



The unintended consequences of poor immigration policy

Richard Gearhart

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Even though many don't care to admit it, there are tremendous benefits to large and consistent levels of immigration. In fact, most of the negative impacts of immigration to the United States are on older immigrant populations and individuals with less than a high school diploma: a shrinking population. Nearly every economic study suggests that immigrants provide no net loss to American society, with several finding small (but substantial) net benefits. In fact, there is very little economic basis on which to argue against immigration, though "pseudo-economists" would like to try it (with shockingly inept and poorly constructed arguments). The Cato Institute, a truly Libertarian organization, has repeatedly issued findings on the lack of evidence that crime follows immigration, with many studies finding the opposite: crime does not follow immigration.

Let's review some recent Kern County evidence to find the truly deleterious impacts of poor immigration policy recently. Since 2010, the average wage in Kern County has increased by only 9.5-percent, an abysmally low number, indicating that workers are worse off in terms of purchasing power. In the same vein, the number of new (legal) immigrants has increased by 55.6-percent, in part due to the low number of new immigrants that enter each year. Correlating the two, we find a nearly perfect positive correlation; or, more immigrants lead to higher hourly wages in Kern County!

Some may argue that the true impact on wages is felt by illegal immigrants entering the county, driving down wages. But again, that would lead to an even stronger positive correlation than what we see, using the standard, neoclassical model that "pseudo-economists" like Stephen Moore trumpet! An increase in the number of potential workers should drive down wages dramatically, hurting all domestic workers. And yet, that's not what we see. It appears that the standard "immigrants depress wages" story is going the way of the Titanic.

Let's review some other evidence. In the first quarter of 2018 (data on the second quarter of 2018 should be available shortly, as there is a lag between collection, calculation, and publication), employment in Kern County fell by 9,733 workers. The labor force fell by 3,433 workers, while unemployment increased by 6,300 workers. Though these are statistically correct by nature, this hints that something strange is occurring in Kern County's labor market. There were 12,833 fewer farm workers this quarter, compared to the fourth quarter of 2017. Though some of the decrease is seasonal, as farmworkers migrate elsewhere for employment, this number is unusually large historically.

Economists measure informal employment as the difference between the number of employed persons and the number of persons earning wages and salaries. Between the fourth quarter of 2017 and the first quarter of 2018, the number of informal workers employed in Kern County rose by almost 6,000 workers. In fact, it appears that a tremendous amount of losses in employment that are much more immigrant-intensive than other industries is the shifting of workers. It is nearly 50-percent of the decrease in the farm laborer workforce!

Poor immigration policy does not mean that employers are going to simply stop using existing, productive workers. It means that they will shift how they are classified or, even worse, start paying employees under the table. Not only does that limit labor protections for all workers, it removes sources of tax revenue from the state coffers, indicating that future tax increases may be necessary. It also pushes individuals to the fringes of society, again limiting their tremendous contributions to Kern County. That's the message we should be sending to our leaders. Rather than mis-informed decisions based on mis-informed data (rather than simple ignorance), immigration is a key driver in both the U.S. and Kern County economies. To forget this fact is to perhaps burden Kern County with an economic anchor that will not be easy to shake.