



Study: Immigration Reform Will Ease Economic Decline

By Esther M. Gentile, New America Media

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WASHINGTON--A new study by a leading academic researcher contends that legalizing undocumented workers through comprehensive immigration reform would yield \$1.5 trillion to the U.S. Gross Domestic Product (GDP) over a 10-year period, generate billions of dollars in additional tax revenue, increase wages and consumer spending, and create hundreds of thousands of jobs.

The study, "Raising the Floor for American Workers: The Economic Benefits of Comprehensive Immigration Reform," was conducted by Dr. Raul Hinojosa-Ojeda, associate professor at the University of California, Los Angeles (UCLA). Dr. Hinojosa presented the findings during a telephonic press conference moderated by Angela Kelley, vice president for immigration policy and advocacy at the Center for American Progress.

"Number one ... legalization produces an immediate economic impact, based on what we've known happens in previous legalizations. The reason is because legalization empowers workers immediately to become much more committed and integrated into the economy," Hinojosa said.

The report analyzed the economic impact of legislation passed in 1986. Even in an economic downturn, the legalization of undocumented immigrants caused them to move on to better-paying jobs, resulting in more spending and higher tax revenue.

"Undocumented immigrants ... are in a sense a hidden economic engine that we have kept repressed in this country" to the extent, Hinojosa said, that when "we allow them to join the economic mainstream we see an immediate impact in terms of wages and on productivity."

By creating a temporary worker program to allow for future flows of immigrants -- something left out of the 1986 legislation -- comprehensive immigration reform would have a magnified effect on the economy. "When we allow more low-skilled immigrants to come in, it expands the overall economic pie, and creates jobs up the ladder, like managers, accountants, and salespeople," said Daniel Griswold, director of the center for trade policy studies at the Cato Institute.

The study also found that enforcement-only policies have a quantifiable negative impact on the U.S. economy beyond the cost of deportations. Unauthorized workers have lower wages, which hurts the wages of American workers and drags down economic growth, according to Heather Boushey, senior economist at the Center for American Progress.

"The movement toward full deportation in this country produces close to \$2.6 trillion in economic decline," according to Hinojosa. "It really accelerates the movement toward recession and depression, like we saw, by the way, in the 1930s."

"I think there are two very important things about this report," noted Benjamin Johnson, executive director of the American Immigration Council. "One certainly is that it shines a spotlight on the potential for a very large impact on our economy in a time when we need it. Even in Washington, D.C., \$1.5 trillion is a lot of money. But the report also reminds us of where the focus of an immigration reform effort ought to be, and that is about how do we provide benefits to the American economy and to the American worker."

Legalizing undocumented workers, the panelists said, would neither take jobs away from American workers nor increase the number of unemployed.

"It cannot be in any way justified to try to oppose immigration reform on the basis of an economic argument," Hinojosa concluded.

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