

# Immigration

*A National Policy  
Issue  
With Significant  
Impacts at the  
Border*

*Presented  
by*

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# Topics To Be Covered

- Global and national context of immigration
- Key immigration issues
  - Numbers, countries of origin, categories
  - Economic impacts
  - Cultural and incorporation
  - Costs and contributions
  - National security
- Politics and prospects for reform

# A World-Wide Phenomenon

UN estimates 190 to 200 **million** immigrants  
...  $\approx$  **3.3 percent of the world's  
population**

- 30% in the Americas (Canada & US = 42 million immigrants)
- 20% in Europe
- Remaining 50% around world with largest share in Asia

Source: Papademetriou, Demetrios G., *"The Global Struggle with Illegal Immigration: No End in Sight"*, Washington DC: Migration Policy Institute, September 1, 2005.




# Immigration and Globalization

- Cause *and* consequence of global economic integration
- Communications and travel easy
- Worldwide, remittances estimated at **\$150 billion** per year



# **U.S. History = Immigrant History**

- Integration into social, political, and economic fabric of the nation
- Laws evolve with the economic, social, and political climate of each era
- Current policy environment difficult



“As a sovereign nation, it has always been important that we control our borders.”

*“Message from the Commissioner”, National Border Patrol Strategy,  
Office of Border Patrol, U.S. Customs and Border Protection*



# But Sovereignty Blurs at the Border

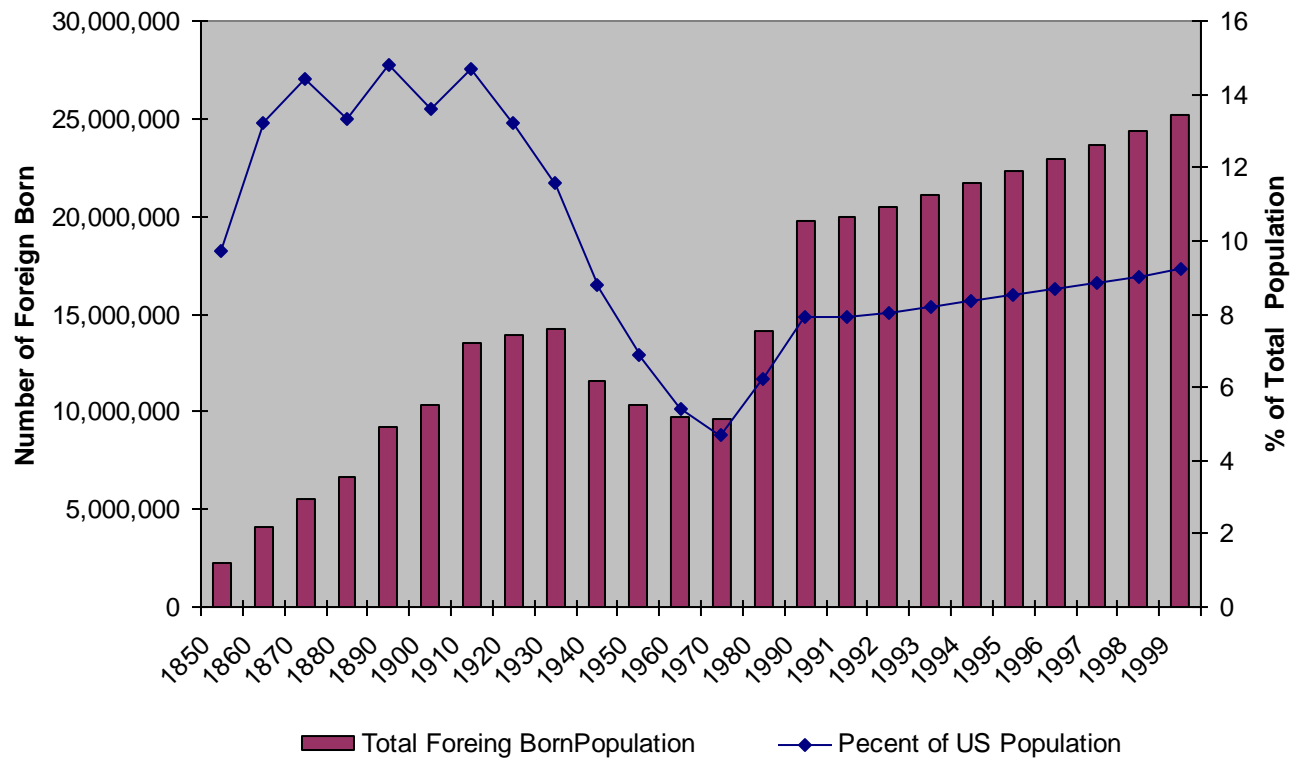
- Border = center of a region & gateway
- Identities, affiliations cross political boundary
- Policy set nationally
- Multiple sovereign entities



# Key U.S. Immigration Issues

- Numbers, countries of origin
- Foreign workers, family reunification, & unauthorized immigration
- Economic impacts
- Culture and incorporation
- Costs and contributions
- National security

# Immigration to the U.S. Growing



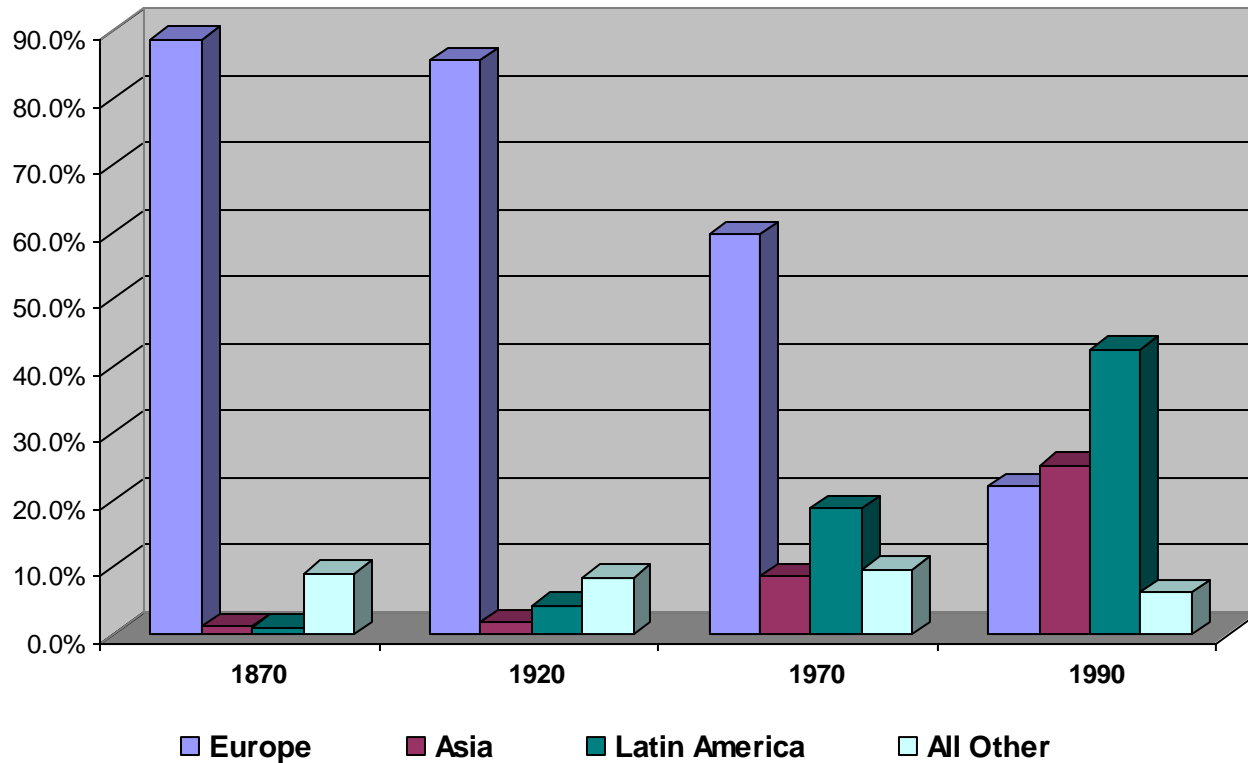


# Significant Demographic Impacts

- 20% of births in the U.S. occur to foreign-born mothers
- Directly and indirectly, immigration accounts for about 60% of U.S. population growth

Source: Bean, Fank & Gillian Stevens, *America's Newcomers and the Dynamics of Diversity*, New York: Russell Sage Foundation, 2003.

# Countries of Origin Have Shifted



Source: U.S. Census Bureau

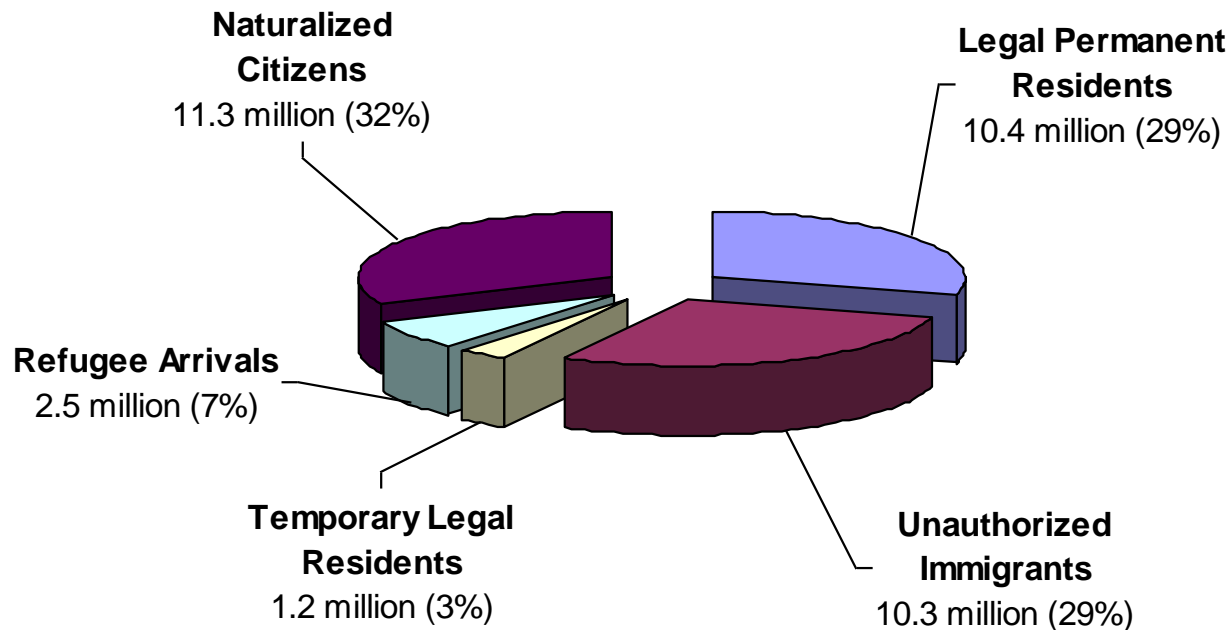


# Laws Try to Limit Economic Migration

- Architecture of family reunification
- Economic migration laws seek to:
  - Minimize competition with U.S. workers
  - Provide for scarce labor
    - Seasonal agricultural workers
    - Other seasonal workers
    - High skilled workers

# 35.7 Million Foreign Born in U.S.

(2004 estimates\*)

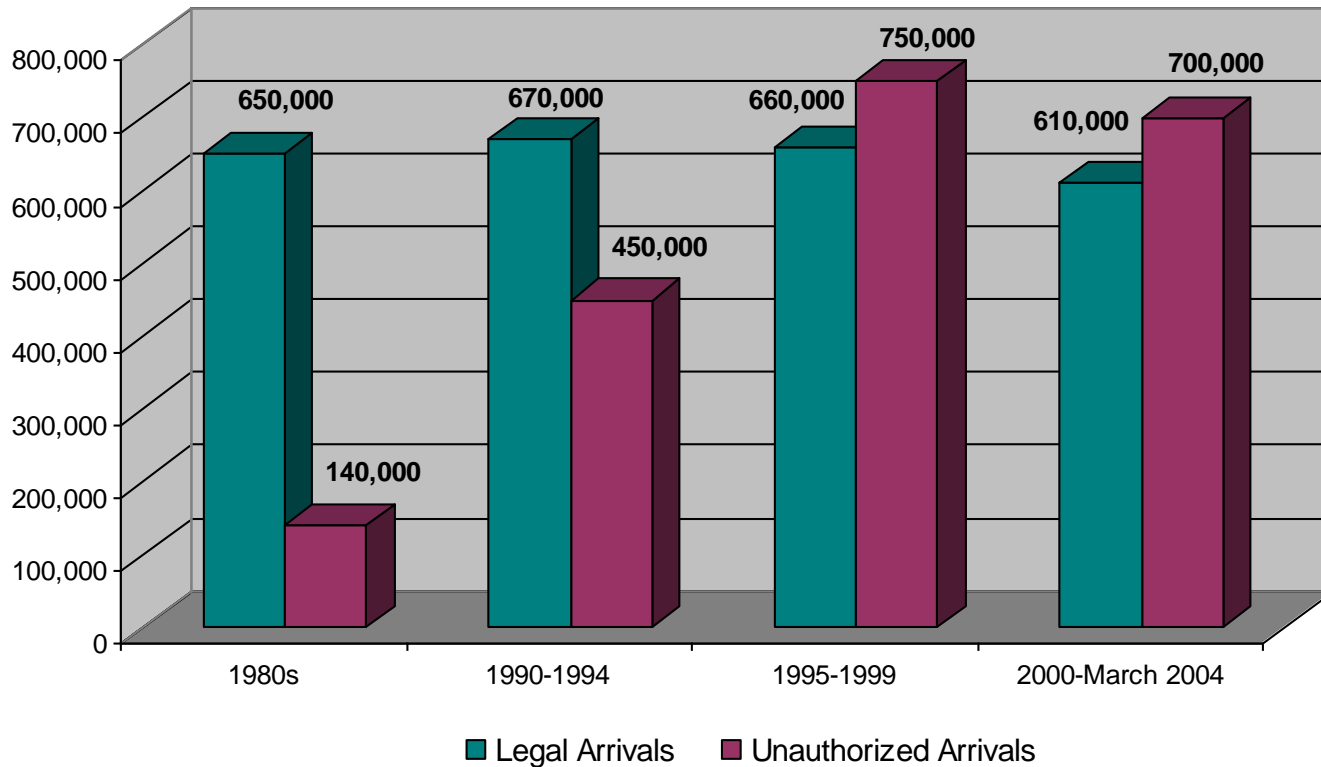


\* Estimates based on 2004 Current Population Survey. Published in Passel, Jeffrey, "Unauthorized Migrants: Numbers and Characteristics", Pew Hispanic Center, Washington, DC, June 2005. [www.pewhispanic.org](http://www.pewhispanic.org)



**Immigration increasingly  
equated with *illegal* immigration**

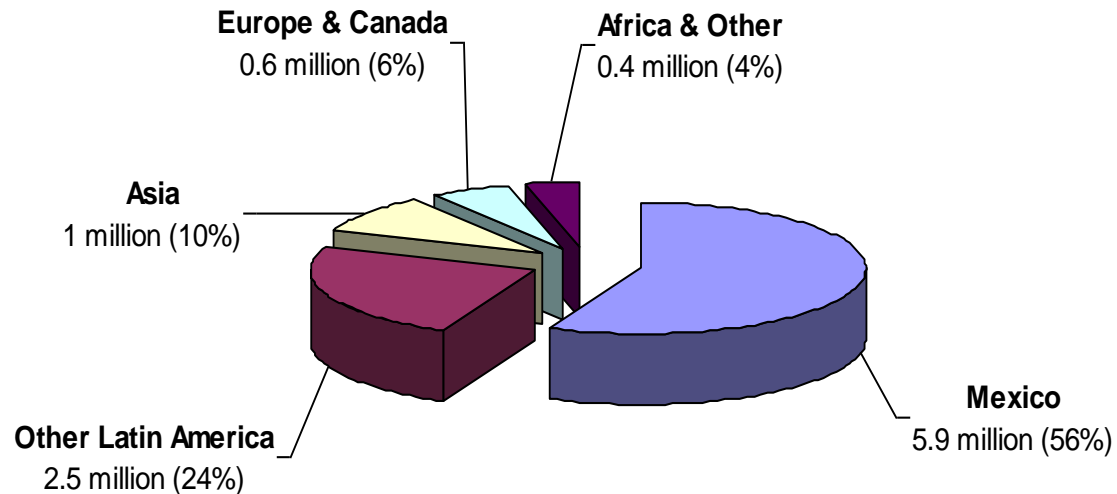
# Unauthorized Arrivals Exceed Legal Arrivals Since the Mid-1990s



Estimates based on 2004 Current Population Survey. Published in Passel, Jeffrey, "Unauthorized Migrants: Numbers and Characteristics", Pew Hispanic Center, Washington, DC, June 2005. [www.pewhispanic.org](http://www.pewhispanic.org)

# Most Unauthorized Immigrants From Latin America

(Share of estimated 10.3 unauthorized immigrants)

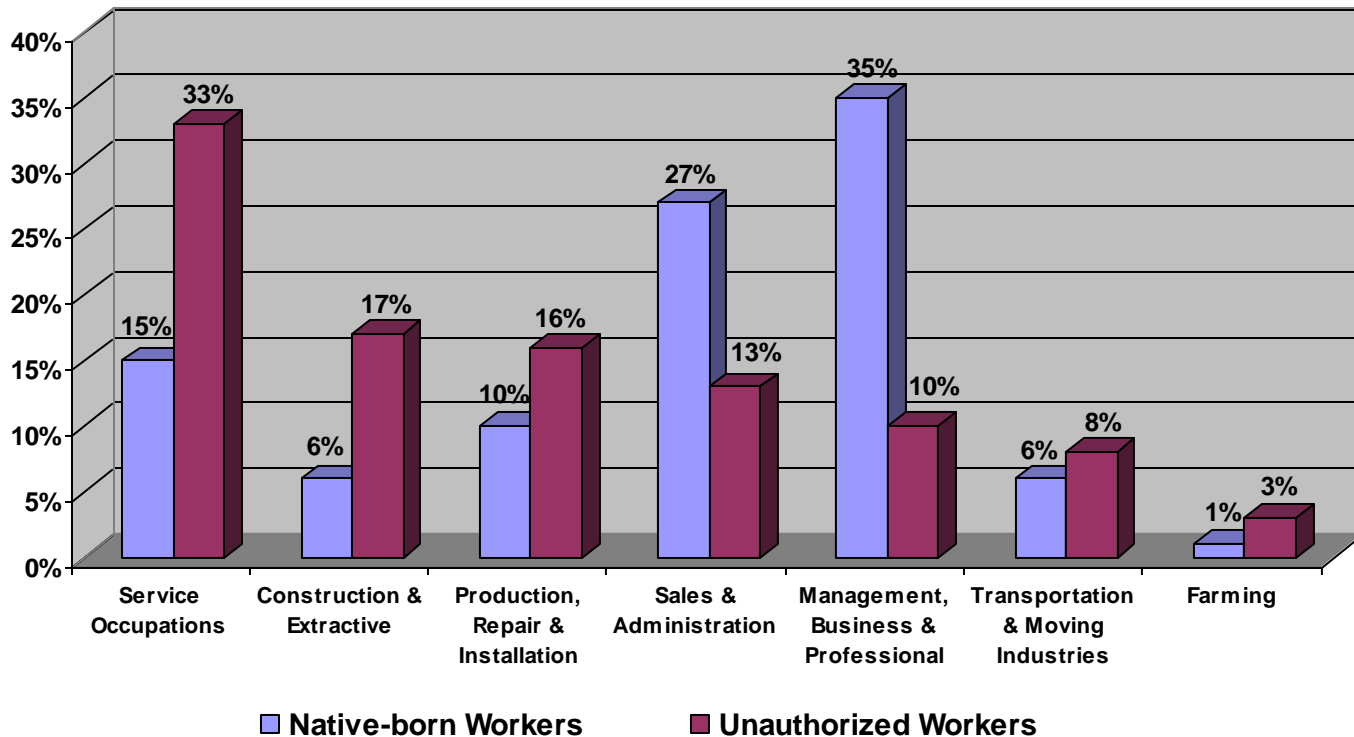


\* Estimates based on 2004 Current Population Survey. Published in Passel, Jeffrey, "Unauthorized Migrants: Numbers and Characteristics", Pew Hispanic Center, Washington, DC, June 2005. [www.pewhispanic.org](http://www.pewhispanic.org)



# **Unauthorized Immigration Matters**

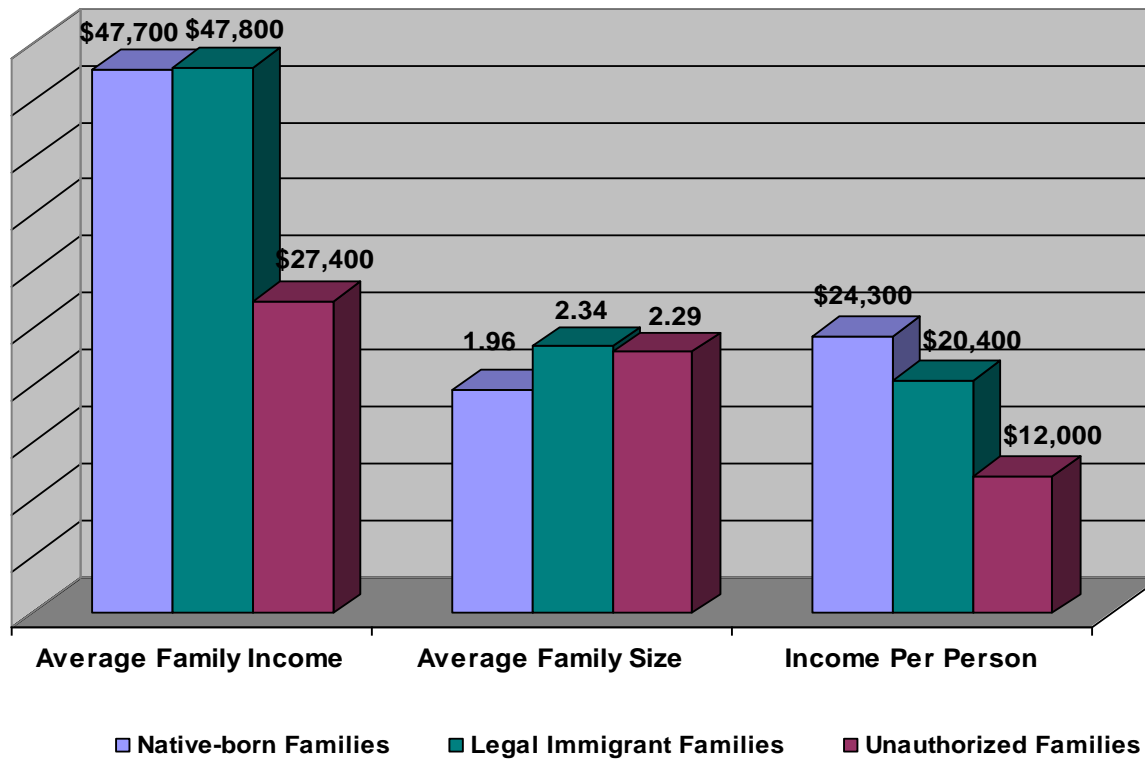
# Immigration Status Impacts Employment



Estimates based on 2004 Current Population Survey. Published in Passel, Jeffrey, "Unauthorized Migrants: Numbers and Characteristics", Pew Hispanic Center, Washington, DC, June 2005. [www.pewhispanic.org](http://www.pewhispanic.org)

# Immigration Status Impacts Income

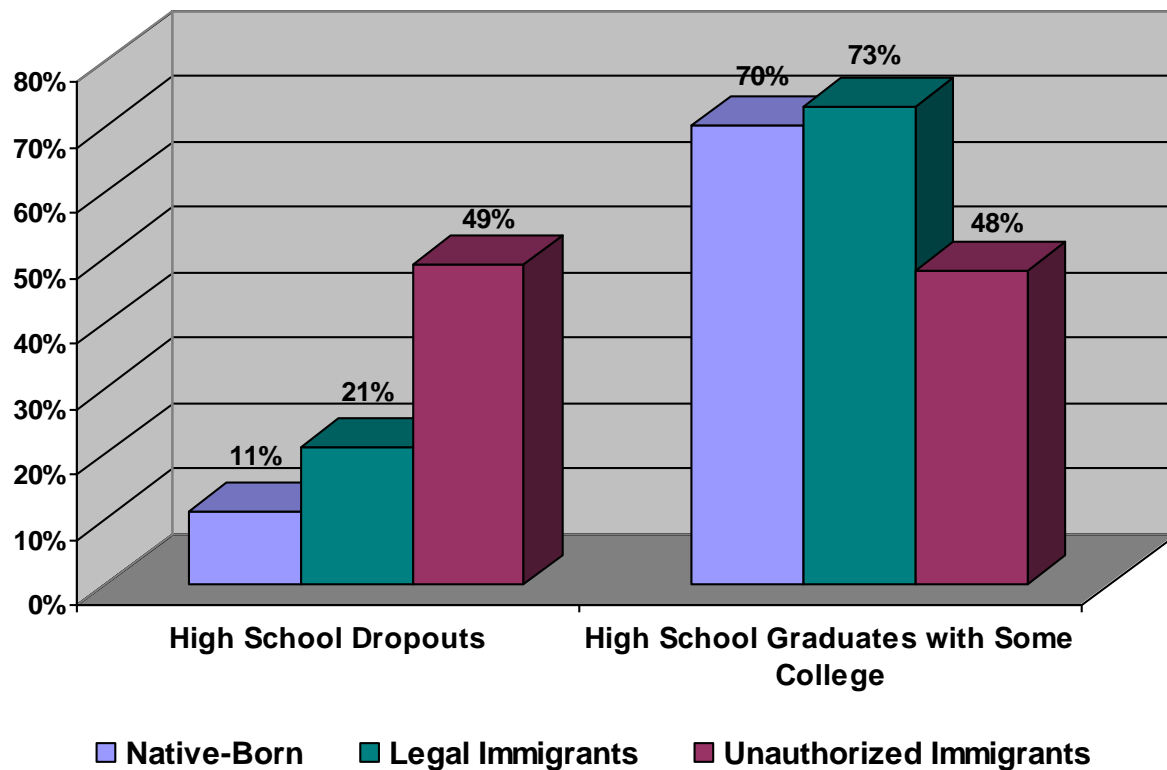
(Incomes, 2003 Family Size 2004)



Estimates based on 2004 Current Population Survey. Published in Passel, Jeffrey, "Unauthorized Migrants: Numbers and Characteristics", Pew Hispanic Center, Washington, DC, June 2005. [www.pewhispanic.org](http://www.pewhispanic.org)

# Immigration Status Impacts Educational Attainment of Children

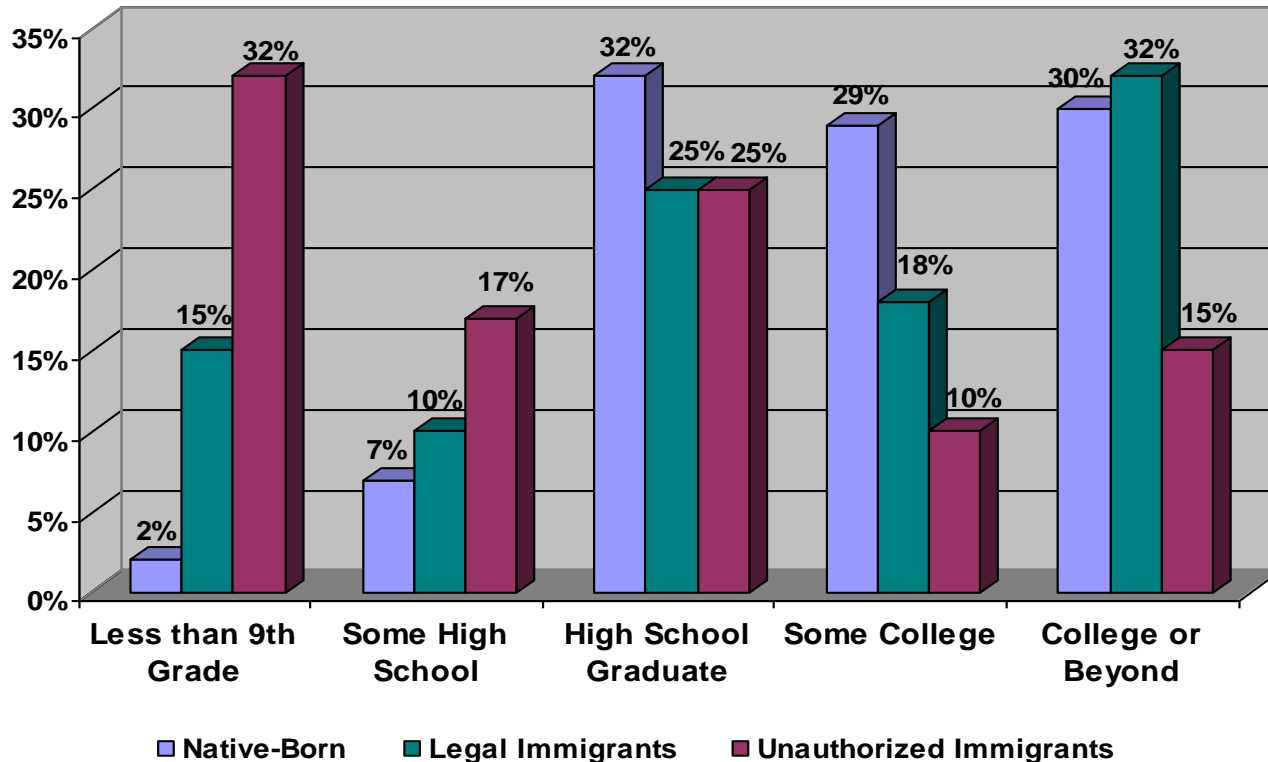
(Share of each group's 18-24 year old population, 2004)



Estimates based on 2004 Current Population Survey. Published in Passel, Jeffrey, "Unauthorized Migrants: Numbers and Characteristics", Pew Hispanic Center, Washington, DC, June 2005. [www.pewhispanic.org](http://www.pewhispanic.org)

# Immigration Status Impacts Educational Attainment of Adults

(Share of each group's 25-64 year old population, 2004)



Estimates based on 2004 Current Population Survey. Published in Passel, Jeffrey, "Unauthorized Migrants: Numbers and Characteristics", Pew Hispanic Center, Washington, DC, June 2005. [www.pewhispanic.org](http://www.pewhispanic.org)



# Unauthorized Immigration Matters

- Failure to control borders:
  - Undermines sovereignty
  - Creates national security risks
  - Undermines formulation of coherent policy
  - Makes the border a dangerous place

**“It is difficult to open the front door without closing the back door.”**



# Immigration and National Security

- National security requires more than border control
  - **All** 9/11 terrorists were in the U.S. legally
  - Enforcement no substitute for intelligence
- Yet... border control imperatives obvious



# Enforcement and National Security

- Ambivalence about enforcement
  - Focus at border
  - Minimal interior enforcement
  - Verifying immigration status difficult
- Ambivalence about controlling immigration
  - Limits to **visible** categories
  - Adjustments to numbers of temporary visas
  - Adjustments to enforcement intensity



# **Economics of Immigration**

# Demographics Realities

- Slow U.S. population growth creates tight labor markets and raises wages

Between 1996 and 2000 (Economic boom)

- U.S. economy generated 14.3 million new jobs
- U.S. population increased by 12.3 million people *including immigration*

- **Strong** 'pull' factor during economic boom



# Changed Profile of U.S. Labor

- Greater proportion of low-skilled labor
  - Lowers wages of native born low-skill workers
  - Affects economic output mix
- Increase in high skilled labor
  - Some crowding out of native-born workers
  - Providing for scarce labor (i.e. high tech)

Source: Hanson, Gordon G., *"Why Does Immigration Divide America: Public Finance and Political Opposition to Open Borders"*, University of San Diego and NBER, March 2005.

# Economic Impacts Not Uniform

- Benefits and costs distributed unevenly
  - Owners of capital, owners of land, and employers gain most
  - Taxpayers in high immigrant-receiving states bear fiscal costs
- Net economic impact is small, **but...**
  - Potentially large impacts on income *distribution*
  - Distribution impacts shape opinions about immigration policy.



# **Immigrant Incorporation and Integration to U.S. Society**

**...What happens once people are here**



# Debates Over Incorporation

- **Assimilation** = '*they*' become more like '*us*'
  - *Socio-cultural* assimilation precursor to *economic* assimilation
- **Incorporation** = '*we*' become more like '*each other*'
  - Identity and ethnicity seen as complex



# Some Markers of Incorporation

- English language acquisition
- Educational attainment
- Earnings and employment



# English Language Acquisition

Percent speaking English well or very well after 10 years in the U.S. :

- 52% of Mexican immigrants
- 63% of immigrants from other non-English-speaking countries

Members of other (non-Mexican) immigrant groups more likely to:

- be fluent in English
- to marry outside of their national-origin group **but...**

Differences between Mexican and other immigrants do not appear large enough to warrant significant concern

# Education and Earnings

- Immigrants *more* likely to enroll in grades 1-12 and college
- Schooling *directly* tied to closing wage gaps between immigrants and native-born workers
- Immigrants benefit *more* from graduating from college than do natives
- Returns to education varies across ethnic groups (Asians and whites benefit more than do Hispanics)



# Education and Incorporation

- Central to immigration debates and to immigrant incorporation
- Significant arena of competition between immigrants and native-born
  - Immigrants benefit from education through narrowing wage gaps with native workers
  - Some evidence that immigrants crowd native-born (esp. minorities) out of schools and, to some extent, college.

Source: Betts, Julian R & Magnus Lofstrom, *"The Educational Attainment of Immigrants: Trends and Implications"*, NBER Working Paper #6757, National Bureau of Economic Research, Cambridge MA, October 1998.



# **Costs and Contributions**



# Fiscal Impacts Conditional

- Low-skilled immigrants:
  - earn relatively low wages
  - contribute relatively little in taxes
  - enroll in entitlement programs with relatively high frequency.
  - make greater use of welfare programs than natives
  
- Net fiscal impact depends *both* on:
  - Size and mix of immigrant population
  - Generosity of state public services



# Impacts Vary Across the U.S.

- Tax structures and spending policies of U.S. states vary significantly
  - California and New York have high state income taxes and generous public benefits
  - Florida and Texas have no state income tax and provide far fewer benefits
- States also vary in the size of immigrant populations



# Many Dimensions to Fiscal Impacts

For Example:

- Social Security contributions from invalid numbers held in '*Earnings Suspended File*'
  - 1986: annual inflows = \$7 billion
  - 2000: annual inflows = \$49 billion
  - by 2003: amount in Earnings Suspense File = \$463 billion



# Political Realities



# History of 'Imported' Labor

- Chinese immigrants
  - trans-continental railroad, 1860s
- Mexican Bracero immigrants
  - southwestern agriculture, 1940s
- Mexican, Latin American, Asian immigrants, 1970s on
  - agriculture, construction, service, & “non-tradeables”



# **‘Importing’ Labor is Complicated**

- **Workers vs. citizens**
- **Facilitates:**
  - Limiting rights
  - Social divisions
  - Inherent power imbalance

# Politics of Immigration Debates

	<i>Immigrant Admission Should Be</i>	
<i>Immigrant Rights Should Be</i>	<u><i>Expanded or Maintained</i></u>	<u><i>Restricted</i></u>
<u><i>Expansive</i></u>	<b>Cosmopolitans</b> Edward Kennedy (D-MA)	<b>Nationalist Egalitarians</b> Diane Feinstein (D-CA)
<u><i>Restrictive</i></u>	<b>Free-Market Expansionists</b> <i>Jeff Flake (R-AZ)</i>	<b>Classic Exclusionists</b> <i>Tom Tancredo (R-CO)</i>

\*From Tichenor, Daniel, *Dividing Lines: The Politics of Immigration Control in America*, Princeton University Press, Princeton University, 2002.



# Major Themes and Conclusions

- Today's immigration reflects a global economy
- Economic and fiscal impacts are complex
- U.S. culture is robust in the presence of immigrants' diversity
- Current laws reflects complex political cross-currents and interests
- Reform will be difficult and political voice is uneven