

## Trump Shouldn't Ban Migrants Who Create Jobs for Americans

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President Trump is planning to stop issuing work visas to temporary migrant workers on most visa categories for at least the rest of the year and probably until the end of his administration. The president says he wants to keep migrants from taking jobs from Americans, but new workers don't just take jobs — they create them.

Companies hire workers to produce what consumers want. The more consumers want, the more production and hiring is needed. But where does this consumer demand come from? It comes from the wages that consumers received as workers, wages based on the worker's productivity. This means that every time a company employs a worker to increase production, it indirectly creates demand for *other* workers at *other* companies.

This is an economic fact. As long as consumers value what workers produce, that production will lead to demand for other workers and more production elsewhere. This explains how the labor force in the United States could double since 1970 but not lead to 50 percent unemployment. New workers create jobs for other workers.

But unemployment is high right now, and it's high precisely because many people can't work or consume due to the pandemic. Fear of the virus and government orders to shelter in place have prevented many million Americans from working. When the pandemic subsides, consumption and work will resume. But does that mean that more workers would hurt the recovery? Just the opposite. The faster employers can fill open jobs, the faster consumer demand will increase, and the faster job growth will increase.

New migrant workers specifically are important during an economic recovery because they quickly go to where they are most needed. Meanwhile, very few unemployed Americans are going to sell their houses and abandon their friends and families to go to a different city that needs workers, especially during a temporary downturn like this one.

George Borjas, the most prominent economist who studies immigration, says that immigrants “grease the wheels of the labor market” because they are so mobile — by definition. It's not that Americans would never adjust, many of us have moved across the continent for opportunity. It's that by helping employers fill jobs quickly, immigrants speed up the virtuous cycle of increasing production and consumer demand that creates jobs. Borjas estimates that immigrant “greasing” of the labor market, along with their other impacts on the economy, increases wages by about \$51 billion for native-born American.

Another related benefit for U.S. workers is that new workers make it easier to hire and employers respond by hiring more. Simply put, lowering the cost of hiring leads to more of it and in a comprehensive review of papers on the topic, the National Academy of Sciences concluded that “immigration can lower native unemployment by reducing search costs for employers.”

And all this ignores the types of jobs that foreign workers are coming to perform, many of which have saved American jobs during the pandemic. H-1B workers overwhelmingly work in the information technology sector, and economist Adam Ozimek has found that remote work “has reduced the risk of job loss early in the crisis by 32 percent to 53 percent.” He and several other researchers have found that states with higher shares of IT saved more jobs.

This explains why — as the National Foundation for American Policy has found — the unemployment rate in computer jobs has actually fallen during the pandemic. Yet this ban will affect them most of all, as computer jobs dominate categories like the H-1B and L-1 high skilled worker programs — both of which are on the President’s chopping block. It’s strange to ban workers that the economy is saying we need *the most*.

Similar stories could be told at the lower end of the pay scale where immigrants working in the delivery and service sectors are facilitating e-commerce to allow consumers to order online and sanitizing services that make people feel more comfortable about going to work and to the store. Without these activities disproportionately performed by immigrants, consumer demand would have tanked even further and more jobs would have been lost.

The good news is that the economy — as the president himself continues to emphasize — is already rebounding and unemployment is falling. But a sharp recovery requires that employers be able to follow through on their hires and get back to normal as soon as possible. By targeting their foreign employees, Trump is undermining, not aiding, the recovery.

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