



Immigrants are an Economic Boon to America

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Will President Trump make immigration a centerpiece of his 2020 re-election campaign? Pollsters, pundits and political insiders seem to think so. After all, anti-immigrant sentiment is a hallmark of the very base that helped catapult the president to election victory in 2016. One needs to recall that in announcing his candidacy for the presidency on June 16, 2015, Donald Trump excoriated Mexican immigrants as follows: “They’re bringing drugs. They’re bringing crime. They’re rapists. And some, I assume, are good people.” Actually, an impartial, factually-based assessment would have addressed immigration this way: “They’re bringing skilled and semi-skilled labor which we sorely need. They’re bringing entrepreneurs. And I assume there will be some bad people in the group.”

The administration’s defenders will retort that its position on immigration refers to illegal entrants only. However, under Stephen Miller, the president’s immigration czar, the lines between legal and illegal immigration have blurred. Just talk to would-be visitors from developing nations (including investors) who have been denied visas of entry without any specific reason.

With Latin America accounting for the majority of our current immigrant population, the administration’s policies and actions are clear in their implication: if you are Northern European, Protestant and can speak English, come on in; if you are brown, Catholic and Spanish-speaking, stay away. (Emma Lazarus, the poet who inscribed the base of the Statue of Liberty, must be turning over in her grave.)

Social, moral, political and legal issues aside, *increased immigration* is an economic plus for the U.S. Nearly 50 million people in the U.S. are foreign born, according to the United Nations. That equals 15% of the population. A myriad of economic studies finds that there is a net economic benefit when new immigrants come to a country. And while new arrivals may depress some wages initially, they go on to contribute economically more than they cost and do not take jobs away from the pre-existing workforce. In fact, they fill roles that nations need to succeed—and often take jobs that native-born citizens are not interested in taking such as low-level service jobs. In a telling economic statistic, the IMF found that a 1% increase in the share of migrants in the adult population increases GDP per person in advanced economies by up to 2% in the longer term.” Last year a Citigroup and Oxford University report found that two-thirds of the GDP expansion since

2011 was directly attributable to migration. Furthermore, the presence of immigrants in the workforce is associated with higher wages, higher productivity, lower unemployment and higher female workforce participation.

And lest we forget, immigrants are disproportionately represented among the entrepreneurial class. Immigrant entrepreneurs and their children have founded or co-founded more than 25% of technology and engineering companies from 1995 to 2005. Apple, Google, Amazon, eBay, and Yahoo! are notable examples. Immigrants are also more likely to obtain a patent and launch a start-up.

Still another reason we need more immigrants is Social Security. In 2020, the Social Security Administration will be paying out more in benefits than what is contributed to the system. This means that year after year Social Security's large current reserves will run dry by 2034. If that is the case, beneficiaries will receive only 80 cents for every dollar owed to them.

But won't the future American workforce contribute sufficiently to replenish the fund? Absolutely not. The huge bulge of Baby Boomer retirees drawing Social Security checks will be exacerbated by the declining birth rates (meaning future workers) in the nation. U.S. births fell to a 32-year low in 2018, the fourth consecutive year of birth declines.

The Senate and House introduced comprehensive immigration reform bills in the 109th Congress. Regrettably, the two Houses were not able to reach an agreement to go to a conference committee. The end of the congressional session (January 3, 2007) marked the defeat of both bills. Given the current political climate in the U.S., with greater polarization on the immigration issue, it is highly unlikely that the next Congress will move swiftly to pass comprehensive immigration reform. In the long term, however, such reform is inevitable. The anti-immigrant base will die off, due to low fertility rates, health problems such as obesity, and opioid addiction. Meanwhile, immigrant citizens—both skilled and semi-skilled--will give birth in greater numbers to future voters, with the assumption (and hope) that this cohort of voters will remember from where they/their parents/their grandparents came from and support a portal for other immigrants that opens the door to the American dream.

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