



Statement for the Record

U.S. Senate Committee on the Judiciary Subcommittee on Immigration and the National Interest

“The Impact of High Levels of Immigration on U.S. Workers”

March 16, 2016

The National Immigration Forum (the Forum) advocates for the value of immigrants and immigration to the nation. Founded in 1982, the Forum plays a leading role in the national debate about immigration, knitting together innovative alliances across diverse faith, labor, law enforcement, veterans and business constituencies in communities across the country. Coming together under the Forum’s leadership, these alliances develop and execute legislative and administrative policy positions and advocacy strategies. Leveraging our policy, advocacy and communications expertise, the Forum works for comprehensive immigration reform, sound border security policies, balanced enforcement of immigration laws, and ensuring that new Americans have the opportunities, skills, and status to reach their full potential.

Introduction

The Forum appreciates the opportunity to provide its views on the impact of immigration on the U.S. workforce and immigrant workers’ contribution to U.S. growth and prosperity. The Forum advocates for policy changes that help new Americans gain the opportunities, skills and status they need to realize their full potential, ensuring that Americans can thrive. This includes the Forum’s continued emphasis on the need for legislation to reform our broken immigration system, including border security and an earned path to citizenship for those currently residing in the U.S., as well as bringing our broken, out-of-date worker visa system into the 21st century. Accordingly, the Forum understands that this hearing is of critical importance, and urges the Committee to pursue policies that promote a diverse and vibrant workforce.

In a matter of years, the United States will face a shortage of millions of workers and an ever-widening skills gap. We hear time and again that talent shortages negatively impact business’s productivity and innovation, thus hurting our nation’s economy. Our business allies across the country express concern over labor shortages and skills gaps. In 2015, Manpower found that 32 percent of employers in the United States had difficulty filling jobs.¹

¹ Manpower Group, 2015 Talent Shortage Survey, 2015 http://www.manpowergroup.com/wps/wcm/connect/408f7067-ba9c-4c98-b0ec-dca74403a802/2015_Talent_Shortage_Survey-lo_res.pdf?MOD=AJPERES&ContentCache=NONE.

Unless steps are taken at multiple levels, these trends will continue and severely undermine our nation's economic competitiveness. As the American Action Forum found, one part of the solution is to prepare immigrants to fill these jobs.² The weight of the economic literature confirms that the immigrant workforce complements and strengthens the U.S. domestic workforce, filling important gaps, growing the economy, and increasing wages.

Immigrant Workers Increase U.S. Economic Growth

Immigrant workers have a significant stimulative effect on the economy.³ Immigrant workers are consumers who buy goods and services and pay taxes.⁴ They spend money in the economy, perform valuable work, increase economic output and create jobs. They pay rent, buy houses, and are an engine for growth in American cities, benefiting immigrant communities and native-born citizens alike.⁵ According to the Economic Policy Institute, the immigrant population contributed nearly 15 percent total economic output from 2009 to 2011.⁶ Another study from Americas Society/Council of the Americas and Partnership for a New American Economy found that immigrants are responsible for an estimated \$3.7 trillion increase in home equity across the United States.⁷

Studies show that immigrant workers – even lower-skilled immigrants – create demand for goods and services that generate other jobs in the economy that native workers fill.⁸ Americas Society/Council of the Americas and Partnership for a New American Economy found that for every 1,000 immigrants that arrive in the United States, 46 manufacturing jobs are created or preserved.⁹

Immigrant workers contribute to U.S. economic growth and complement the domestic workforce.¹⁰ Although there have been anecdotal instances of high-profile abuses of employment

² Ben Gitis and Douglas Holtz-Eakin, American Action Forum, “How Changes in Immigration Can Impact Future Worker Shortages in the United States and Silicon Valley,” Oct. 23, 2015, <http://americanactionforum.org/research/how-changes-in-immigration-can-impact-future-worker-shortages-in-the-united>.

³ See, e.g., Congressional Budget Office (June 18, 2013) and “S. 744, Border Security, Economic Opportunity, and Immigration Modernization Act: As Passed by the Senate on June 27, 2013.” July 2013, <http://cbo.gov/publication/44397>; Alex Nowrasteh, “How to Make Guest Worker Visas Work,” *Policy Analysis*, No. 719, Jan. 31, 2013, p. 10, http://object.cato.org/sites/cato.org/files/pubs/pdf/pa719_1.pdf.

⁴ *Id.* Also see U.S. Chamber of Commerce at 4; Institute for Taxation and Economic Policy, “Undocumented Immigrants’ State and Local Tax Contributions,” July 2013, <http://www.itep.org/pdf/undocumentedtaxes.pdf>.

⁵ Americas Society/Council of the Americas and Partnership for a New American Economy, “Immigration and the revival of American Cities: From Preserving Manufacturing Jobs to Strengthening the Housing Market,” Sept. 2013, <http://www.as-coa.org/sites/default/files/ImmigrationUSRevivalReport.pdf>.

⁶ Daniel Costa et al., Economic Policy Institute, “Facts About Immigration and the U.S. Economy: Answers to Frequently Asked Questions,” Aug. 12, 2014, <http://www.epi.org/publication/immigration-facts/>.

⁷ *Id.* at 15.

⁸ U.S. Chamber of Commerce at 4; Nowrasteh at 10.

⁹ Americas Society/Council of the Americas and Partnership for a New American Economy at 7.

¹⁰ See, e.g., Adam Davidson, “Debunking the Myth of the Job-Stealing Immigrant,” *New York Times*, Mar. 24, 2015, <http://www.nytimes.com/2015/03/29/magazine/debunking-the-myth-of-the-job-stealing-immigrant.html? r=0>.

visas by employers that must be addressed,¹¹ mainstream economists widely agree that immigrant workers generally do not displace domestic workers.¹² The notion that there is a fixed amount of work to be done in the economy and that any job filled by an applicant is one fewer job available for the rest of the workforce — what economists call the “lump of labor fallacy” — is a prevalent, yet deeply flawed, contention.¹³ The market for labor, and more generally, the American economy, are not zero-sum.¹⁴ The notion that there is a single, fixed amount of work to be done in the economy is overly simplistic, ignoring the reality of a dynamic economic system.

Policymakers should take a broader view of the economy in making immigration policy and pursue policies that promote a vibrant immigrant workforce, benefiting all Americans.

Immigrant Workers Complement the Native-Born Workforce

As a general rule, rather than displacing American workers, the immigrant workforce tends to complement the native-born workforce. Nationally, immigrants are more likely than the native-born population to be employed in the administrative services, agriculture and extraction, construction, leisure and hospitality, and manufacturing industries. Immigrants are also highly represented in the healthcare and social services; professional, scientific, and management services; and trade, transportation, and utilities industries. Immigrant workers tend to have different skills – and fill different niches – than domestic workers.¹⁵ This leads to specialization in which immigrants tend to fit in on opposite ends of the skill spectrum – they satisfy the significant demand at both ends of the skill spectrum, everything from high-skilled Science, Technology, Engineering and Mathematics (STEM) to much-needed agricultural, construction and service workers.¹⁶

As the unemployed rate has returned to pre-recession levels since the Great Recession of 2008-2009, employers have struggled to find workers with certain particular skill sets. In particular, employers face a shortage of STEM workers, including engineers and high-skilled manufacturing workers, and benefit by having access to a pool of high-skilled immigrant workers.¹⁷ With U.S. universities not producing enough STEM students, U.S. employers – and the economy as a whole – benefit by utilizing talented immigrant workers, especially those who have studied in U.S. universities and otherwise would be sent overseas to compete against us.

¹¹ See, e.g., Julia Preston, “Lawsuits Claim Disney Colluded to Replace U.S. Workers With Immigrants,” *New York Times*, Jan. 25, 2016, <http://www.nytimes.com/2016/01/26/us/lawsuit-claims-disney-colluded-to-replace-us-workers-with-immigrants.html>.

¹² See Buttonwood, “Keep on trucking: Why the old should not make way for the young,” *The Economist*, Feb. 11, 2012, <http://www.economist.com/node/21547263>.

¹³ See Davidson.

¹⁴ See U.S. Chamber of Commerce, “Immigration Myths and Facts,” Oct. 24, 2013, p. 3, https://www.uschamber.com/sites/default/files/legacy/reports/Immigration_MythsFacts.pdf.

¹⁵ See, e.g., Nowrasteh at 4, 10.

¹⁶ See *id.*; U.S. Chamber of Commerce at 6.

¹⁷ U.S. Chamber of Commerce at 6-9.

Similarly, unmet demand exists for particular lower-wage work, including in agriculture and certain service professions.¹⁸ For example, immigrant workers make up a crucial cross-section of the national’s agricultural workforce, as employers struggled to fill farm jobs with domestic workers. State-led efforts to identify and facilitate removal of undocumented immigrant workers did not lead to more jobs for domestic workers — instead, jobs remained unfilled and crops rotted in the fields, significantly hurting agricultural producers.¹⁹

Because immigrant workers complement the domestic workforce, assertions that they hurt domestic wages are largely overblown.²⁰ On the whole, the increased economic output created by immigration has a slightly positive effect on wages,²¹ with any limited negative effects restricted to a small subset of the workforce.²²

Conclusion

In debating the role of immigration on the economy and workforce, it cannot be ignored that millions of immigrant workers already live and work in the U.S., contributing to our economy and communities. Millions of immigrants are already part of the labor market, holding jobs, spending money as consumers, and paying taxes. Immigrant workers make an important contribution to the economic health of our nation, benefiting all Americans. Arguments that immigrant workers take jobs from native-born workers or reduce wages represent an overly-simplistic, inaccurate view of our dynamic economy.

The Forum believes that immigration reform remains, now more than ever, essential to the economic health of our nation. Bipartisan legislation to reform our broken immigration system, includes border security, fixes to outdated employment and other visa programs, as well as an earned path to citizenship for those currently residing in the U.S. remains within reach. The Forum urges Congress to pursue policies that promote a diverse and vibrant workforce, which will grow our economy and create jobs, benefiting workers, immigrant and native-born alike.

¹⁸ *See id.* at 6.

¹⁹ *See, e.g.*, Ed Pilkington, The Guardian, “Alabama immigration: crops rot as workers vanish to avoid crackdown,” Oct. 14, 2011, <http://www.theguardian.com/world/2011/oct/14/alabama-immigration-law-workers>.

²⁰ Nowrasteh at 10.

²¹ U.S. Chamber of Commerce at 4-5; see also Congressional Budget Office (CBO), “The Economic Impact of S. 744, the Border Security, Economic Opportunity, and Immigration Modernization Act,” June 2013, p. 3. <https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/44346-Immigration.pdf>.

²² *See* Nowrasteh at 10; CBO at 3.