

Talking Points: Immigration and the Economy

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- Unauthorized immigrants currently provide an annual net gain of \$7 billion to the Social Security system. The Social Security Administration also credits these workers for paying an additional \$520 billion under mismatching Social Security Numbers.¹ Legalization would enable even more immigrants to pay into the system.
- Immigrants are needed to grow the labor force to support the retiring generation of 78 million baby boomers.² If the U.S. fertility rate remains below replacement (1.9%),³ the ratio of seniors to working-age adults will jump 67% by 2030.⁴ Without legalization, today's ratio of 20 seniors to 100 working-age adults could rise to 36 seniors per 100 working-age adults by 2050.⁵
- Comprehensive Immigration Reform (CIR) pays for itself. In fact, the 2007 CIR bill would have more than paid for itself through increased tax revenue, offsetting the costs of new public benefits by \$25 billion.⁶
- Immigrants are filling the jobs vacated by increasingly educated Americans. In fact, the percentage of Americans without a high school diploma has fallen from 50% in the 1960's to 7% today.⁷
- Legalization would likely improve wages for most workers. Studies show that 9 in 10 workers experience wage gains due to immigration.⁸ Even those native-born workers without a high-school diploma lose 1.1 percent at the most.⁹
- A new legalization program would likely increase the wages of legalized workers by as much as 15%, similar to the effect after passage of the 1986 Immigration Reform and Control Act (IRCA).¹⁰
- Immigrants in the workforce do not contribute to higher unemployment rates. Consider that unemployment in border states has remained below the national average despite high levels of immigration.¹¹
- Immigrants are suffering alongside native workers during the current recession. In fact, unemployment rates for foreign-born latinos have exceeded that of non-hispanic workers during the current recession.¹²
- Immigrants are also consumers themselves, which increases demand for the goods and services of U.S. industries.¹³ For instance, Latino buying power amounted to \$951 billion in 2008 and is projected to reach \$1.4 trillion by 2013.¹⁴
- Legalization would help stimulate the economy by helping generate \$30-36 billion in personal income, 750,000 new jobs, and \$4.5 to \$5.4 billion in net tax revenue.¹⁵
- Legalization would produce these gains by increasing short-term incomes, creating jobs through increased consumption, boosting net tax-revenues among low-wage workers, and expanding the middle class.¹⁶

¹ Testimony of Patrick P. O'Carroll, Jr., Inspector General of the Social Security Administration, before the U.S. Senate, Committee on Finance, regarding "Administrative Challenges Facing the Social Security Administration," March 14, 2006.

² Mary Ann Glendon, "Principled Immigration," *First Things*, June/July 2006; *see also* U.S. Census Bureau, "Oldest Baby Boomers Turn 60!," Press Release, January 3, 2006, *available at* www.census.gov/Press-Release/www/releases/archives/facts_for_features_special_editions/006105.html (accessed 03/23/09).

³ U.S. Census Bureau, *Current Population Survey*, 2006, August 2008, *available at* www.census.gov/prod/2008pubs/p20-558.pdf (accessed 03/23/09).

⁴ Professor Dowell Myers, *Immigrants and Boomers: Forging a New Social Contract for the Future of America* (New York, NY: Russell Sage Foundation, 2007).

⁵ Jeffrey Passel & D'Vera Cohn, *U.S. Population Projections: 2005-2050*, pp. 23,26,28.

⁶ Congressional Budget Office, *Cost Estimate of Senate Amendment 1150 to S.1348: The Comprehensive Immigration Reform Act of 2007*, June 4, 2007, *available at* www.cbo.gov/ftpdocs/81xx/doc8179/SA1150_June4.pdf.

⁷ Daniel T. Griswold, "When employment lines cross borders," CATO Institute, Center for Trade Policy Studies, April 21, 2008, *available at* www.freetrade.org/node/866 (accessed 03/23/09).

⁸ Giovanni Peri, *Rethinking the Effects of Immigration on Wages: New Data and Analysis from 1990-2004*, University of California, Davis.

⁹ See fn. 8.

¹⁰ Dr. Raul Hinojosa-Ojeda, *Comprehensive Migration Policy Reform in North America: The Key to Sustainable and Equitable Economic Integration*, Los Angeles, California: North American Integration and Development Center, School of Policy and Social Research, UCLA, August 2000.

¹¹ See fn. 7.

¹² Rakesh Kochhar, "Latino Labor Report, 2008: Construction Reverses Job Growth for Latinos," Pew Hispanic Center, *available at* www.pewhispanic.org/reports/report.php?ReportID=88 (accessed 03/23/09).

¹³ Daniel Griswold, "The Fiscal Impact of Immigration Reform: The Real Story," CATO Institute, Center for Trade Policy Studies, May 21, 2007.

¹⁴ Jeffrey Humphreys, *The Multicultural Economy 2008*, The Selig Center for Economic Growth, University of Georgia, 2008.

¹⁵ Dr. Raul Hinojosa-Ojeda, *Economic Stimulus through Legalization*, William C. Velasquez Institute Intermestic Initiatives White Paper, p. 1, *available at* www.wcvi.org/intermestic_initiatives/FinalWCVIWhitePaperLegalization.pdf (accessed 03/23/09).

¹⁶ See fn. 15.