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Does Immigration Cost Jobs?

Economists say immigration, legal or illegal, doesn't hurt American workers.

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Summary

Do immigrants take American jobs? It's a common refrain among those who want to tighten limits on legal immigration and deny a "path to citizenship" — which they call "amnesty" — to the millions of immigrants living in the U.S. illegally. There's even a new Reclaim American Jobs Caucus in the House, with at least 41 members.

But most economists and other experts say there's little to support the claim. Study after study has shown that immigrants grow the economy, expanding demand for goods and services that the foreign-born workers and their families consume, and thereby creating jobs. There is even broad agreement among economists that while immigrants may push down wages for some, the overall effect is to increase average wages for American-born workers.

Analysis

Arizona's tough new law targeting illegal immigrants and the possibility of congressional action on immigration have brought a renewed focus to the issue. Among lawmakers and others who seek stricter immigration limits and stronger enforcement, we've noticed a common theme that may have particular resonance at a time when the unemployment rate remains stuck at close to 10 percent: that immigrants take American jobs. But most who have studied the topic say it's not true. We'll explain after we show you some of the arguments being made.

"Elevator": Going Down?

Exhibit A is an ad that ran in late April in Arizona. It was sponsored by the Coalition for the Future American Worker, an organization that includes such groups as NumbersUSA and the Federation for American Immigration Reform, both of which seek to limit the number of people coming to the U.S. to live, legally or illegally. The spot's narrator, lamenting the high number of unemployed Americans, says that "with millions jobless, our government is still bringing in a million-and-a-half foreign workers a year to take American jobs."

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Simple Math Caucus

Then there's the new group in the House of Representatives, the Reclaim American Jobs Caucus, which has at least [41 members](#). Republican Reps. Lamar Smith of Texas, Sue Myrick of North Carolina, and Gary Miller of California announced its formation in a video in March, with Myrick saying: "Right now, with unemployment hovering around 10 percent, we thought it was time to talk about the direct link between unemployment and illegal immigration."

Miller makes it all sound so easy: Eight million illegal immigrants working in the U.S., 15 million unemployed American citizens and legal immigrants — we could cut the number of unemployed in half if we just booted out the illegal workers. "The numbers are simple," he says.

The numbers certainly *would* be simple, if they worked that way. But they don't.

[☐ Click to expand/collapse the full transcript ☐](#)

Arizona Redux

Exhibit C is from GOP Sen. Jim DeMint of South Carolina, a leader in the tea party movement. DeMint supports the new Arizona law, as do many tea partiers, and [advocates its spread](#):

DeMint, May 6: Every state will handle it differently. ... South Carolina has already passed laws to crack down on illegal immigrants. Many other states are also under a lot of pressure because of high unemployment to not let illegal immigrants come and take jobs.

A Job for a Job

Exhibit A above, the CFAW ad, focuses on *legal* immigrants, those who have employment authorization documents or who are lawful permanent residents (often known as green card holders). According to a [fact sheet](#) posted by NumbersUSA to support the ad, the 1.5 million immigrants mentioned by the narrator is a combination of the two groups using 2007 figures. (The coalition had to do some double-counting to get to that figure, but delving into the math would take us off-topic.)

The video from the congressional caucus and the statement from Sen. DeMint refer specifically to *illegal* immigrants. According to the Pew Hispanic Center, there were [nearly 12 million undocumented immigrants](#) in the U.S. in 2008, with 8.3 million in the labor force. About 5.4 percent of the nation's workforce, then, was composed of illegal immigrants.

But whether they're legal, as in the CFAW ad, or illegal, as in our two other examples, really doesn't matter for the purpose of answering our question: The truth is that immigrants don't "take American jobs," according to most economists and others who have studied the issue.

Immigrant workers "create almost as many" jobs as they occupy, "and maybe more," said Madeleine Sumption, policy analyst at the nonpartisan Migration Policy Institute, which is [funded by](#) a range of foundations, corporations and international organizations. "They often create the jobs they work in." In addition, "they buy things, and they

make the economy bigger," she told us. As she and a co-author [wrote in a report](#) last year for a group created by the British government:

Somerville and Sumption: [T]he impact of immigration [on a nation's economy] remains small, for several reasons. Immigrants are not competitive in many types of jobs, and hence are not direct substitutes for natives. Local employers increase demand for low-skilled labor in areas that receive low-skilled immigrant inflows. Immigrants contribute to demand for goods and services that they consume, in turn increasing the demand for labor. And immigrants contribute to labor market efficiency and long-term economic growth.

David Griswold, director of the Center for Trade Policy Studies at the libertarian Cato Institute, wrote in an [article for *Commentary*](#) magazine in December:

Griswold: The addition of low-skilled immigrants expands the size of the overall economy, creating higher-wage openings for managers, craftsmen, accountants, and the like. The net result is a greater financial reward and relatively more opportunities for those Americans who finish high school.

And a [new study](#) by economist Heidi Shierholz of the Economic Policy Institute — a liberal think tank that has been funded in part by U.S. labor unions — says that:

Shierholz: In the ongoing debate on immigration, there is broad agreement among academic economists that it has a small but positive impact on the wages of native-born workers overall: although new immigrant workers add to the labor supply, they also consume goods and services, which creates more jobs ...

Both Griswold and Shierholz acknowledge that some workers may be harmed by an influx of immigrant labor. [Griswold writes](#) that "low-skilled immigrants do exert mild downward pressure on the wages of the lowest-paid American workers," though the overall impact on jobs and the economy is positive. Another economist, George Borjas, an advocate of clamping down on immigration, found that between 1980 and 2000 native-born Americans [without a high school education](#) saw their wages decline 7.4 percent because of immigrant labor.

Shierholz found that it's often other foreign-born workers — especially those who came to the U.S. several years earlier — who get the short end of the stick. But American workers benefit, she writes:

Shierholz: A key result from this work is that the estimated effect of immigration from 1994 to 2007 was to raise the wages of U.S.-born workers, relative to foreign-born workers, by 0.4% (or \$3.68 per week), and to lower the wages of foreign-born workers, relative to U.S.-born workers, by 4.6% (or \$33.11 per week).

The consensus that immigrant workers expand the U.S. economy is broad, and crosses party lines. In 2005, the White House of Republican President George W. Bush remarked on the fact in one of its [annual economic reports](#) to Congress:

Economic Report of the President, Feb. 2005: The foreign-born are associated with much of the employment growth in recent years. Between 1996 and 2003, when total employment grew by 11 million, 58 percent of the net increase was among foreign-born workers.... [E]mployment of natives as operators, fabricators, and laborers fell by 1.4 million between 1996 and 2002, while employment in such occupations grew by 930,000 among the foreign-born. This should not be taken as evidence

that the foreign-born displace native workers; rather, it reflects the fact that immigrants have made up all of the growth in the low-skilled workforce.

The people pictured in the elevator in CFAW's ad aren't likely to be competing with immigrant labor for positions. There may be other reasons for an overhaul of current immigration policy. But the idea that foreign-born workers are stealing American jobs should be turned back at the border.

– by *Viveca Novak*

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