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Immigration Reform Is Good for Economic Recovery



SOURCE: AP/Mike Derer

A day laborer from Puebla, Mexico who now lives in Passaic, New Jersey, talks about his experiences with worsening wage abuse as the economy has declined.

By **Angela Maria Kelley**, **Gebe Martinez** | November 30, 2009

There are signs that the nation is slowly emerging from the longest and most severe recession since the Great Depression. But a full economic recovery will require solid thinking about the strength of our workforce so that we are better positioned to produce and consume goods, contribute to the tax base, and expand job opportunities for all. An overlooked source of economic recovery will be the passage of comprehensive immigration reform.

It might seem counterintuitive to enact immigration reforms and legalize up to 8 million workers in the United States who are without documents, including many who pay taxes. But the simple truth is that updating our immigration laws will generate tax revenues by requiring all workers and employers to be in the system and level the playing field for business owners who play by the rules. And now couldn't be a better time: Current **immigration rates are down** mainly due to the economy, which gives us a chance to assess how many immigrant workers our economy needs.

Comprehensive immigration reform would require current undocumented immigrants and their employers to pay their full and fair share of taxes once they come out of the shadows and register to earn legal status. The reform bill passed by the Senate in 2006, which included a legalization program, would have generated **\$66 billion in new income and payroll taxes** during 2007-2016, according to the Congressional Budget Office.

Fixing the immigration system would also level the playing field for business owners. Reforms would keep law-abiding businesses from constantly being undercut by outlaw employers who exploit workers by making them work in substandard conditions and at lower wages. Workplace rights, which are sought by labor unions that have united behind comprehensive immigration reform, will put upward pressure on wages, which will benefit native workers, as well.

Unfortunately, immigration hardliners are attacking immigrants under the false pretense of fixing the economy. They are

demanding that the Obama administration round up undocumented residents at their worksites and deport them so that jobs can open up for U.S. citizens. That assertion belies smart economics and simple logic. Consider:

Federal officials could not find and deport the estimated 12 million people who are now in the country without proper documents, including almost 5 million who overstayed their visas. This is an impossible task, and the public does not favor such costly, draconian enforcement action. Deportation of about 10 million immigrants who entered illegally or who stayed after their visas expired would cost at least **\$206 billion over five years**, or \$41.2 billion annually, and this figure could be as high as \$230 billion or more, based on figures available in 2005.

Immigrants and native-born workers do not compete with each other for jobs. Immigrants and native-born workers usually complement each other, with immigrants more likely to fill lower-paying jobs that native-born workers reject or do not apply for. A laid off auto worker in Michigan, for example, will not move to California to pick produce. Millions of laid off workers will **resist taking jobs held by undocumented immigrants** in places such as hog pens, chicken processing plants, and in motels cleaning toilets.

“Enforcement only” strategies do not improve the economy. Indeed, such strategies will make the economy worse, according to economists across the political spectrum. Immigrants—regardless of status—create additional occupations for native-born workers because they spend their earnings on goods, services, rental payments, and taxes. Immigrants and their families become small business owners that create other jobs. The Cato Institute noted that strict enforcement would actually cut U.S. household welfare by \$80 billion, whereas “legalization of low-skilled immigrant workers would yield **significant income gains** for American workers and households.” A separate study last year by The Perryman Group concluded that deportation of the undocumented workforce would **damage the nation**, resulting in \$1.8 trillion in annual lost spending, \$651.5 billion in annual lost output, and 8.1 million lost jobs.

Congress needs to focus on fixing the economy. And it is clear that fixing the broken immigration system will help strengthen the economy, while deporting undocumented workers would only make it worse. Some politicians are using the recession as an excuse to run away from immigration reform, but doing nothing is not an option.

Rep. Zoe Lofgren (D-CA) is one politician who is forcing the issue head on and drafting immigration reform legislation as the head of the House Judiciary Subcommittee on Immigration. Lofgren’s congressional district has the largest Latino and Asian populations in the Bay Area and covers the Silicon Valley where half of the start-ups were founded by immigrants, up from 25 percent a decade ago.

Lofgren proudly names three immigrants—one of them a refugee—who came to the United States as children and became job creators: Sergey Brin, co-founder of Google; Jerry Yang, co-founder of Yahoo; and Andrew Grove, who served as chairman and chief executive officer of Intel. “None of these (immigrants) came because of their skills, and yet they are responsible for hiring tens of thousands of my constituents, and they are glad for the work,” Lofgren emphasizes. Even immigrants at the lower end of the income scale are more likely to create their own businesses, whether they are landscaping firms or tamale stands, she added. “That’s absolutely good for the economy.”

The economy must be fixed and voters want solutions to serious issues, not scapegoats. Comprehensive immigration reform will be an important component of this effort.

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