academic literature arrive at this same conclusion, and point to small but positive wage gains of between 0.1 and 0.6 percent for American workers," they found.