



## COMMON-SENSE PRINCIPLES FOR IMMIGRATION REFORM

As Arizona's controversial new immigration law makes clear, Americans are frustrated about immigration. While we share Arizona's frustration, we strongly reject its approach. Congress must act to reform our immigration system—it is critical to our national security, our economy, and who we are as a nation. As the President has said, "failure to act responsibly at the federal level will only open the door to irresponsibility by others." To promote responsible action, we propose a common-sense approach. Our approach is similar to that of a broad-based coalition of Texas employers that have joined together as Texas Employers for Immigration Reform (TEIR). This convergence of views says something important: The divide on immigration is not between business and workers or conservatives and progressives; it is between the informed and the uninformed. If our nation follows common-sense principles, we can reform our immigration system in a way that protects our national security, strengthens our economy, enhances labor standards for all workers, and honors American traditions and constitutional principles.

### Immigration Reform is Imperative

Immigrants and their children are a growing economic and political force as consumers, taxpayers, and entrepreneurs. One in six Texans is an immigrant, according to the U.S. Census Bureau, and 30.9 percent of the foreign-born population are naturalized U.S. citizens who are eligible to vote. Immigrants make up 20.6 percent of Texas' workforce<sup>1</sup> and add tens of billions of dollars and hundreds of thousands of jobs to Texas' economy each year.<sup>2</sup>

Our economy relies on the contributions of immigrants—both authorized and undocumented. However, the large population of undocumented immigrants presents unique challenges that must be addressed. Undocumented workers make up approximately seven percent of the Texas workforce,<sup>3</sup> which creates a black market for labor that drives down wages and labor standards for all workers. Providing adequate opportunities for legal migration would facilitate the enforcement of labor laws and improve conditions for everyone in the low-wage labor market.

Ensuring that future immigration is regulated and controlled, rather than illegal and chaotic, will pave the way for a sensible enforcement strategy capable of targeting

genuine security threats by those who seek to do the country harm. However, this strategy must be coupled with vigorous enforcement of civil rights and labor laws, and protection of due process and human rights.

As the nation strives for economic recovery, immigrants and their children can play a key role in shaping our economic future. In support of this goal, reform of our immigration policy should:

- Bolster, not undermine, the contributions that immigrants make to our economy;
- Improve labor standards and increase wages for all workers;
- Enhance our national security and safety; and
- Respect human rights.

### Immigration Helps Our Economy America Needs Immigrant Labor

Even though we are in the midst of an economic recession with high unemployment, the fact remains that because of declining native birth rates and the aging of the Baby Boom generation, the United States faces a potential labor

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shortage. Many economists, including former Federal Reserve Chairman Alan Greenspan, have repeatedly recommended easing the restrictions on immigration as a way to deal with anticipated labor shortages caused by baby boomer retirements. Experts predict that new immigrants will account for between one-third and one-half of the growth in the labor force through 2030.<sup>4</sup> As our native-born population ages, the contributions of immigrants and their children will become even more critical to our economic competitiveness.<sup>5</sup>

### **America Benefits from Immigrant Entrepreneurship**

In addition to providing vital labor, immigrants fuel economic growth through entrepreneurship. In a study of the role that growing immigrant populations play in “kick-starting” local economies in many of the nation’s urban centers, the Center for an Urban Future called immigrants the “entrepreneurial sparkplugs of cities from New York to Los Angeles—starting a greater share of new businesses than native-born residents, stimulating growth in sectors from food manufacturing to health care, creating loads of new jobs, and transforming once-sleepy neighborhoods into thriving commercial centers.” The study further found that immigrant entrepreneurs are also becoming one of the most consistent sources of economic growth in urban economies. While other sectors fluctuate wildly through cycles of boom and bust, immigrant entrepreneurs fuel business and job creation during both good and bad times.

### **Immigration Creates Economic Opportunity for Native Workers**

Whether immigrant workers take jobs from natives or lower their wages is hotly debated. Certainly low-skilled native workers who compete directly against low-skilled immigrant workers stand to lose individually. But studies have not found immigration to affect the overall employment rates of natives or depress overall wages. In fact, research shows that immigration does not lower the wages of even low-skilled natives, with the exception of high school drop-outs, who represent only a fraction of the workforce, and actually raises the wages of high-skilled natives.<sup>6</sup> Between 1990 and 2000, for example, although

2.9 million undocumented immigrants joined the labor force, the unemployment rate dropped from 6.3 percent to 3.9 percent. Experts explain this phenomenon by noting that native workers generally are not competing with immigrants for jobs in low-skilled occupations. Instead, immigration increases the unskilled labor supply, allowing businesses to increase total economic output, thus creating more specialized, higher-wage jobs for “complementary” native workers.

### **Ending the Black Market for Undocumented Immigrant Labor Would Help Native Workers**

In assessing the impact of immigration on wages and working conditions, it is important to distinguish between lawful and unlawful immigration. A large population of undocumented immigrant workers allows a black market for labor that facilitates rogue employers in violating labor laws, thereby depressing wages and creating undesirable working conditions for immigrants and natives alike, particularly in the low-skilled labor market. Just as undocumented workers cannot complain about wages and conditions, native workers cannot complain if they fear being replaced by undocumented workers. On the other hand, if the labor pool consists of immigrants authorized to work in the United States along with native workers, then workers can seek enforcement of labor laws relating to wages and conditions. Of course, improving conditions for everyone in the low-wage labor market remains critically important and should be part of any immigration strategy. By focusing on stronger labor law enforcement, high-skilled job training, and economic development strategies that encourage companies to create and maintain good jobs, government can improve working conditions for native workers and immigrants at the same time.

### **Studies Establish a Net Positive Contribution to the Economy**

Research has consistently shown that immigrants, skilled and unskilled, are an important part of our economy, labor force, and tax base. In 2008, immigrants accounted for 15.7 percent of the U.S. workforce and more than one-fifth of the Texas labor force. In Texas, immigrants add tens of billions of dollars and hundreds of thousands of

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jobs to Texas' economy each year. In 2009, the combined purchasing power of Latinos and Asians totaled \$208.8 billion, according to the Selig Center for Economic Growth at the University of Georgia.<sup>7</sup>

Despite these contributions, some question whether immigrants take more in services than they contribute as workers, entrepreneurs, consumers, and taxpayers. Again, it is important to distinguish between lawful and unlawful immigration. The exact same immigrant doing the exact same job may have a different impact on the economy depending upon whether they are lawfully or unlawfully present. As we point out above, if immigrants are here lawfully and thus able to comply with our laws, they would make an even greater contribution than otherwise. Even so, research on the net impact of the *undocumented* population on the national economy for the most part consistently finds that immigrants make a net positive contribution—fueling job creation, growing the tax base, reducing the cost of good and services, and contributing to the solvency of the retirement system. The Social Security Administration has estimated that undocumented immigrants contribute approximately \$8.5 billion in Social Security and Medicare funds each year.<sup>8</sup>

According to a 2006 study by the Texas Comptroller, undocumented migrant workers contributed \$17.7 billion to the Texas economy in 2005, and paid \$1.581 billion in state sales taxes, fees, and school property taxes. In contrast, the state's costs for public education, health care, and incarceration of undocumented immigrants totaled only \$1.156 billion.<sup>9</sup>

In 2008, unauthorized immigrants comprised 7.9 percent of the state's workforce, according to the Pew Hispanic Center.<sup>10</sup> The loss of undocumented labor in Texas would have serious repercussions. A 2008 study by The Perryman Group calculated that if all unauthorized immigrants were removed from Texas, the state could lose \$69.3 billion in expenditures, \$30.8 billion in economic output, and approximately 403,174 jobs, even accounting for adequate market adjustment time.<sup>11</sup>

## Immigrants and Public Safety

Arguments that immigrants are more likely to commit crime are unfounded. In fact, dozens of studies on the correlation between crime and immigration have found the opposite to be true.<sup>12</sup> A 2007 study by the Immigration Policy Center found that, nationwide, native-born men ages 18-39 were five times more likely to be incarcerated than their foreign-born peers. Further, the study found that, while the undocumented population doubled between 1994 and 2005, violent crime declined by almost one-third, and property crimes fell by more than one-quarter.<sup>13</sup>

In addition to examining the impact of immigration on crime rates, researchers also have studied whether undocumented workers are more likely to be *victims* of crime. The results of this research suggest that undocumented workers are both more vulnerable to crime, because they are known to deal largely in cash, and have fewer means for dealing with crime because they are often afraid of law enforcement.<sup>14</sup> In the short-term, policymakers can address this problem through appropriate intervention by law enforcement, the courts, and local social service agencies. In the long term, the best way to prevent the exploitation of undocumented workers is to bring immigrants out of the shadows by providing sufficient opportunities for lawful migration.

## Fixing a Broken System

### What's wrong with the current system?

Because our current immigration policy does not reflect the need for immigrants in the U.S. labor market, it fails to regulate the flow of immigrants in a manner that is beneficial to our economy. While abundant economic opportunities exist for immigrants in the United States, they have to enter the country illegally to take advantage of them. This not only hurts the economy by depriving employers of a legal workforce to meet legitimate business needs, it also undermines our national security, because the government cannot track the flow of these undocumented immigrants. Moreover, it leads to human rights abuses of the immigrants themselves.

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Attempts over the last decade to fix our broken immigration system have failed because they have been one-sided, focusing solely on beefing up enforcement while ignoring the real economic need for immigration. From building a border fence, to workplace raids, to “deputizing” everyone from landlords to social workers as enforcers of federal immigration law, these policies have proven impractical, ineffective, and costly. In fact, the research suggests that tighter border enforcement and increased penalties for illegal entry may actually have increased the population of undocumented immigrants by creating an incentive for those who succeed in entering the United States to stay.<sup>15</sup> One immigration expert called this a “perverse cycle whereby additional border enforcement further decreases the rate of return migration, which accelerates undocumented population growth, which brings calls for harsher enforcement.”<sup>16</sup>

### **Towards a New Approach**

America needs a new approach to managing immigration. Texas Employers for Immigration Reform (TEIR) call for a market-driven system of temporary immigrant workers combined with clear, sensible enforcement, disincentives for illegal immigration, enhanced border security, and a path to legal status for undocumented workers currently in the United States. CPPP is in general agreement with this approach. Rather than erecting costly physical barriers at the border and continuing to invest more in border enforcement, we need an efficient and sensible immigration system that is market-driven and vigorously enforced. Such an approach would enhance our national security, strengthen our economy, and minimize human suffering. At a minimum, a new immigration policy should include a sufficient guest-worker program to meet our country’s labor needs, an entry-exit system capable of tracking immigrants within the United States, and enforceable labor laws to prevent exploitation of workers by employers. An ideal guest-worker program should offer temporary work permits to undocumented workers now in the United States and address future labor needs. To prevent the development of a disenfranchised underclass

within our democracy, we must give workers and their families an option to pursue a realistic path to citizenship.

### **The Federal Government Should Have Sole Responsibility for Immigration**

As Arizona’s new law shows, frustration with Congress’ failure to enact immigration reform is high. Over the last decade, a growing number of states and local governments have enacted laws and ordinances curtailing basic services for undocumented immigrants, including health care and in-state tuition at public colleges. Other initiatives prevent undocumented immigrants from renting homes and apartments and obtaining driver’s licenses or state identification cards.

These approaches are misguided and unwise. Immigration policy and border enforcement are a federal responsibility. Cities and counties lack the funds and law enforcement personnel to participate in immigration law enforcement. Besides diverting limited resources from state and local budgets, experience has shown that it impairs the relationship between immigrant communities and law enforcement officials and had led to increased racial profiling and civil rights violations.

Restricting access to public services is also short-sighted. Denying health care for low-income immigrants leads to more costly chronic disease and other illness, an uneducated population will earn less and therefore contribute less, and laws that keep undocumented immigrants from obtaining driver’s licenses jeopardize everyone’s safety. Instead of wasting its limited resources on policing the border, Texas should maintain access to critical public services for undocumented immigrants and their children in the interest of having a healthy and educated population and increasing our economic competitiveness.

### **Conclusion**

To maintain national security, we must be able to control our borders. To grow our economy, we must welcome immigrants who want to work and who have the skills we need. And, we must enforce our laws in a way that honors American traditions and constitutional principles. We can

do all this through a common-sense, fact-based approach to immigration reform.

## Reliable Resources

This short paper is not a plan for comprehensive immigration reform. Our nation has much work ahead to develop a detailed plan. Every American should participate in the discussion. As the national debate unfolds, the following resources will provide reliable information and analysis and help you evaluate our choices:

- [American Immigration Council](#)
- [Immigration Policy Center](#)
- [Migration Policy Institute](#)
- [National Immigration Law Center](#)
- [Pew Hispanic Center](#)
- [The Urban Institute](#)

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<sup>1</sup> “Selected Characteristics of the Native and Foreign-Born Populations,” 2007 American Community Survey, U.S. Census Bureau.

<sup>2</sup> “An Essential Resource: An Analysis of the Economic Impact of Undocumented Workers on Business Activity in the U.S. with Estimated Effects by State and by Industry,” The Perryman Group, 2008. [http://americansforimmigrationreform.com/files/Impact\\_of\\_the\\_Undocumented\\_Workforce.pdf#page=69](http://americansforimmigrationreform.com/files/Impact_of_the_Undocumented_Workforce.pdf#page=69)

<sup>3</sup> “Portrait of Unauthorized Immigrants,” Pew Hispanic Center, April 14, 2009. <http://pewhispanic.org/files/reports/107.pdf#page=40>

<sup>4</sup> “Immigrants and Labor Force Trends: The Future, Past and Present,” Lowell, Gelatt, Batalova, Et Al., Migration Policy Institute, July 2006.

<sup>5</sup> “Why Reform Is Essential to Immigrant Integration” Daranee Petsod, *New Americans*, Vol. 5, Issue 2, Fall 2006.

<sup>6</sup> “Mexican Immigrant Workers and the U.S. Economy: An Increasingly Vital Role,” American Immigration Law Foundation, Washington, D.C., September 2002.

<sup>7</sup> “The Multicultural Economy,” Selig Center for Economic Growth, Terry College of Business, The University of Georgia, Jeffrey M. Humphreys, 2008.

<sup>8</sup> “Immigrant Union Members Facts and Numbers,” Migration Policy Institute, May 2004.

<sup>9</sup> “Undocumented Immigrants in Texas: A Financial Analysis of the Impact to the State Budget and Economy,” Office of the Texas Comptroller, 2006.

<sup>10</sup> “Portrait of Unauthorized Immigrants,” Pew Hispanic Center, April 14, 2009. <http://pewhispanic.org/files/reports/107.pdf#page=40>

<sup>11</sup> “An Essential Resource: An Analysis of the Economic Impact of Undocumented Workers on Business Activity in the U.S. with Estimated Effects by State and by Industry,” The Perryman Group, 2008. [http://americansforimmigrationreform.com/files/Impact\\_of\\_the\\_Undocumented\\_Workforce.pdf#page=69](http://americansforimmigrationreform.com/files/Impact_of_the_Undocumented_Workforce.pdf#page=69)

<sup>12</sup> For a summary of this research, see “Immigrants and Crime: Are They Connected?” Immigration Policy Center, October 25, 2008.

<sup>13</sup> Rubén G. Rumbaut & Walter A. Ewing, “The Myth of Immigrant Criminality and the Paradox of Assimilation: Incarceration Rates among Native and Foreign-Born Men,” Immigration Policy Center, American Immigration Law Foundation, Washington, D.C., Spring 2007.

<sup>14</sup> “Hidden Victims: An Examination of Crimes Against Illegal Immigrants,” Bucher, Jake. and Tarasawa, Beth. Paper presented at the annual meeting of the American Society of Criminology, Atlanta Marriott Marquis, Atlanta, Georgia, Nov 14, 2007; and “Immigrants As Victims of Crime and Deviance: A Meta-Survey,” McDonald, William. Paper presented at the annual meeting of the American Society of Criminology (ASC), Los Angeles Convention Center, Los Angeles, CA, November 1, 2006.

<sup>15</sup> “Backfire at the Border: Why Enforcement without Legalization Cannot Stop Illegal Immigration,” Douglas S. Massey, Center for Trade Policy Studies, Cato Institute, June 13, 2005.

<sup>16</sup> “The Wall That Keeps Illegal Workers In,” Douglas S. Massey, *The New York Times*, Op-ed, April 4, 2006.