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BROWN POLITICAL REVIEW

America Needs More Immigrants

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American birth rates are low, and that's a problem. There are two ways to increase the population: incentivize childbirth or incentivize immigration. While it's beneficial that the new Covid-19 stimulus will include guaranteed income for parents via the child tax credit, the birth rate is not going to reach the replacement level (the number of births per woman that will sustain the population at its current level) overnight. Even if it did, it will be over two decades before babies born today reach their full economic potential. Immigration, on the other hand, invites workers who are already in their productive primes. They can enter the labor force immediately and start paying taxes, buying products, and supporting the aging population. Importantly, easier and faster immigration can improve the disastrous human rights situation on the American southern border, including the squalid refugee camps full of would-be American workers who are being denied legal access into the country. In short, immigration is a positive-sum game: native-born Americans and immigrants both benefit.

The Brookings Institute estimates that, due to the pandemic, there will be about 300,000 fewer births in 2021 than in 2020, pushing down an already record-low birth rate that has been declining since the Great Recession. The current replacement level for the American population is 2.1 children per woman; as of 2019, women are only giving birth to 1.7 children each. There are plenty of reasons for this baby bust. Economic uncertainty, easier access to birth control, and more employment and educational opportunities for women delay the age that women begin bearing children.

An aging population that is not replaced by young workers puts pressure on social programs. Without a young working population to contribute to programs like Medicare and Social Security, the solvency of these programs is jeopardized. More fundamentally, there are fewer workers available to produce and fewer consumers available to consume. These supply and demand shocks, in turn, lower the US' potential output. Recent economic research shows that "falling labor force growth may explain a substantial part of the decline in firm entry and dynamism in the US economy." Natives and immigrants alike are worse off when immigration is drastically curtailed.

More immigration is a solution to the demographic crisis. The most frequently cited argument against allowing greater immigration into the US is that immigrants will “steal” jobs from native-born Americans and reduce native wages. The economics on this point is nuanced, but the primary concern that immigrants steal native jobs is largely unfounded. The economic benefits of immigration to domestic labor markets generally outweigh the costs.

The famous Mariel Boatlift illustrates the type of exogenous labor supply shock that results from increased immigration. In 1980, Fidel Castro announced that Cubans would be allowed to emigrate to the US from the Cuban port of Mariel. Within five months, approximately 125,000 Cuban immigrants had arrived in Florida, especially in Miami. The common concern in a situation like this is that new, low-skilled immigrants will outbid native low-skilled workers for jobs because immigrants demand lower wages than natives.

University of California, Berkeley economist David Card wrote an influential paper concluding that “the Mariel influx appears to have had virtually no effect on the wages or unemployment rates of less-skilled workers, even among Cubans who had emigrated earlier.” The immigration-skeptic and Harvard economist George Borjas disagreed, but his analysis has been criticized for massaging the data and using a small sample set (about two dozen male high-school dropouts in Miami). Borjas did not actually dispute that the boatlift had no effect on the wages or employment of most Miamians. He merely claimed that there is a very small subset of male high school-dropouts who were affected, while everyone else was not. The economist Michael Clemens details the Mariel Boatlift controversy and concludes that Card, not Borjas, is right. Moreover, economists Giovanni Peri and Vasil Yasenov published an academic riposte several months after Borjas’ paper was released that reduced Borjas’ claims to “measurement error.” But even if Borjas was right, the impacts he found are extremely limited in scope. The negative consequences are either marginal or simply nonexistent. If the total benefits to a community outweigh the total costs, then those benefits, in the form of larger tax revenues due to a bigger population, can be redistributed to compensate any potential economic “losers.”

It seems logical to assume that a labor supply shock like the Mariel Boatlift could lead to reduced native wages or employment. **It is necessary to recognize that an increase in population does not just increase the number of *workers* in the labor force but also increases the number of *consumers*.** While there were more workers in Miami than there had been before the boatlift, those workers also required new goods and services, which in turn increased the equilibrium quantity of goods demanded and created new jobs.

Mariel aside, “most academic research [on immigration] finds little long run effect on Americans’ wages,” according to the Penn Wharton Budget Model. Immigrants bring more than just increased demand for goods and services. In a sample of 11 immigration-heavy states between 1995-2008, 24 percent of entrepreneurs were immigrants. A 2015 National Academy of Sciences report found that “immigrants appear to be taking low-skilled jobs that natives are either not available or unwilling to take.” Immigrant parents also have more children on average than native-born Americans, further sustaining the US population.

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Other arguments levied against immigration include the claim that immigrants are more likely to commit crimes, especially violent crimes. As of 2019, 42 percent of Americans believed that

increased immigration also increased crime, according to Gallup. However, this belief is not supported by empirical research. A study published in 2020 found that because “there is little evidence to suggest that immigration increases the prevalence of violence... [government policies that restrict immigration in order to reduce crime] are unlikely to deliver on their crime reduction promises.” Yet another study found that “immigration is consistently linked to decreases in violent (e.g., murder) and property (e.g., burglary) crime,” in metropolitan areas between 1970-2010.

One article published by the Cato Institute, a conservative think tank, examines the differences between the crime rates of legal and illegal immigrants. The author writes, “Even [in the politically-conservative state of Texas], illegal immigrant conviction rates are about half those of native-born Americans – without any controls for age, education, ethnicity, or any other characteristic. The illegal immigrant conviction rates for homicide, larceny, and sex crimes are also below those of native-born Americans. The criminal conviction rates for legal immigrants are the lowest of all.” Crime rates cannot be justifiably used to criticize more open immigration policies.

Easier legal immigration into the US will also curb illegal immigration. When visas for legal seasonal workers from Mexico are expanded, illegal Mexican immigration declines rapidly. The federal government and states should act accordingly to make the sluggish legal immigration system less cumbersome so that immigrants can be processed in a faster, more secure way. The economic data alone is compelling enough to warrant pro-immigration policies. Failure to act becomes especially senseless and morally objectionable when human rights are taken into account. Violence, financial insecurity, and climate change all compel people to leave their homes to seek refuge, opportunity, or higher standards of living. American immigration policies should reflect the inalienable dignity of all people and treat immigrants with compassion while also defending the rights and security of the native population. These two goals are not mutually exclusive.

America needs more immigrants. Population dynamics demand immigration and economics validate it. Countries like Japan, which faces even lower fertility rates than the US, have boosted immigration to increase the labor supply with great success – and without the xenophobia characteristic of the American immigration debate. The US needs an immigration system that is more nimble and able to handle a larger volume of legal immigrants. Without more immigrants, the US population will decline and American influence will decline with it.