

THE TRUTH ABOUT IMMIGRANTS

WHY IMMIGRANTS ARE CRUCIAL TO OUR ECONOMY

IMMIGRANT WORKERS PROVIDE OUR ECONOMY WITH GOODS AND SERVICES THAT WE RELY ON

- Immigrants don't just pick, process, and serve us our food, sew our clothes, and take care of our children—they're an important part of every sector of New York's economy. In New York City, immigrants make up 20 to 80 percent of the workers in almost every occupation. Upstate, significant numbers of immigrants work as doctors, nurses, professors, and accountants—in fact, there are three times more immigrant doctors than there are immigrant landscapers upstate.ⁱ
- Nearly half of our agricultural workforce is made up of undocumented immigrants.
- Immigrants are crucial if we want to maintain our competitive edge in a rapidly globalizing economy. Since 1990, over fifty percent of U.S. Nobel laureates in the sciences have been immigrants.ⁱⁱ
- One in every five doctors is an immigrant, as is one in six workers in the science and engineering fields.

IMMIGRANT ENTREPRENEURS OWN SMALL BUSINESSES THAT FUEL OUR ECONOMY

- Immigrant entrepreneurs bring innovative ideas, skills, business connections and social networks to the U.S. when they start businesses.
- Immigrants are far more likely to start small business than are native-born adults, and these numbers are rising annually. In the last decade, the number of businesses in New York City grew by 9.6 percent, but many immigrant neighborhoods saw phenomenal growth in new businesses, such as Flushing (55 percent), Sunset Park (47 percent), and Brighton Beach (34 percent).ⁱⁱⁱ
- Immigrant small-business owners attract investment capital from their home countries to fuel local economies.

IMMIGRANT CONSUMER DEMAND IS AN IMPORTANT FACTOR IN OUR NATION'S ECONOMIC GROWTH

- Immigrant consumers increase economic demand for products and services. For example, immigration is a major contributor to the expansion of Hispanic and Asian-American consumer markets—an estimated 12 percent of the nation's 2004 purchasing power.^{iv}
- Immigrants are important players in the housing market. A Harvard University study found that 12 percent of first-time homebuyers in 2001 were immigrants.^v
- Immigrants, including the undocumented, will be an important market for the 34 million homes owned by the baby boom generation that will go on the market over the next two decades, because immigrants who have lived in the U.S. for twenty years or more have a homeownership rate that is identical to that of the native-born.^{vi}

THE ECONOMY IS NOT A ZERO-SUM SYSTEM

- The economy is not a closed, zero-sum system where an immigrant's job is necessarily taken from an American. The economy is dynamic, and the presence of able-bodied, hard-working immigrants

contributes to the growth of the economy and the creation of new jobs that wouldn't exist if immigrants weren't here.

- The broad consensus among economists is that immigration is an overall net positive for the economy and that immigration does *not* drive down the wages of most native-born workers. There is some debate about the impact on native-born workers who haven't finished high school, but even here, many studies have found little or no negative effect on wages and employment prospects.^{vii} It is important to understand that immigrants do not simply take American jobs—the economy can create as many jobs as there are available workers as long as certain conditions exist, such as flexible, open labor markets open to all workers on an equal basis.^{viii}
- Immigrants do more than increase the supply of labor; they also contribute to the growth of the economy through increased consumer demand, new businesses and the creation of new jobs. All of these benefits add new vitality to our economy.
- Some unscrupulous employers do play a considerable role in threatening native wages by systemically exploiting their immigrant laborers. Many employers may be less likely to hire native workers if they can save money by hiring immigrant workers who may not be able to assert their rights in the workplace.
- Ensuring a level playing field for all workers by fighting exploitation and strengthening the workplace rights of all workers is the best way to protect wages and working conditions for all.

IMMIGRANT TAXES SUSTAIN PROGRAMS THAT AMERICANS RELY ON, ESPECIALLY SOCIAL SECURITY

- All immigrants just like all U.S. residents, pay sales tax and property tax.
- Immigrants, including many undocumented immigrants, pay income taxes. The I.R.S. estimates that undocumented immigrants paid nearly \$50 billion in federal income taxes between 1996 and 2003.^{ix}
- Most undocumented immigrants pay payroll taxes. The Social Security Administration estimates that about three-quarters of undocumented immigrants have Social Security and Medicare taxes withheld from their paychecks.^x These programs, for which undocumented immigrants are ineligible, provide vital income support and healthcare for elderly Americans.
- Immigrants are crucial to the long-term viability of our Social Security system. Our Social Security system's solvency is currently at risk as the baby-boom generation begins to retire and there are fewer working people paying into the system. Immigrants are crucial to keeping our Social Security system robust because they are younger and tend to have more children than the native-born, thereby slowing the decline in the ratio of workers to retirees.^{xi}
- Analysts say that at current immigration levels, new immigrants entering the U.S. will provide a net benefit of \$407 billion to the Social Security system over the next 50 years.^{xii}
- Since undocumented immigrants cannot collect Social Security, their contributions go directly into the pockets of those who are eligible to collect Social Security during their retirement. The U.S. Social Security Administration estimates that undocumented immigrants contribute \$6-7 billion in Social Security funds that they cannot ever collect.^{xiii}
- Immigrants pay more in taxes than they use in services. According to the National Research Council and National Academy of Sciences, the average immigrant pays \$1,800 more in taxes than she receives in government benefits.^{xiv} The 2005 Economic Report of the President agreed that over time, the benefits of immigration exceed the costs.

ⁱ Fiscal Policy Institute analysis of CPS ORG files 2001-06 (numbers are six-year averages).

ⁱⁱ Neeraj Kaushal and Michael Fix, "The Contributions of High-Skilled Immigrants", Migration Policy Insight No. 16 (2006).

ⁱⁱⁱ "A World of Opportunity," Center for an Urban Future, February 2007. http://www.nycfuture.org/images_pdfs/pdfs/IE-final.pdf

^{iv} Jeffrey M. Humphreys, "The Multicultural Economy 2004: America's Minority Buying Power", Georgia Business and Economic Conditions (2004): <http://www.selig.uqa.edu/forecast/GBEC/GBEC043Q.pdf>

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- ^v Joint Center for Housing Studies of Harvard University, "The State of the Nation's Housing 2004", (2004): <http://www.jchs.harvard.edu/publications/markets/son2004.pdf>.
- ^{vi} Brian K. Ray, Demetrios Papademetriou and Maia Jachimowicz, "Immigrants and Homeownership in Urban America: An Examination of Nativity, Socio-Economic Status and Place," Migration Policy Institute (2004).
- ^{vii} For example, see: Robert J. LaLonde and Robert H. Topel, "Immigrants in the American Labor Market: Quality, Assimilation and Distributional Effects," American Economic Review 81 no. 2 (1991); Kristin F. Butcher and David Card, "Immigration and Wages: Evidence from the 1980s", American Economic Review 81 no. 2 (1991); Stanley L. Engerman and Ronald W. Jones, "International Labor Flows and National Wages", American Economic Review 87 no.2 (1997); David Card, "Immigrant Inflows, Native Outflows, and the Local Labor Market Impacts of Higher Immigration," National Bureau of Economic Research (1997); Rakesh Kochar, "Growth in the Foreign-Born Workforce and Employment of the Native Born," Pew Hispanic Center (2006). David Card, "Is the New Immigration Really So Bad?" Institute for the Study of Labor (2004).
- ^{viii} Jeffery Abarbanell et al. "Open Letter on Immigration," (2006). <http://www.independent.org/newsroom/article.asp?id=1727>
- ^{ix} Amy Traub, "Principles for an Immigration Policy to Strengthen and Expand the American Middle Class," Drum Major Institute for Public Policy, 2007. <http://drummajorinstitute.org/immigration/>.
- ^x Eduardo Porter, "Illegal Immigrants are Bolstering Social Security with Billions," *New York Times*, April 5, 2005
- ^{xi} Traub.
- ^{xii} Stuart Anderson, "The Contribution of Legal Immigration to the Social Security System," National Foundation for American Policy, (2005): <http://www.nfap.net/researchactivities/studies/SocialSecurityStudy2005Revised.pdf>
- ^{xiii} Randolph Capps and Michael E. Fix, "Undocumented Immigrants: Myths and Reality," The Urban Institute, (2005): <http://www.urban.org/publications/900898.html>.
- ^{xiv} James P. Smith & Barry Edmonston, Editors, *The New Americans: Economic, Demographic, and Fiscal Effects of Immigration*. Washington, DC: National Research Council, National Academy of Sciences Press (1997).

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